



VICTORIAN ARTS CENTRE TRUST

# Annual Report

## 2021-2022

**Arts Centre Melbourne acknowledges the Traditional Owners of the land on which we are located, the land of the Wurundjeri Woi Wurrung People and pay our respects to Elders, past and present.**

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 58.

**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 2022.



**Ian Carson AM**  
President  
Victorian Arts Centre Trust

**ABBREVIATIONS USED IN THIS REPORT**

"F2022" refers to the 2021-22 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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The Wilds.  
Photo Ian Laidlaw.

# About Us

## Arts Centre Melbourne

Arts Centre Melbourne sits on the lands of the Wurundjeri Woi Wurrung People. The site has been a gathering place for storytelling, community and culture for First Nations people for millennia.

In recent times, the same place has become home to the Melbourne Arts Precinct – one of the largest concentrations of cultural and creative organisations and artists in the world.

Built into the banks of the Birrarung (Yarra River) and extending below the water table, Arts Centre Melbourne was constructed with ingenuity, guts and sheer determination. This limitless imagination and creativity are reflected in the performances, events and experiences on and beyond our stages. As we reimagine what a future performing arts centre could look like, we are approaching our future with the same ambition, faith and courage with which we were founded.

Our ever-evolving program speaks as much to who we are, as to who we could be. Our partnerships, government and philanthropic support, commissions, education, and digital offers see the best emerging and established artists, makers and presenters bring their art to life. Together we inspire and connect audiences, no matter who or where they are.

We are proudly home to four Resident Companies: The Australian Ballet, Melbourne Symphony Orchestra, Melbourne Theatre Company and Opera Australia. We are also home to many of our state and national performing arts companies and major festivals including Bangarra Dance Theatre, Australian Chamber Orchestra, Ilbijerri Theatre Company, Victorian Opera, Circa, Bell Shakespeare, RISING and Melbourne International Comedy Festival.

We invest in world-leading technical capability and training through our Arts Industry Learning program to provide the performing arts sector with more of the skills it needs to flourish. We support the mental health and wellbeing of our sector through the Arts Wellbeing Collective – a preventative health initiative that promotes positive mental health in the performing arts industry.

We share stories of contemporary Australian performing and visual arts through our custodianship and display of the world-class Australian Performing Arts Collection, Australian Music Vault and Public Art Collection. We believe that hospitality is at the heart of a shared experience – from the moment we welcome visitors until they head home.

# President's Report

2021 – 2022

**While the brunt of the global COVID-19 pandemic has yet to completely exit our lives, Arts Centre Melbourne has adapted its operations and continues to move forward into recovery with the full support of the Trust.**



Ian Carson AM  
Photo Josh Robenstone.

The organisation has emerged with confidence thanks to considerable work done in the previous 12 months to plan for a safe work environment and to re-focus our approach to our everyday activities.

Key foundations have come with the organisation's four strategic focus areas and the recognition of the work needed to create effective and long-lasting change: First Nations Culture, Equity and Inclusion, Gathering Place (COVID-19 Recovery and building sector consumer confidence, and Sustainable Future (Reimagining Arts Centre Melbourne).

The Trust's commitment to First Nations culture as a strategic priority aligns directly with the Victorian Government's commitment to self-determination.

Similarly, the organisation's commitment to equity and inclusion is aligned to the Government's equality agenda, including the whole-of-government LGBTIQ+ strategy, gender equality strategy and Inclusive Victoria – State Disability Plan.

I acknowledge the continued support we have received from the Victorian Government. The Premier, Daniel Andrews; Treasurer, Tim Pallas; the former Minister for Creative Industries, the Hon Danny Pearson MP; the recently appointed Minister, Steve Dimopoulos MP; and Creative Victoria have supported our recovery and industry leadership strategy every step of the way.

I thank the Government for its continued faith in our approach. This support will be critical for our sustainability and contribution in coming years, and we welcome Government's ongoing support.

Thanks must also extend to our generous donors who, even under the pressure of COVID-19 restrictions, did not waiver in their continued support for all our activities. We could not have done it without you.

The ups and downs of the year have kept the Trustees alert to both the challenges and the opportunities the organisation has had at its feet, I thank them for their diligence and patience as planning for the

future continues to evolve. During the year we welcomed new Trustees, Professor Kerry Arabena and Kee Wong, and I look forward to the year ahead as they bring their respective skills, experience and insights to the Trust.

Our role as Trustees is to ensure Arts Centre Melbourne delivers on the responsibilities and obligations required under the Victorian Arts Centre Act 1979, and to guide, support and assist in decision-making as required by the CEO and Executive.

My time as President began with the impressively skilled Claire Spencer AM in the role of CEO. For seven years she was a guiding light for the organisation, helping it emerge from difficult times and then working tirelessly through the many issues brought on by COVID-19. Her departure, to commence as inaugural CEO of London's Barbican Centre, sees her begin a new adventure, leaving our organisation in great shape and in the safe and trusted hands of Interim CEO Leanne Lawrence and her fellow Executives over the recruitment period.

After an international search, renowned and respected arts administrator curator, and current CEO of the National Portrait Gallery in Canberra, Karen Quinlan AM, was appointed as new CEO of Arts Centre Melbourne, commencing in the role in October 2022.

As always, the team at Arts Centre Melbourne continues to strive for the best in performing creativity and leadership. As Trustees, we thank them for their steadfast dedication, and passion, energy and vision.



**Ian Carson AM**  
President  
Victorian Arts Centre Trust

# Chief Executive's Report



Leanne Lawrence  
Photo Mark Gambino.

## Our continued recovery

Despite the enduring impacts of the global pandemic, the fortitude and determination of our team has provided a unified purpose throughout this year and produced considerable success markers for Victoria's live performance industry.

As we navigated venue closures for most of the first part of the year, we tackled these roadblocks without hesitation, undertaking complex, sometime multiple rescheduling where necessary, and ultimately delivering a huge body of work.

The iconic outdoor Sidney Myer Music Bowl once again led the charge, with a successful return of the Live at the Bowl program. This comprised a diverse and inclusive line-up of performances that returned our audiences eager for face-to-face connection with artists and their creativity. The smiles on their faces and the applause said it all.

Slowly but surely our indoor venues have returned to high utilisation levels with our major presenters and festival partners including RISING enjoying a welcome return to the theatres and to Hamer Hall.

It was wonderful to see audiences packing out theatres again for sell-out blockbusters like *The Picture of Dorian Gray*, literally, the hottest ticket in town, legendary band, *Crowded House* at the Bowl, and popular seasons by Melbourne Theatre Company, Melbourne Symphony Orchestra, The Australian Ballet and Opera Australia.

## Our supporters and partners

While the pandemic's interruptions have impacted our opportunity to bring artists and audiences together, our generous donors have been by our side continuing to help the organisation deliver as much creative output as possible. Their support for new projects and old favourites has ensured the theatre lights remained on, and that our activities reach far and wide through the community. I thank all our donors and partners for their trust in what we do, and I also acknowledge the important work done by the Arts Centre Melbourne Foundation in supporting our philanthropic activities.

In addition, the government's positive commitment to our future was demonstrated powerfully with the announcement of an additional \$241 million investment to fast track the State Theatre auditorium upgrades.

Alongside the simultaneous Transforming Arts Centre Melbourne project (a renewal of the way we work as an organisation) RACM takes the organisation into its most exciting period since the doors were opened nearly 40 years ago. We are well prepared for the challenge and our team of skilled and experienced experts are delivering on the project's ambitions.

Partnerships continued to play an important role in the success of our business. I take this opportunity to welcome new partners and to thank those who have continued to come with us on this journey. I especially acknowledge the wonderful relationship we have developed

with our new First Nations media partner 3KND KoolNDeadly. This partnership offers an important opportunity for us to find our voice in the community, deepen connections to First Nations peoples, and really live our commitment to 'nothing about us, without us.'

Throughout the year, our focus on our people and their wellbeing has been front of mind in everything we do. Reinforcing this approach has been the finalisation of a new Enterprise Agreement delivering outcomes for our team that will boost secure employment and add new entitlements to support our focus on equity and inclusion.

## Our commitment

There has been considerable work undertaken in the area of relationship-building with both Traditional Owners and First Nations community leaders across the creative industries. We are grateful for the learnings gifted to us by the Wurundjeri Council and are committed to walking alongside Traditional Owners on the road to reconciliation.

We commissioned Yorta Yorta writer, Daniel James, to work with us to produce Our Commitment statement, informed by many hours listening to the words of First Nations people, and other communities and individuals during a series of conversations held in 2020.

Our Commitment is the centrepiece of our organisational approach and strategy to First Peoples. It recognises the history of this country since settlement, while moving us forward in a way that locates every person in its words – while it sits within our hearts.

Importantly we recognise that to make meaningful change the organisation must have leadership and governance positions that are able to guide and lead this critical work. The appointment of a new Executive Director in F2023 will provide another crucial First Nations voice across the organisation.

## Our focus

This year we continued to organise our work under a three-pillar operating model, anchored in our learnings from extensive internal and external consultations.

The focus areas concentrated primarily on keeping the business running, returning to a financially stable and sustainable position, and continuing the momentum of shaping our future.

## Thanks

I took on the role of Interim CEO early in 2022 following the departure of Claire Spencer AM. I followed in her impressive footsteps with the knowledge that her time with Arts Centre Melbourne saw the organisation well set up for the future. I acknowledge and thank my fellow Executive team members for the resounding support and commitment to maintaining our focus and drive, looking after our people, and delivering on our plans and purpose.

Finally, I acknowledge the support of the Trust, and President Ian Carson AM, for placing their trust and faith in me as Interim CEO. It has been an honour to lead this extraordinary team during a time of change and transformation.



**Leanne Lawrence**  
Interim Chief Executive Officer  
Arts Centre Melbourne

# Arts Centre Melbourne



**Together  
Experiences  
videos**

**reached 4.7  
million people**

**Arts Wellbeing Collective delivered:**

**121**

**presentations  
and workshops  
to more than**

**1,116**

**participants**

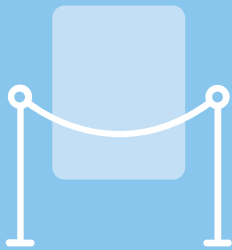
**Five Mental Health  
Matinee Webinars**  
(60-MINUTE ONLINE SESSIONS)



**Seven print and online resources  
designed to support wellbeing  
across the performing arts industry**



**provided 14 individualised support and training  
sessions for arts organisations and companies.**



**780,171**

**Total Number  
of items in the  
Collections**

**9,986**

**Number of  
donations**

**\$78,647,823**

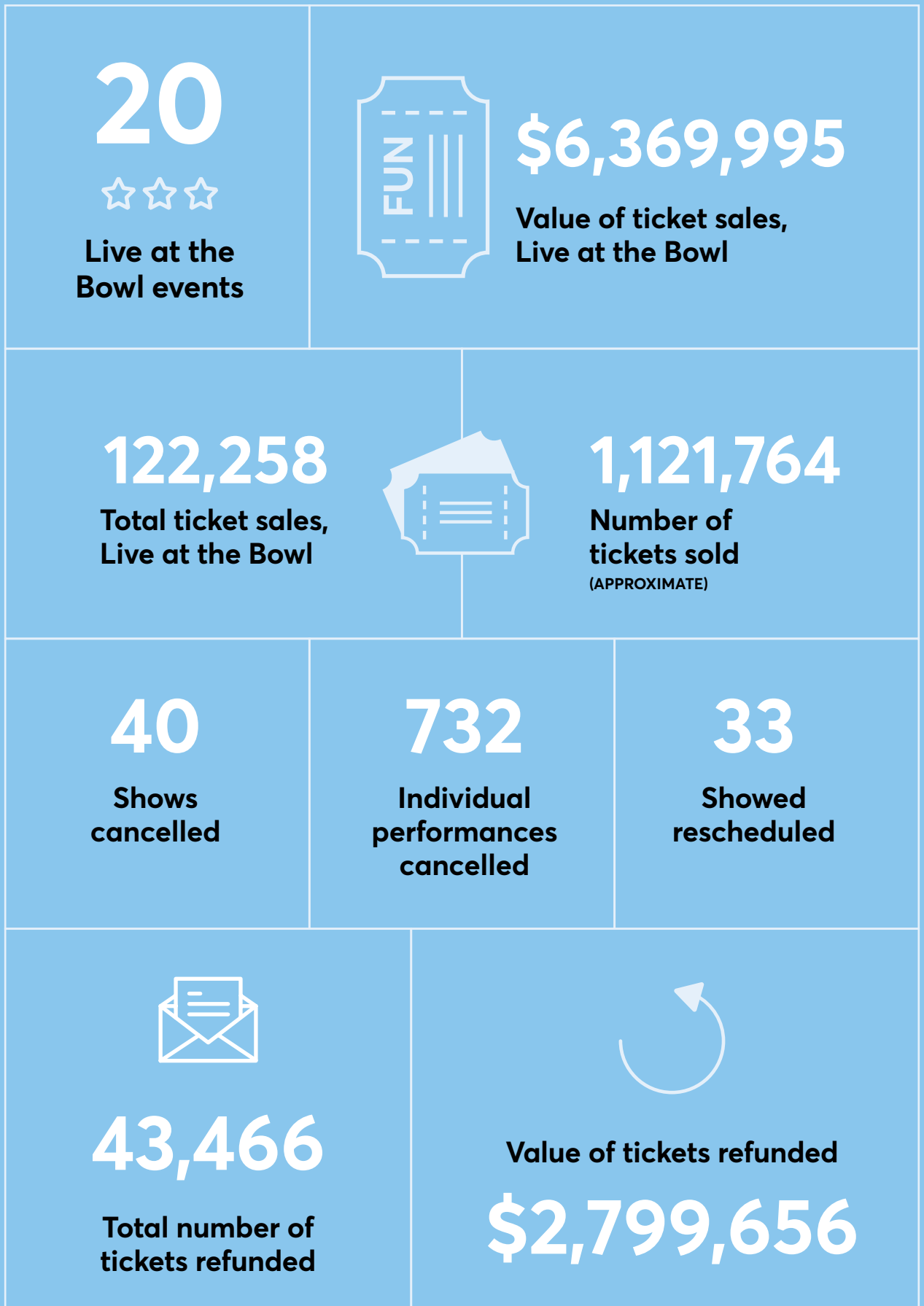
**Total and combined  
value of the Collections**

**2,352**

**Number of  
acquisitions to  
the collections**

# by numbers

2022



# Don't take our word for it!

## Live at the Bowl 2022

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"A hefty schedule of live music, dance, circus and comedy is heading to the iconic open-air stage"

Concrete Playground

"Lovers of Aussie indie goodness rejoice; The Push and Arts Centre Melbourne have teamed up to bring you the festival of your dreams this April!"

Student Edge

"A Bowl of movers and shakers"

Herald Sun

"What would Melbourne be without the Sidney Myer Music Bowl filling the CBD with sweet sounds, comedy and everything in between?"

SITCHU

## MEGAMIX Social

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"This is a fantastic opportunity to take your students to one of the world's great arts institutions and let them get completely immersed in creative, exciting activities"

Education HQ

"It's time to ramp up the fun, get creative and make some connections at MEGAMIX Social. This is a free program of world-class performing arts experiences at Arts Centre Melbourne and you can access fully subsidised tickets throughout 2022."

Education HQ

## Play On Victoria

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"We're coming back. We're reclaiming and remembering the things missed out on. It's a renaissance and a rebirth of live music."

Minister of Creative Industries  
– Danny Pearson via Sydney Morning Herald

"Hope is on the horizon for one of the most important cultural institutions this or any other country has to offer. Live music is back, now long may you, play on, Victoria."

Music Feeds

"Music lovers swoon at Music Bowl concert."

The Age

## Arts Wellbeing Collective

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"Beautifully designed, incorporating the voice of local artists and staff, specific and helpful advice that can be implemented.

Arts Wellbeing May 2022  
Survey Respondent

"Amazing sensational initiative. Without doubt the best industry wellbeing initiative I have seen"

Arts Wellbeing May 2022  
Survey Respondent

"During COVID these resources were critical in supporting our team, ourselves and our wider community."

Arts Wellbeing May 2022  
Survey Respondent

## Tech Connect

**Part of our registered training organisation program**

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"I couldn't ask for a better team of people to be working with on a daily basis. They see something that they think I might not know and they just dive right into it and try to teach me as much as they can.

I think, after the Traineeship, I will definitely be staying in the industry. I love it. I'm so happy to be here. It's been one of the best experiences of my life to be working here. I can't picture myself doing anything else."

Angus Beaumont,  
Sound and Vision Trainee,  
Arts Centre Melbourne

"My supervisors have been really great throughout this whole traineeship. They've taught me about producing, editing, camera work, sound work and every single element from start to finish. It's great because I get to learn all facets of broadcast. It's amazing because that's exactly what I want to do. I don't want to be in just one category and limit myself. I want to be as employable as possible. It's definitely an experience that I wouldn't get without having done this traineeship."

Georgia D'Souza,  
Broadcast and Digital Trainee,  
Arts Centre Melbourne

# Our Strategic Framework

## Our purpose

A gathering place where everyone is welcome on country to experience the wonders of the performing arts, both on and beyond the stage.

## What we do

A performing arts centre that connects Victorians with the creativity that inspires them and connects artists, makers and presenters with the stages they belong on.

## Values

Our five organisational values:

### Equity

Fairness and justice

### Leadership

Courage and conviction

### Community

Working together

### Care More

A place for everybody

### Creativity

Aboundless imagination, have guided and informed every aspect of our work and the way we have tackled the issues arising from the pandemic in F2022.

## Our interim business plan: Transition22

With a new calendar year came a new business plan to guide, inform and organise our work.

Transition22 followed on from its predecessors – Transition21 and the Response and Recovery Plan – our initial response to dealing with the disruption and change that flowed from the onset of the pandemic in Australia.

In this plan we made more room for the twin legacy projects of Reimagining Arts Centre Melbourne and Transforming Arts Centre Melbourne, while we continued to respond to interruptions of live performances managed under COVIDSafe conditions.

We continued to have four focus areas in recognition of the work needed to create effective and long-lasting change: First Nations Culture, Equity and Inclusion, Gathering Place (COVID-19 Recovery and building sector consumer confidence), and Sustainable Future (Reimagining Arts Centre Melbourne).

# Our Strategic Priorities and Focus

## VALUES DRIVEN

|                            | Equity   | Creativity   | Community   | Care More  | Leadership |
|----------------------------|--|--|---|--|------------|
|                            | <b>First Nations</b><br>Equity<br>Racial Equity  | <b>Equity</b><br>Racial Equity   | <b>COVID Recovery</b><br>Build the Sector and Consumer Confidence   | <b>Reimagining Arts Centre Melbourne</b>   |            |
| <b>WHY</b>                 | <p>Because as a State cultural institution, we have a responsibility to support First Nations representation and self-determination.</p> <p>This is brought to life through working with First Nations colleagues who will lead this work. It will reflect and respect the principle of 'nothing about us without us'.</p> | <p>Because to remain relevant, Arts Centre Melbourne needs to better reflect the diversity of the Victorian community. We have a role to play to create an inclusive and equitable arts industry.</p> <p>We recognise systems of power and systemic discrimination have created unequal conditions that prevent many Australians engaging with the arts, and this impacts the health, wellbeing and sustainability of our society.</p>   | <p>Because at Arts Centre Melbourne we have the capabilities and capacity to play a strong role in protecting and promoting the health and sustainability of the sector.</p> <p>We need to rebuild our strength, build our operating rhythm and gain independence from government bail-outs.</p> <p>Our sector will also be in recovery mode for many months. Sharing our expertise and resources to build sector strength is the role we can play in its recovery.</p>   | <p>To fulfil our purpose as a place for the people of Victoria, we need to change and adapt, allowing us to leave this significant community asset in a better, more contemporary position for future generations.</p> <p>Because we want to support and promote Melbourne and Victorian artists and organisations and become an internationally recognised cultural and creative destination.</p>   |            |
| <b>OUR SUCCESS FACTORS</b> | <ul style="list-style-type: none"> <li>• First Nations Executive recruitment and established role</li> <li>• First Nations Partnership Group established</li> <li>• Reconciliation Action Plan completed and approved</li> <li>• First Nations program of work in progress</li> </ul>                                      | <ul style="list-style-type: none"> <li>• Equity and Inclusion 360 recommendations for action; we will have derived the data points that are critical for our success</li> <li>• Organisation assessment complete, with recommendations for action</li> <li>• Access, Inclusion and Participation program of work in progress</li> <li>• Racial equity lens on all decision-making</li> <li>• Review of partnerships and negotiations with Resident Companies and Presenters in progress</li> </ul> | <ul style="list-style-type: none"> <li>• Build the team back to required strength in terms of both numbers and capability</li> <li>• Build the tools we need to support our own recovery and grow audience confidence, supporting the economic recovery of the sector and securing jobs</li> <li>• Venues operating at 100% capacity</li> <li>• Measure venue utilisation allowing time for critical maintenance</li> <li>• Support sector recovery and re-growth</li> <li>• Develop training initiatives to build capabilities</li> <li>• Ensure we are fit for purpose and aligned to strategic priorities, optimising collaboration and new ways of working</li> </ul> | <ul style="list-style-type: none"> <li>• Develop our narrative and begin telling our advocacy story for Phase 2 of MAPT</li> <li>• Prepare ACM for a builder start on site</li> <li>• Achieve a clearer picture of what 1CR will be</li> <li>• Support and participate in the new project governance</li> <li>• Transformation project (TACM) drives the design of a new Business and Operating Model, and a roadmap for implementation</li> </ul> |            |

## Our Contribution to Government Policy

Arts Centre Melbourne remains committed to the Victorian Government's Creative State 2025 strategy. Building on our commitment in F2022, Arts Centre Melbourne contributed to government policy through fostering and developing the following initiatives.

From our diverse calendar of performances and events to the Australian Music Vault, Live at the Bowl series and partnership with RISING Festival, Arts Centre Melbourne's public offer drove tourism supporting the Visitor Economy Recovery and Reform Plan.

Our dedicated creative learning space, The Channel, and our broader training framework, including the Australian Music Vault and Creative Learning program, supported the objectives of the Education State initiative. Through MEGAMIX Social, Arts Centre Melbourne supported the Department of Education and Training Positive Start in 2022 program.

The Arts Wellbeing Collective supports the Victorian Government's Mental Health and Wellbeing Charter for the Victorian Public Sector and addresses some of the recommendations in the Royal Commission into Victoria's Mental Health System. This work aligns with the Creative State 2025 Health and wellbeing principle.

Arts Centre Melbourne's registered training organisation, and its Tech Connect program supports the Victorian Government's skills, training and jobs agenda, and priorities in regional Victoria, aligning with the Creative State 2025 Whole of state principle.

Arts Centre Melbourne's strategic priority to support First Nations representation and self-determination is aligned with the Victorian Government's commitment to self-determination and to the Creative State 2025 First Peoples first principle.

Our commitment to equity and inclusion as a strategic priority is aligned to the Victorian Government's equality agenda, including the Pride in our future: Victoria's LGBTIQ+ strategy 2022-32, Gender

Equality Strategy and Inclusive Victoria – State Disability Plan. It also aligns with the Creative State 2025 For Every Victorian principle.

Alter State Festival further supports the Victorian Government's international engagement objectives and equality agenda.

We continue to measure and report on our social, cultural, educational and economic impact by aligning our Impact and Evaluation Framework to the Victorian Arts Centre Act 1979, Creative State 2025 and broader government policy objectives.

In alignment with the Office for Women, we adhere to the principles of the Know the Line campaign. We are committed to creating a safe and secure environment for everybody, with an emphasis on prevention of gendered violence in both the workplace and in our homes.

## First Nations Foundations

We recognise the unique standing of Aboriginal people in what is now known as the State of Victoria. We are focused on laying the foundation for substantive and long-standing change that will benefit First Nations people and all who work, perform and visit Arts Centre Melbourne.

The principle of 'nothing about us without us' underpins our approach and calls for this foundation-setting work to be led by a First Nations colleague.

We have also submitted our first Reconciliation Action Plan to Reconciliation Australia for review and approval. This plan will support us in setting the right foundations across the organisation and formalise our commitment to First Nations' self-determination.

We recognise that to make meaningful change we must have leadership and governance positions that can guide this critical work. As at 30 June 2022 we are in the process of recruiting an Executive Director, First Nations, who will form an

integral part of our leadership team, and lead Arts Centre Melbourne's work across the business.

In support of this organisational priority and to improve cultural safety, during the period our executive team completed cultural competency training led by Duean White from Career Steer and we have engaged the Koorie Heritage Trust for project specific work.

We are also in the early stages of formalising mandatory and on-going cultural safety training as part of our induction and performance development processes.

The program of work we have in place is outlined in more detail on page 43.

## Equity – Racial Equity

This focus area was formed following 2020 consultations and the Equity and Inclusion 360 Review in 2021. This provided insights and recommendations to Arts Centre Melbourne in relation to its current state of organisational maturity and what is required to uplift capability in this area.

To be relevant and sustainable, we recognise cultural equity must be centred within our workplace and be reflected in our people, processes and systems, and on our stages.

We also recognise the need for an intersectional approach to all aspects of equity and inclusion and, in reflecting this need, this year we introduced a fifth organisational value of Equity. This underpins our commitment to fairness and justice as we work towards systemic and cultural change across our ways of working.

An Equity and Inclusion Framework has been developed alongside an Inclusive Leadership Model that informs Arts Centre Melbourne's approach. The Inclusive Leadership Model underpins training for our people leaders to lead with humility, curiosity, effective collaboration, cultural

intelligence, flexibility and agility, and with visible commitment.

The Cultural Equity and Inclusion team focuses on racial equity, which was highlighted as a priority area in the Equity and Inclusion 360 Survey; while the Inclusion team is focused on initiatives that cover all other dimensions of diversity at Arts Centre Melbourne. Together, they work cross-functionally to support leaders and teams to assess capability, identify risks and opportunities, and plan and achieve outcomes within their functional areas in alignment with our organisational strategy.

The Cultural Equity Action Plan is being developed and will have four key strategic pieces: Workforce, Internal Engagement, Systemic Change and Stakeholder Engagement/Advocacy.

Our work in this area will respect tradition but will not let it hold us back. We will work to understand if our practices and processes contribute to a sense of belonging or make people feel like they are uninitiated to the outdated traditions of performing arts venues.

"A future Arts Centre Melbourne that will nurture and nourish my optimum creative capabilities and potential will look like executive leaders that look like me, would look like more board members that look like me, more financial investors from the corporate world would look like me. More philanthropic supporters that look like me. Because innately and organically they will be thinking of cultural safety and what kind of environment people of colour will thrive in. Organically they will be thinking about cultural safety, what kind of environment would people of colour thrive in?"

Tariro Mavondo, Actor & Arts Community Worker.

Equity and inclusion are about changing the way we interact with those around us and in doing so, embodying the principle of 'nothing about us without us'. Our commitment is to provide a welcoming and safe gathering place where all Victorians can feel a sense of belonging, both on and off our stages.

## COVID-19 Recovery: Build the Sector Consumer Confidence

As the state's largest performing arts organisation, we know we have the capabilities to play a substantial role in protecting and promoting the health and sustainability of the live performance sector.

With a more regular operating rhythm in the second half of this financial year, momentum has started to build toward solvency and less reliance on government supplementary funding. As a result, we are in a better position to contribute to our sector's recovery.

Part of this collective recovery came with the opportunity to reinvigorate the city with the return to live performance under COVIDSafe conditions for the second season of Live at The Bowl. We were thrilled as Victorians, who missed live performance as much as our artists and our team, returned to our venues. Utilising our well-regarded COVIDSafe plan at Melbourne's beloved outdoor venue, the Sidney Myer Music Bowl, the Play on Victoria concert in October 2021 marked the beginning of more optimistic times for our audiences, artists and team.

It also was a thrill to welcome back our Resident Companies and support their return to the business of enthralling audiences.

We focused on a gradual ramp-up in venue use and activity to build confidence. The Sidney Myer Music Bowl was the first to open before audiences returned to our larger indoor spaces when restrictions allowed.

Hamer Hall and the State Theatre both opened with 100 per cent capacity in December, and by March all our venues were operating.

The March to June period saw us achieve 483 performances, down only 4 per cent compared to the same time period in 2019.

Our Resident Companies continue to expand and focus on large works of scale. Melbourne Theatre Company, The Australian Ballet and Opera Australia all presented commercial musicals in 2022, while Melbourne Symphony Orchestra has returned to a comparable pre-pandemic operation.

Along with many other businesses we continued to experience team member shortages in food and beverage, front of house, and technical production. These front-facing roles are critical to the operation of our venues and were impacted deeply.

We recognise the role we can play in sharing our expertise and resources to rebuild sector strength.



Together Experiences.  
Photo Mark Gambino.

# Reimagining Arts Centre Melbourne and Transforming Arts Centre Melbourne

**In 2021 the Victorian Government announced its intention to create a corporation to deliver the \$1.7 billion first phase of its city-shaping Melbourne Arts Precinct Transformation.**

**The Reimagining Arts Centre Melbourne masterplan forms part of the core of this work.**

The Melbourne Arts Precinct Corporation (MAPCo) will work with us and other project partners National Gallery of Victoria, Creative Victoria and Development Victoria, on the major elements of the project. This includes major upgrades to our Theatres Building, The Fox: NGV Contemporary and 18,000m<sup>2</sup> of new public parkland linking the Birrarung (Yarra River) at Hamer Hall, through to Southbank Boulevard.

In November 2021, the Victorian Government announced an additional \$241 million to bring forward the refurbishment of the State Theatre auditorium by two years. The then Minister for Creative Industries, The Hon Danny Pearson MP, announced the decision while standing on the State Theatre stage.

The announcement brought the organisation toward finalising the design of the State Theatre and the expanded loading dock. Over the construction period, it is vital that we maintain business continuity and ensure there is a dedicated

team of people, with a strong passion for Arts Centre Melbourne, and who deeply understand the constraints and opportunities that exist in operating a complex facility like the Theatres Building. The team has an outstanding range of skillsets and experience to deliver success.

In early 2022, a tender was undertaken for a package of early works construction, with Development Victoria appointing Lendlease. These works commenced in June with extensive site investigations and preparation works including relocation of the massive underground heating and cooling pipes to make way for demolition of parts of the existing structure by February 2023. Their arrival on-site marked an exciting phase of this project shared with our partners Development Victoria and the Melbourne Arts Precinct Transformation Corporation (MAPCo).

Procurement of a major works contractor was well advanced during the close of the reporting period, ensuring a builder



Artist's impression of new Theatres Building Western Entry and eatery.  
Courtesy NH Architecture.

will be appointed in time for construction to commence in early 2023. The first works to be undertaken will be the excavation of the 13,500m<sup>3</sup> loading dock basement extension under the existing Sturt Street roadway.

While the reimagining remit is to transform our buildings physically, running parallel is our Transforming Arts Centre Melbourne strategy, developed to change the way we work, to recreate an organisation that will play a central role in the future of the cultural life of Victoria and Australia, and provide a place where everyone feels safe and can see themselves reflected.

We need to be a place of gathering to share in story-making and storytelling – where all Victorians feel they belong. We must be a place where the communities we are here to serve, are reflected in the members of our team, in our leadership and governance, in the artists on our stages, in our presenters and collaborators, and in the ways we work and connect. We must become a place that is culturally safe.

We must move away from storytelling with a largely white Australian perspective, to being one of diversity, inclusivity and openness.

To do this in a grounded and authentic way, the unique standing and connection that First Nations people have to this Country, and to this nation and its identity, must be the foundation upon which our collective future rests.

We know our transformation will be ongoing and we have much work to do. This year the foundation setting began and as articulated in our strategy with the 'Our Commitment' statement commissioned by Art Centre Melbourne and written by Yorta Yorta writer and broadcaster Daniel James, we recognise the "transformation to meet our promise can only be done with honesty in a time of truth-telling ...and that time is now."

Full details of Reimagining Arts Centre Melbourne can be found online at [artscentremelbourne.com.au/about-us/reimagining](https://artscentremelbourne.com.au/about-us/reimagining)



Daniel James  
at Arts Centre  
Melbourne.  
Photo Mark Gambino.

## Our Commitment

A Yorta Yorta writer, broadcaster and social justice advocate, Daniel James considered his involvement in developing the 'Our Commitment' statement as a unique opportunity.

"We are now in a position in modern history where truth in public life is a rare commodity. To be given the opportunity to write something as emphatic about the times we live in and for an institution like Arts Centre Melbourne to show that leadership and be a leader... means a lot."

Daniel James

Our Commitment marks an important point in our path to transformation. It articulates where we have been and where we are going.

This statement is the centrepiece of our organisational approach and strategy and is a powerful positioning piece for Arts Centre Melbourne. It recognises the history of this country while moving us ahead in a way that locates every person in this piece – and sits within our hearts. Our Commitment has touched all of us and this work will change us as an organisation.

We are indebted and grateful to all those who shared their truths, experiences and vision for the organisation during the consultations, and to Daniel James who wrote Our Commitment after listening to the recordings of those who participated in the 2020 consultations.

The full Our Commitment piece read by Daniel can be found online at [artscentremelbourne.com.au](https://artscentremelbourne.com.au)



"The work that we did together to understand how inequity manifests in organisational systems and structures enables new thinking and new planning that I believe is truly transformational. I can honestly say that this work left us feeling hopeful and excited for a new era that would begin to address the legacy of the past but also embrace a just and more equitable future alongside communities who could and would be told in this place."

Veronica Pardo, former CEO  
Multicultural Arts Victoria.

Artist's impression  
of new Theatres  
Building Western  
Entry and eatery.  
Courtesy NH  
Architecture.

Patch Theatre's  
The Lighthouse 2021.  
Photo Mark Gambino.



# Our Strategic Pillars

**Our focus areas from Transition21 guided and prioritised the work we undertook throughout the Transition22 period from January to June 2022. They were anchored in learnings from extensive internal and external consultations with a wide spectrum of stakeholders, such as First Nations, artists, government and individual community members, as part of our Transition22 interim business plan development.**

**These focus areas were: First Nations, Equity, COVID-19 Recovery, and Reimagining. Three strategic pillars – Operate and Sustain, The Arts Centre Melbourne Offer, and Reimagine and Transform – continued to provide the structure for how our teams executed Transition22, with nested workstreams organising our efforts and delivering on priorities.**

## **Pillar One: Operate and Sustain – our team and our business**

### **PEOPLE: Enterprise Agreement**

The Arts Centre Melbourne Enterprise Agreement 2022 was approved by the Fair Work Commission on 4 April and took effect on 11 April 2022, with a nominal expiry date of 15 October 2025.

This was a successful outcome following a highly organised and focussed negotiation period of only eight weeks, which enabled us to meet the qualification requirements of the Victorian Public Sector Wages Policy 2021. Bargaining parties included Arts Centre Melbourne Management, the Media Arts and Entertainment Alliance, the Community and Public Sector Union, and one independent bargaining representative.

We are particularly pleased to have been able to deliver outcomes that will boost secure employment, such as a new provision to offer variable time employment across all work teams.

New entitlements also support our strategic focus on equity and inclusion.

Implementation of the new agreement is now well underway, with payroll and rostering systems newly configured. A related program of training/education for team members and people leaders is underway. Finally, to keep us on track going forward, the Enterprise Agreement Consultative Committee, whose role is to ensure the successful implementation of the Agreement, has also formed with the first meeting held on 10 June.

### **LEARNING AND DEVELOPMENT**

Arts Centre Melbourne's commitment and investment in professional and career development for staff throughout the year was significant. Tackling a diverse range of topics and strategic priority areas, these training opportunities were enthusiastically taken up by team members from all areas of the organisation.

With our strategic focus on equity and inclusion, Arts Centre Melbourne launched its Inclusive Leadership Model,



Music for Victoria  
rehearsals 2021.  
Photo Mark Gambino.

which now underpins all our leadership development programs. A comprehensive Inclusive Leadership Program was rolled out to the Executive and Director cohorts as we focused on lifting our capability across the organisation. This same model is now being embedded into our Everyday Leader Program, currently in development, which focuses on nurturing skills, providing tools and expanding knowledge for our people leaders.

In addition to increasing cultural safety for First Nations peoples through greater cultural literacy and understanding, a range of equity and inclusion programs were undertaken this year including those focused on gender equality, disability awareness, and Islam cultural competency. Drawing on experts in their fields, we hosted a panel discussion for International Women's Day and a series of disability-led lunchbox sessions. All were incredibly well received and attended. We will expand these in the coming year.

Other focus areas for development were in arts technical skills, leadership, communication/presentation skills, and various OH&S compliance programs essential to the running of Arts Centre Melbourne.

Recognising that Arts Centre Melbourne operates in a dynamic and high-pressure

live performance context, ongoing capability and professional development remains central to our success. This approach ensures we continue to grow and develop our people and ensures individual engagement as well as our collective ability to meet tomorrow's challenges.

## INCLUSION

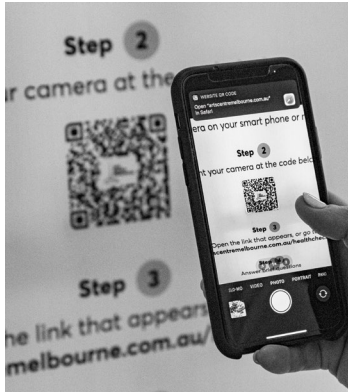
### Gender Equality Action Plan (GEAP)

Under the Victorian Government's Gender Equality Act 2020, Arts Centre Melbourne is required to

- Promote gender equality
- Undertake a formal gender impact assessment
- Undertake a workplace gender audit
- Develop a Gender Equality Action Plan and to report periodically to the Gender Equality Commission, on progress against the action plan.

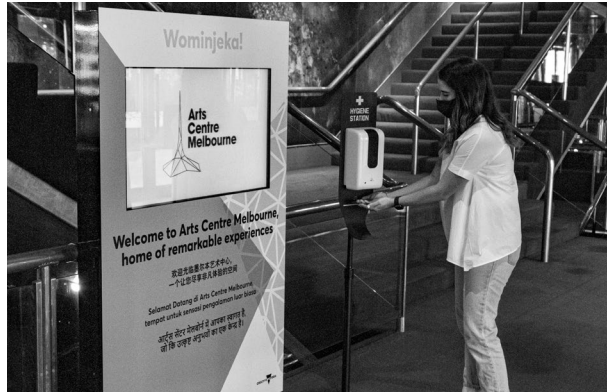
In June 2021 we were pleased to begin the process of a candid and rigorous reflection on our procedures, policies, frameworks, strategies, baseline workforce audit data and the Employee Experience Survey responses to gain a comprehensive and frank understanding of our progress and opportunities for improvement, in relation to gender equality at Arts Centre Melbourne.

COVIDSafe stations at Arts Centre Melbourne  
Photo Teresa Noble.



COVIDSafe stations at Arts Centre Melbourne  
Photo Teresa Noble.

Play On Victoria 2021.  
Photo Rick Clifford.



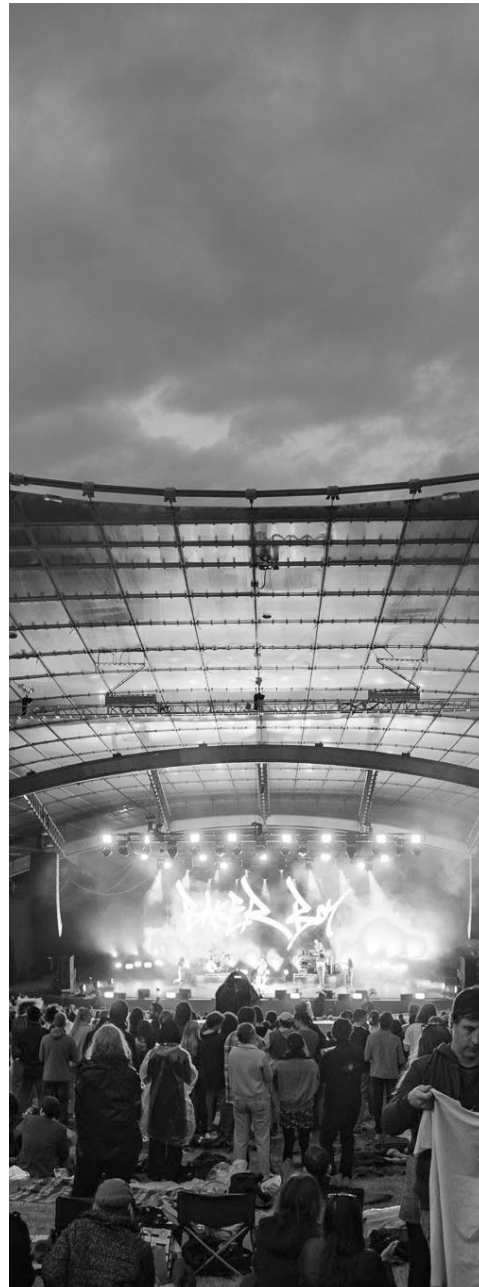
With the help of the Women’s Health in the North, we developed a Gender Equality Action Plan, to create a workspace that is unequivocally safe, supportive and inclusive for people of all genders. Recently published on our website, we look forward to implementing this critical action plan.

**COVID-19 SAFETY**

Arts Centre Melbourne was proud to play a leading role in helping the performing arts community reopen safely. A cross-functional COVIDSafe planning team ensured every detail of our operations was reviewed so that protocols remained current. This COVIDSafe Plan ensured our venues and buildings were safe for our customers, presenters, artists and our team, helping to build consumer confidence and provide a safe working environment.

Given this critical need we were pleased to receive targeted funding from the Victorian Government to implement a range of measures designed to improve safety including:

- New digital signage to communicate clearly COVIDSafe requirements at points of entry to our buildings
- A staged transition to 'touchless' taps in selected bathroom facilities
- The introduction of 'touchless' buttons in our public-facing lifts
- The manufacture of mobile customer service desks, which assist with customer service while maintaining physical distancing
- Improved ventilation systems, with both improved filtration and increased fresh airflow.





City Sessions.  
Photo Ian Laidlaw.

We embraced the opportunity to be part of a consortium of the arts industry to film the marketing campaign *Vax the Nation*, recognising the importance of vaccination in the recovery of our sector.

And as we started to open our venues in November, we were proud to host *Play on Victoria* as part of the Victorian Government's vaccinated economy trials.

### **Occupational Health & Safety**

The Victorian Arts Centre Trust recognises its clear responsibility to provide a healthy, safe and secure environment for everyone who uses our facilities.

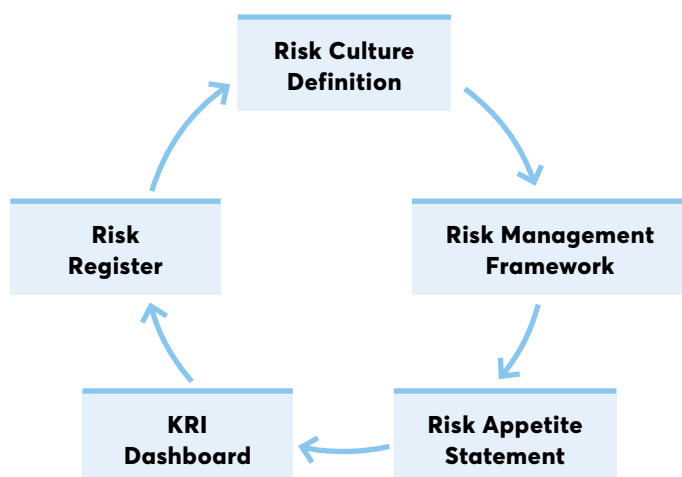
Our commitment is embedded in our culture statement, 'The Role You Play'. In FY2021 our focus was on ensuring the safest work environment possible within the context of the pandemic with a focus on minimising risk to the team. This included the introduction of power-assisted wheelchairs for patron transfer as part of a broader ergonomic review to prevent musculoskeletal injuries to team members. We continue to assess updated processes and opportunities for further improvement in reduction of manual handling injuries to team members.

Our Health and Safety Committee continued to provide important support across the organisation. Our cross-departmental representatives met monthly, regularly reviewing safety policies and procedures and consulting with their teams to improve safety processes.

Our organisation's safety management system has continued to provide a strong foundation to support best practice and continuous improvement. Strong commitment to health, safety and wellbeing is represented in Arts Centre Melbourne's WorkCover premium being well below the industry rate.

### **Business Excellence and Managing Risk**

The formal definition of risk – "the effect of uncertainty on objectives" – is still highly relevant as we progress our strategic objectives within a context of the ongoing impacts of the COVID-19 pandemic.



There are seldom years with as many significant events and changes in the external environment. Arts Centre Melbourne has ensured all aspects of its risk management activity have been responsive, in particular regarding the COVID-19 pandemic, the Federal elections and, closer to home, the resignation of our CEO and budget management constraints.

To protect and create value for the organisation, the risk management approach taken has viewed the organisation's strategy and corporate plans through a lens of risk intelligent decision making. Establishing a risk intelligent culture is central to this approach.

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

A critical review of Arts Centre Melbourne's Risk Appetite Statements has been undertaken during F2022, with a particular focus on Arts Centre Melbourne's new Strategic Priorities. These statements cover key business areas including customer service, safety and health, service delivery, service disruption, governance and conduct, political and reputational, financial, human resources, information systems and technology, innovation and impact, venue yield and equity and inclusion.

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

To support this, the Strategic Risk Register has been closely monitored and updated to enable both our response and recovery and the Corporate Plan. With risks being actively managed across all focus areas of the Transition22 Plan. COVID-19 safety has been a strong focus for the year.

As we move into the construction phase of the Reimagining Arts Centre Melbourne project as part of the broader Melbourne Arts Precinct Transformation, there is a strong focus on both business continuity and risk management.

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

Arts Centre Melbourne continues to conduct self-evaluations of its progress towards a mature risk management environment and risk intelligent culture, providing further opportunities to embed an effective risk culture across the whole organisation. This focus will continue into F2023.



Chris Gill at Play On Victoria 2021.  
Photo RC Stills.

## Pillar Two: Arts Centre Melbourne Offer – our value to the community

This year our value to the community had more meaning than ever before as our team produced and presented thought-provoking works responding to the overwhelming desire for artists and audiences to be back in our venues. The thrill and experience of live performance and training is complemented through a hybrid of digital and live programs – opening access and opportunities for even more people to participate.

### Arts Wellbeing Collective

In F2022, the Arts Wellbeing Collective's three-year funding arrangement with WorkSafe Victoria's WorkWell Mental Health Improvement Fund was successfully evaluated and concluded. Through our involvement as a WorkSafe funded program, the Collective contributed to the development and distribution of a new diagnostic tool for assessing workplace psychosocial safety for all Victorian workplaces.

The Arts Wellbeing Collective continued to provide ongoing support internally, advising and supporting eight Arts Centre Melbourne departments on mental health

practices; contributing a tailored package to Care More Week to support staff; and commencing an organisation-wide review of psychosocial safety to better understand our current state and next steps, to be finalised in F2023.

In the last quarter of F2022, the Arts Wellbeing Collective commenced a period of in-depth strategic planning for F2023-F2027 including engaging with Arts Centre Melbourne staff, contributors and member organisations. The Collective brought together an inaugural Lived Experience Advisory Group to centre lived experience of mental health conditions in the program's strategic direction, design, delivery and evaluation.

### Arts Industry Learning: Tech Connect

Our registered training organisation (RTO) has had an extremely busy year, designing and delivering programs and securing funding for accredited training programs to support Arts Centre Melbourne and recovery efforts for the wider sector.

Projects included in-house programs for the safe operations of the newly installed State Theatre Flying System and the graduation of Arts Centre Melbourne's annual technical production trainees. With skills shortages being experienced throughout the industry as a result of the

Conservator Carmela Lonetti preserving the collection.  
Photo Mark Gambino

Curators Margot Anderson and Margaret Marshall working with the collection.  
Photo Mark Gambino



pandemic, this has assisted in increasing depth of talent and further underlined the importance of succession planning for our production team.

Externally, the team has completed the delivery of the Tech Connect program to Victoria's regional performing arts centres, supporting industry skills and development, and improving worker safety, mental health and wellbeing (incorporating Arts Wellbeing Collective training modules). This year, training has been delivered in partnership with regional hub venues Gippsland Performing Arts Centre and Geelong Arts Centre, with participants from the surrounding regional performing arts centre network attending the program.

Further training programs will be delivered in partnership with regional hubs in Shepparton, Traralgon, Horsham and Geelong for the remainder of 2022.

The accredited training program is an Arts Industry Learning initiative with Victorian Government and philanthropic support and has continued to attract national attention. The RTO recently secured \$750,000 through The Post-Covid Collaborative Funding Round, a joint initiative of the Sidney Myer Fund, Gandel Foundation, Lord Mayor's Charitable Foundation, The Ian Potter Foundation and Vincent Fairfax Family Foundation.





Costume worn by Dame Edna Everage in *Tears Before Bedtime*, 1985, Gift of Barry Humphries, 1989

Arts Centre Melbourne, Australian Performing Arts Collection

This funding will assist in expanding operations, partnering with the Queensland Performing Arts Centre and the Stage Queensland network. This will see our team collaborate with our Queensland partners to establish the Tech Connect Queensland program over the next three years.

## Australian Performing Arts Collection

### New Acquisitions

Funds from the David Richards Bequest enabled the Collections team to successfully bid on over 30 costume designs by Michael Stennett for Opera Australia productions from the 1970s and 80s.

Marking the 100th birthday of playwright Ray Lawler, the Melbourne Theatre Company donated an annotated script for *Summer of the Seventeenth Doll*, adding to the Australian Performing Arts Collection's holdings on this landmark production.

### Storage Upgrades and Relocations

As a result of Museum Victoria's storage needs and building facility upgrades at the joint storage facility in Spotswood,

the Collections team needed to relocate significant oversized material along with Arts Centre Melbourne heritage furniture to a new storage facility. This was a large project that required venue assessments, extensive rationalisation and the implementation of new storage systems.

In response to ongoing lack of storage, the Collections team worked on upgrading and re-developing the existing Hamer Hall storage facility with the help of generous funding from Creative Victoria and private donors.

### Loans

Objects from the Nick Cave Collection were loaned out during the reporting period in the international touring *Stranger than Kindness* (Nick Cave) exhibition.

A loan of Sidney Nolan's *Paradise Garden* to Heide Museum of Modern Art was dispatched. Eighteen panels from our collection of Sidney Nolan's *Paradise Gardens*, a portion of which is on permanent display in the St Kilda Road Foyer, was included in Heide Museum of Modern Art's exhibition *Sidney Nolan: Search for Paradise*.

"Great to see Melbourne slowly coming alive and moving forward...with safety, respect and smiles for all"

Jody Lee, Arts Centre Melbourne Facebook page.

2021 - 2022



Crowds at Sorbaes, Live at the Bowl 2022. Photo Tiffany Garvie.

City Sessions at Live at the Bowl 2022. Photo Ian Laidlaw.

Shaun the Sheep Circus Show 2022. Photo Mark Gambino.

### Australian Performing Arts Collection Foyer Display

Developed to coincide with the Penn & Teller season in Hamer Hall, this display featured a costume worn by the famous Australian magician, The Great Levante in the 1940s, along with a gown worn by magician's assistant, Moi-Yo Miller from the same era. It also included photographs capturing performances by magician Sam Angelico in the 1980s, as well as a rare poster promoting The Incomparable Sloggetts, a magic act that toured Australia from the 1910s to the 1960s.

### Live at the Bowl

After the huge success of the inaugural 2021 Live at the Bowl season, Arts Centre Melbourne proudly announced its return for 2022 spanning four months from January to April. As we emerged from a period of closure due to COVID-19 restrictions, the second season of Live at the Bowl marked a significant return for live performance. It reconnected audiences with their favourite artists in a season that featured a stunning program of classical and contemporary music, dance, comedy, family events, community led events and more.





Live at the Bowl 2022  
Photo Tiffany Garvie.

The Push at Live  
at the Bowl 2022.  
Photo Ian Laidlaw.



Live at the Bowl 2022 was delivered by us in collaboration with festival presenters, partners and agencies to raise awareness of the event, encourage attendance and develop new audiences. Collaborations included partnerships with Share the Spirit, The Push and Footscray Community Arts.

The season also included some of the hottest acts from across the country and the world, including *Teskey Brothers* with Orchestra Victoria, *Melbourne Youth Orchestras*, *The Jungle Giants*, *Synthony No. 2*, *Reminisce*, *Piknic Electronik*, *Flight Facilities*, *Crowded House*, *Ultra Music Festival* and *Lime Cordiale*.

Total ticket sales were 122,258 with a gross revenue of \$6,369,995.

Unfortunately, the season was not immune from the impact of COVID-19 with the Omicron variant resulting in several reschedules and cancellations. Despite this, the team was able to constantly pivot and work together to stage a successful season.

It was a gratifying step for Arts Centre Melbourne to get back to what we do best; welcoming audiences to live performances.

## FAMILIES

### Magic Beach, The Lighthouse

It was thrilling that Arts Centre Melbourne's family offering Magic Beach, based on Alison Lester's classic Australian children's book, was finally staged after two reschedules. We once again co-presented with CDP Kids, experts in developing new works for children.

*The Lighthouse* provided an opportunity for us to welcome family audiences back to our venues under COVIDSafe settings. The sell-out season was an overwhelming success, demonstrating families missed coming to shows as much as we missed welcoming them to Arts Centre Melbourne.



Kaleidoscope by Keith Courtney, RISING 2022. Image courtesy the artist.

## FESTIVALS

### Melbourne International Comedy Festival

The return of the Melbourne International Comedy Festival brought welcome laughter, merriment and joy back to our venues. In support of the broad program, we posted almost 300 times on our social platforms, including a 'Flo and Joan' skit video on Facebook. This reached a total of 1.3 million people, with 118,897 engagements. This was an exceptional viral moment that allowed us to entertain, as well as raise awareness of this show. Close collaboration with the festival marketing team was a strength of this year's event allowing our team access backstage and in theatres to capture additional content.

### RISING, Kaleidoscope

Since the world premiere of *Kaleidoscope* by Keith Courtney at RISING 2022, more than 30,000 people of all ages have visited Arts

Centre Melbourne to experience this new immersive artwork. The average tickets sold per day was 1,226. Designed by one of the masterminds behind *House of Mirrors* and *1000 Doors*, *Kaleidoscope* offered visitors two completely different experiences – a maze of mirrors and shadows by day and a vortex of shifting shapes and colours by night. As at 30 June 2022, the campaign reach was 31 million people. We have seen high levels of engagement on social media and a variety of creative content captured by a diverse range of audiences sharing their experiences with the artwork.

### Arts Centre Melbourne Presents Mainstage programming:

#### Penn and Teller, RockWiz, Morning Melodies

International magic duo Penn & Teller's first Melbourne season was a standout success. The shows were sold out by April, despite the shows being in June.

*The Morning Melodies* season filled Hamer Hall with joy and excitement again with new artists and performances alongside firm favourites. We were thrilled and touched to welcome back the dedicated *Morning Melodies* audience whose connection to this series and to the artists has been unflinching for over 30 years.

Whilst we were closed, we were overwhelmed to receive many letters and messages of support from this committed audience, many of whom look forward to *Morning Melodies* as their only public outing. As of 30 June 2022, the season has seen 16,721 ticket sales from new and returning audiences.

Despite a slow start to the *RockWiz's Really Really Good Friday* campaign, the show was a terrific success. The campaign achieved 136 per cent of its ticket target and 126 per cent of its revenue target, with 2,194 tickets sold overall. Working closely with presenter Renegade, we had unparalleled access to talent, in particular Creative Director Brian Nankervis, who was instrumental in assisting with the creation of social media video content and radio voiceovers to promote the show.

**Together Experiences**

The Together Experiences short film series comprised three long-form videos shared with audiences over nine weeks from September to November 2021. The videos were emotive storytelling pieces, inviting viewers to see the real-life impact and positive change the arts can have on people’s lives, and the significant contribution our industry makes. The series featured the following people, telling their personal story of how Arts Centre Melbourne helped them.

- Stephanie Lake, choreographer, who realised her dream to create the work of a lifetime
- Lauren Hayes, a customer who is blind, explaining how she experiences the joy of the performing arts
- Thomas Smith, industry trainee, who took his career ambitions from rural Victoria to Melbourne.

The content achieved impressive results through both Facebook and YouTube. The campaign reached 4.7 million people, with the long-form films viewed 16,784 times and the trailers had 438,945 views.

The retention rate was very high, meaning people watched the videos longer than average. They spent over two minutes on the website page and over five minutes on the blog, indicating highly engaging pieces. This is storytelling at its best and the second series, currently in production, will deliver the same authentic emotion reflecting our focus areas.

**CREATIVE LEARNING**

It has been an exciting year in the Schools Engagement space with a variety of mainstage and workshop offerings for students.

This year the programs run for schools and young people were valued even more as young people sought dynamic and interesting ways to reconnect with their peers and with community following periods of lockdowns. The role of these programs in supporting young peoples’ mental health was critical this year and, for many, these offerings provided a way to re-emerge and engage with the world and their peers again, to learn new skills and find joy in the day to day.

The fully subsidised *MEGAMIX Social* program provided a unique opportunity for us to work with schools completely free of a financial barrier. Thanks to funding from the Department of Education and Training’s Positive Start in 2022 initiative, we expanded our marketing to schools and increased the reach of our communications.

As at 30 June 2022, there has been 9,036 student and teacher engagements through *MEGAMIX Social* activities.

During the reporting period, we have had 10,766 student and teacher engagements across all Arts Centre Melbourne’s Schools Engagement activity, including *MEGAMIX Social*, performances, workshops, and extended learning programs.



“Having the opportunity to attend Koorie Heritage Trust and the Arts Centre would not have been possible without the First Call Fund. This opportunity to learn about Koorie history and culture was something I could never expose my students to in the classroom.”

Anna Karenina 2022,  
The Australian Ballet.  
Image courtesy  
The Australian Ballet.

In addition, the philanthropic First Call Fund program (which provides fully subsidised tickets to performances and workshops for schools that are socio-educationally or economically disadvantaged) continues to enable us to reach broader schools audiences. One school noted after attending our Birrarung Wilam Workshop:

The Channel at Arts Centre Melbourne, also supported by philanthropy, has become host to many different offerings of community and industry events that connect emerging artists, providing them tools and inspiration for their growth. Through these events we have been able to make connections with new organisations and established artists to build and strengthen existing relationships. These relationships extend Arts Centre Melbourne’s connection with the Melbourne art scene communities and provide access and opportunities to uplift and inspire with audiences across all genres.

#### ART AFTER DARK

Arts Centre Melbourne joined ACMI, Federation Square, Melbourne Museum, National Gallery of Victoria and State Library Victoria in presenting the inaugural Art After Dark program, providing rare and intimate access to evening art events. This event came together within very tight timelines, and more than 8,140 people attended shows across Arts Centre Melbourne venues and approximately 8,079 visited the Australian Music Vault from 6pm – 1am over the two nights. Programming also included late night access to food trucks on the forecourt and DJs (including *Sweru*, *Soju Gang*, *C.FRIM*, *MIRASIA*, *DUTTY DJ's and Triple R's DJVM*, *Vanessa Morris*, *dj pgz* and *Paul Gorrie*) playing from the Hugh Williamson balcony to the forecourt.

One of the most enduring memories of this event was young people realising that the boardroom – the lush and beautiful



Hugh Williamson Room – was their room, too, and that this place – Arts Centre Melbourne – was theirs to explore, enjoy and revel in.

#### RESIDENT COMPANIES

Close collaboration with our Resident Companies has been a highlight of F2022 and it has been rewarding to see campaigns reach completion, particularly as certain performances were rescheduled multiple times. Melbourne Theatre Company returned to the Playhouse with *Fun Home*, their largest season at Arts Centre Melbourne in 2022. This performance received extensive support through our channels, including content creation of ‘vox pops’, which enabled us to share the incredible audience response with our followers.

After multiple reschedules, The Australian Ballet’s *Anna Karenina* finally premiered in the State Theatre in February. It was wonderful to profile the dancers return to the stage through our channels, alongside their Behind-the-Scenes offerings.

Melbourne Symphony Orchestra has been back in action for the 2022 season. The Orchestra continues to diversify its offering by providing an increased selection of family programming such as the *Toy Story* performances and by collaborating with other artists (Electric Fields, Spinifex Gum, and more).

Opera Australia’s season gave opera lovers a chance to get back to see world-class acts on the stages of Melbourne. In *Lohengrin*, audiences experienced world-renowned tenor Jonas Kauffmann in action:



Fun Home 2022,  
Melbourne Theatre  
Company.  
Photo Jeff Busby.

Participants at The  
Channel, Arts Centre  
Melbourne's education  
and learning space.  
Photo courtesy Arts  
Centre Melbourne.

## First Nations Projects

### Rites: Dancing Towards a Shared History.

The creative development phase of the Australian Performing Arts Collection's inaugural First Nations-led online exhibition and podcast is complete, with the project due to be launched on the Arts Centre Melbourne website in July 2022. Celebrating the 25<sup>th</sup> anniversary of *Rites*, the first collaboration between Bangarra Dance Theatre and The Australian Ballet, Bidjara woman, Yolande Browne, has gathered the voices of Stephen Page, Francis Rings, Djakapurra Munyarryun, David McAllister, Steven Heathcote and more to reflect on this powerful moment of reconciliation.

**Ancestral Memory** gave Victorians another opportunity to see the huge digital projection on Hamer Hall, telling the story of the Spirit Eel's journey; after the first unveiling was impacted by restrictions relating to COVID-19 in July 2021, as part of RISING. The physical manifestation of the Spirit Eel in *Ancestral Memory* was created by First Nations interdisciplinary artist Maree Clarke (Mutti Mutti/Yorta Yorta/Boon Wurrung/Wamba Wamba) and emerging artist Mitch Mahoney (Boon Wurrung/Barkindji). The remount of the work was supported through the Melbourne City Revitalisation Fund, a partnership of the Victorian Government and City of Melbourne.

Baker Boy. Hamer Hall performances for schools as part of *MEGAMIX Social* were a huge hit and the sound of cheering, laughter and unbridled joy filled Hamer Hall over a full day with 6,062 students and teachers from 81 schools taking part.



## Access and Inclusion

Highlights include the onsite delivery of public and education performances of *The Lighthouse*, *Magic Beach*, *Morning Melodies* and *The Selfish Giant*. This last collaboration with Victorian Opera included relaxed performances, designed for anyone who would benefit from a more relaxed environment including people with autism, sensory sensitivities, Tourette's syndrome, learning disabilities or dementia, as well as people living with anxiety or people who have experienced trauma. Further relaxed performances were also delivered as part of Melbourne Symphony Orchestra's *The Carnival of the Animals*.

Despite the COVID-19 disruptions, almost 21,000 students and teachers have come to Arts Centre Melbourne during the reporting period, with much of this engagement happening since May.



The New Writers Collective present their works at a public reading. Photo Jason Lau.

We were thrilled to welcome students back to our venues to create, connect, share, and experience transformative creative projects and inquiry-based learning opportunities that add value to the classroom. These programs are a trusted and relied upon source for teachers to extend student learning. *Into the Music* was our most popular workshop, alongside our *Australian Music Vault Education Tour* (enabled via *MEGAMIX Social*).

Online offers of workshops and panel discussions, as well as the digital presentation of *Top Class* with Victorian Curriculum Assessment Authority, kept schools engaged despite the disrupted year.

Our *New Writers Collective* program, supporting female and female-identifying emerging playwrights, featured on the *ABC Art Works* program, complements our offsite extended learning programs such as *Use Your Words* and *Stories in the Wall*. These programs provide valuable and deep engagement with participants and would not have been possible without the generous support of donors.

"This production is a gift to the classical music community of Australia, performers and audiences alike, and they're here for the company's musical delivery of Wagner's spectacle and to see world renowned tenor Jonas Kaufmann. And neither disappoint."

ArtsHub



Alter State Creative Lead and CEO of Arts Access Victoria Caroline Bowditch. Photo Mark Gambino.

Additionally, the First Call Fund Partner School program, through subsidised ticketing and transportation, has ensured schools who would not usually be able to afford such experiences are provided the same opportunity to engage with the arts in a meaningful way.

#### **ALTER STATE**

Also delivered within F2022 was the *Alter State 2021 Digital Launch*, the inaugural presentation of a major arts and disability festival engaging artists and audiences from Australia and Aotearoa (NZ). The disability-led event was guided by Foundation Artists Carly Findlay OAM, Joshua Pether and Rodney Bell. The Alter State Principles were developed by the Foundation Artists in collaboration with Caroline Bowditch (CEO Arts Access Australia) and Arts Centre Melbourne and include Equity, Disability Identity and Pride, Disability Consciousness, Crip Time, Aesthetics of Access, Reduced Barriers and Accountability.

Operating during a time of uncertainty, the team was able to adapt the festival from its original intention (to be presented as a hybrid event, including a digital offer and an in-person full festival program) to a completely digital event at a smaller and more achievable scale, including a successful launch. The Alter State visual identity received strong recognition and positive feedback and set up the festival for success at Alter State 2022 and beyond.

Also during the reporting period, Arts Centre Melbourne announced Arts Access Victoria CEO and Artistic Director, Caroline Bowditch as the Creative Lead for the inaugural Alter State festival, held as a disability-led hybrid offering in late 2022.



Rodney Bell for  
Meremere by  
Movement of  
the Human.  
Photo Tom Hoyle.

### Rare Flowers and Golden Butterflies

This online exhibition was written and produced by Cathy Pryor, our 2021 Frank Van Straten Fellow. Drawing on objects found in the Australian Performing Arts Collection, it championed the lives and fascinating careers of three women in magic who performed in the mid-20th century both in Australia and overseas: Esme Levante, Myrtle Roberts and Loretta "Moi-Yo" Miller Montes.

### VENUE PARTNERSHIPS

Venue Partnerships are highly valued and an essential part of our venue programming. From our resident and regular companies to festivals and one-off presenters, partnerships encompass venue hire as well as co-presentation arrangements to deliver varied and diverse commercial use of our stages and spaces.

In July 2021, *Bluey's Big Play* finally made it in front of Melbourne audiences after multiple reschedules and venue changes, and the stage of the State Theatre was transformed into an immersive light experience with Patch Theatre Company's production of *The Lighthouse*.

The Fairfax Studio had a short run of Melbourne Theatre Company's production of *The Lifespan of a Fact* while Tim Minchin rocked Hamer Hall with six sold-out performances. COVID-19 related venue closures from mid-July saw the cancellation or reschedule of the following 20-weeks of programming (more than 570 individual performances).

Melbourne Symphony Orchestra continued to host digital concerts in Hamer Hall throughout this period. The musicians ultimately returned live to the venue with a reduced audience capacity at the end of 2021 to launch the rescheduled *Melbourne International Jazz Festival* hosted by Eddie Perfect and featuring the Vanessa Perica Orchestra. The Melbourne Symphony Orchestra 2022 season started with the annual *Free Concerts* at the Sidney Myer Music Bowl in addition to the *Chinese New Year Concert*. The Orchestra continued to build on its commercial success, with *Harry Potter and the Half Blood Prince*, *The Music of John Williams*, *Toy Story* and *To Barbra with Love*, which celebrated the music of Barbra Streisand on the occasion of her 80th birthday. The Orchestra's classical concerts continued to delight audiences in the first half of 2022 with music from Bartok, Beethoven, Prokofiev, Strauss, Dvorak and Stravinsky.

The Australian Ballet triumphantly returned to the State Theatre in December staging a *Celebration Gala* which enraptured audiences with excerpts from their much-loved repertoire. In 2022 they launched their season with the dark and cinematic *Anna Karenina* before returning in the middle of the year with the Commedia del Arte *Harlequinade*. The wonderful *Kunstkamer* well and truly announced the formidable presence of new Artistic Director David Hallberg, while the company delved into the musical theatre realm in partnership with GWB Entertainment, dazzling audiences with a stunning singing and dancing spectacular in the 5-week season of *An American in Paris* in the State Theatre.

Melbourne Theatre Company opened Brett Sheehy's final season as Artistic Director with the Tony Award winning musical *Fun Home*, based on the life and family of American cartoonist Alison Bechdel, and

continued with Australian premiere *The Sound Inside* in the Fairfax Studio. In 2022 the company welcomed new Artistic Director Anne-Louise Sarks.

After having to reschedule the *Phantom of the Opera* to late 2022, Opera Australia returned to the State Theatre in autumn with lavish sets and exquisite costumes in Verdi's *La Traviata*, interchanging these performances with their co-production with the Théâtre Royal de La Monnaie of Wagner's *Lohengrin* – a fantastical romance filled with shimmering string passages and angelic choruses that also starred “the world's most in-demand singer” Jonas Kaufmann.

Two companies came to Melbourne fresh off the back of moving into their new homes in Sydney's Walsh Bay. Bell Shakespeare opened its new production of Peter Evan's *Hamlet* in the Fairfax Studio with a commanding performance from Harriet Gordon-Anderson, while the Australian Chamber Orchestra continued its residency in Hamer Hall driven by rhythms of South America with *Piazzolla and the Sketches of Spain*, highlighting the musical influence this region has had on the world.

Regular presenters Victorian Opera also returned to the Playhouse with noir anti-capitalist musical comedy *Happy End* and the Green Room Award-winning adaptation of Oscar Wilde's *The Selfish Giant*, while Australian Pops Orchestra under the direction of John Foreman expanded its offering with a *Mother's Day Concert* in addition to their annual *New Year's Eve and the Night Before Concert*.

Yet again, festivals offered a wide and diverse program. The 35<sup>th</sup> *Melbourne International Comedy Festival* saw more than 200 performances across Hamer Hall, Playhouse and Fairfax Studio in March and April, as well as the return of *The Famous Spiegeltent* to the Forecourt. In late May, the much-anticipated festival *RISING* kicked off with the two Arts Centre Melbourne co-presented immersive experiences: *The Wilds* at the Sidney Myer Music Bowl and the latest maze of wonders from artist Keith Courtney – *Kaleidoscope*. As part of the inaugural festival, Michael Cassel Group and Sydney

Theatre Company took up residency in the Playhouse with Eryn-Jean Norvill giving a tour de force performance in the technical masterpiece that is Kip Williams' *The Picture of Dorian Gray*.

This year Arts Centre Melbourne played host to an exciting array of up-and-coming companies including Project Animo, a new company from Helpmann Award-winning choreographer Alice Topp, who presented *And Now We Move On* in the Playhouse in January. We also welcomed David Venn Enterprises, whose highly energetic production of *The Wedding Singer* was remounted in the State Theatre after a sold out run at the Athenaeum. A stand-out was the staggeringly relevant and critically acclaimed production of *Yentl* by the Kadimah Yiddish Theatre.

Other highlights across the year include *Dirty Dancing in Concert*, Sketch comedy trio *Aunty Donna*, social media sensation *Jimmy Rees*, comedian *Celeste Barber* and Aria Award winning artists including *Jessica Mauboy* and *Human Nature*.

### **Carols by Candlelight**

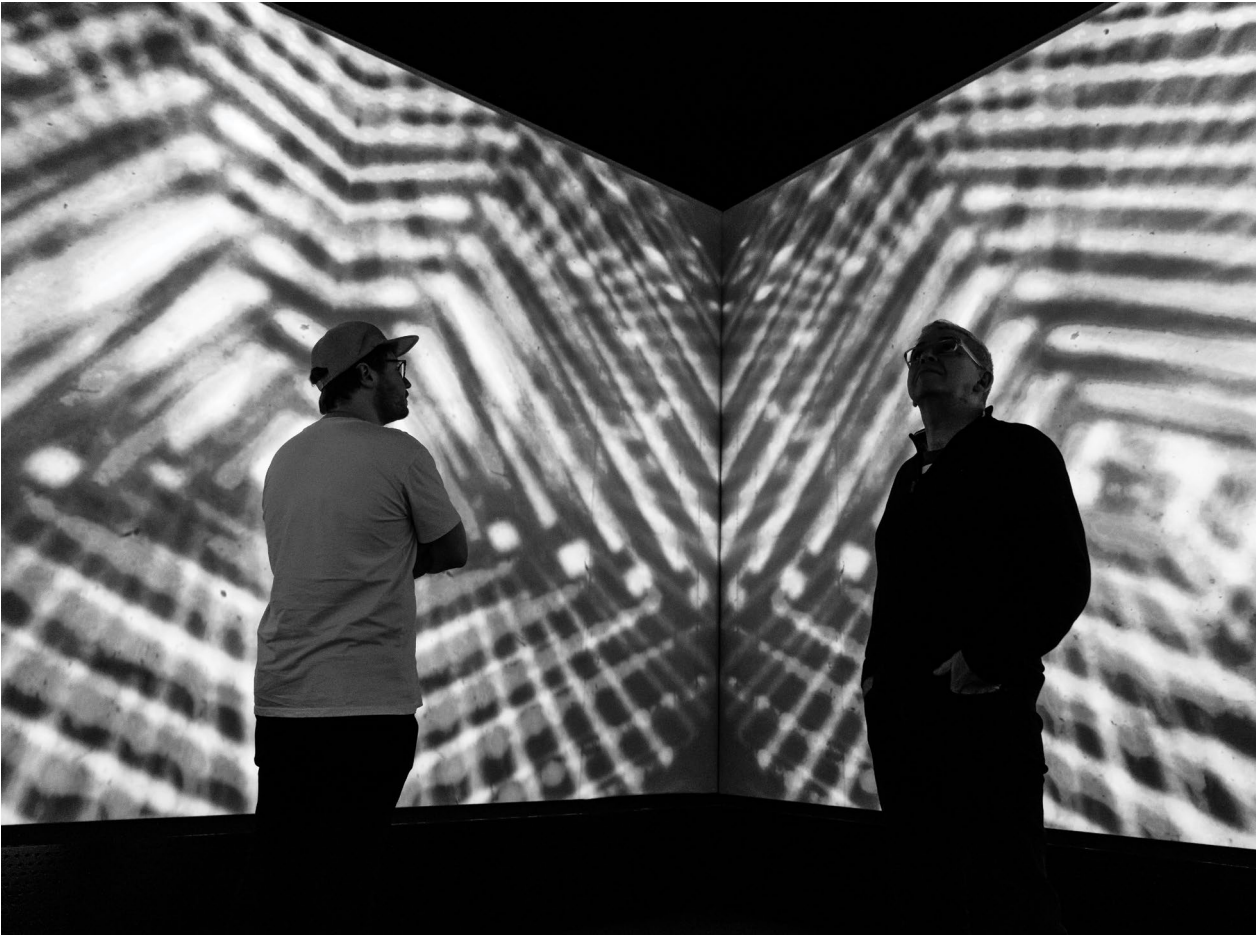
In December 2021 friends and families united for the 84th staging of *Vision Australia's* wonderful Christmas celebration. The beloved annual tradition returned with a 10,000-capacity limit on Christmas Eve, under COVIDSafe settings.

### **Beyond The City**

Two unforgettable days of music and celebration brought in the New Year at the iconic Sidney Myer Music Bowl and the surrounding Kings Domain parklands, on December 30 and 31st. Artists performed across the distinct and dynamic areas – the Main Stage, Dance Domain and Dr Dan's stage. *Beyond The City* played host to a mix of top-tier artists and breakthrough talent across a range of genres, including some of the best live bands, electronic artists and hip-hop acts.

### **AUSTRALIAN MUSIC VAULT**

The Australian Music Vault reopened its doors to the public in November and has seen a steady increased in visitors enjoying new content across the exhibition, including



The Australian Music Vault.  
Photo Jason Lau.

costumes worn by First Nations artists Baker Boy and Mo'ju and international superstars Crowded House and The Wiggles. Online engagement also continued to grow with the publication of a new season of the popular Long Play interview series, which has now amassed more than 180,000 views.

Collaboration and community building remains at the heart of Australian Music Vault's programming, providing an authentic link between the music sector and the public through projects designed to open up opportunities for exploration and participation. Electronic music was in the spotlight this year with the installation of a new display featuring rare electronic instruments and sound machines from the Melbourne Electronic Sound Studio, and the development of SEQUENCE+AR, a prototype augmented reality App for mobile, designed in collaboration with RMIT University and electronic musician and producer Alice Ivy.

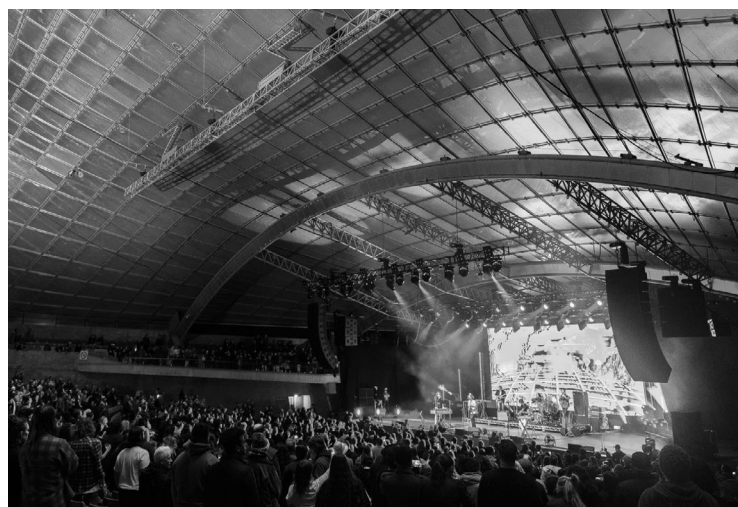
Moving beyond the walls of the exhibition, Australian Music Vault joined forces with the Australia Council and Wikimedia Australia on a new pilot project designed to lift recognition of Australian music and musicians on Wikipedia through a series of

public edit-a-thons. Building on the success of the initial session, Australian Music Vault partnered with the City of Greater Geelong to host a local version of the event as part of the Surround Sounds Festival, which also featured a special Geelong edition of the popular AMV Music Bus Tour.



### **Pillar Three: Reimagining Arts Centre Melbourne and Transforming Arts Centre Melbourne: Building the long-term future**

Pillar three is future focussed, with a remit to co-design and establish the foundations and capabilities needed for a reimagined and transformed organisation – and a more resilient sector. Our ambition is to remain sustainable and relevant to the Victorian community. This is underpinned by our values, evidence-based decision making and the principles of equity, inclusion and diversity. We have established and implemented clear deliverables across four key areas; First Nations Foundations; Developing an Impact Model; Prioritisation for Digital, Data and Technology infrastructure; and delivering an Advocacy and Government stakeholder strategy.



#### **First Nations Foundations**

As noted on page 16, the foundation setting focus of this workstream is elevated to one of the four focus areas of work for Arts Centre Melbourne. We look forward to putting into action the concrete steps our organisation needs to take to realise the Reflect Reconciliation Action Plan. We are committed to providing a safe cultural workplace for First Nations people recognising that we are at the beginning of this process and are grateful for the guidance from many First Nations people who have generously shared their insights and thoughts with us. We also recognise the onus is well and truly on Arts Centre Melbourne to work towards meaningful reconciliation that will make a difference to the lives of First Nations people with whom we work with, partner and collaborate.

#### **Impact model**

We have developed a unique, organisation-wide impact model to support our advocacy and accountability, and better inform our decision-making. Anchored in our purpose, the impact model and the research program that supports it will help us to empirically measure the benefits (or outcomes) we create. Our model reflects these different kinds of impact – economic, social, cultural, educational and environmental – are equally important

The Lighthouse at Patch Theatre 2021  
Photo Mark Gambino.

Play On Victoria 2021.  
Photo Ian Laidlaw.

Music for Victoria rehearsals 2021. Photo Mark Gambino.

Music for Victoria rehearsals 2021. Photo Mark Gambino.

contributors. It aligns with the Victorian Government's Creative Industries strategy Creative State 2025, the Department of Jobs, Precincts and Regions' Strategic Plan 2021-2025, and incorporates the output performance measures established under our Service Agreement with the Victorian Government.

### Advocacy and Communications

Designing and developing a new whole-of-organisation approach to stakeholder engagement across government, donors, partners and sector leadership has proven highly successful. Our focus has been on cementing existing relationships, identifying new opportunities for avenues of support, increasing awareness of who we are, what we do, and broader understanding of the value we bring to the Victorian community and creative industries. With a strategic approach to stakeholder relations and advocacy we have utilised our assets (including events, partnerships, alliances and networking activities) as platforms for engagement.

The Advocacy Plan was adapted in early 2022 to incorporate a Transition Plan following the resignation of CEO, Claire Spencer. This has provided a mechanism for seamless transition of leadership within the organisation, while guiding stakeholder engagement.

### Digital, Data and Technology

Technology is an enabler for many of Arts Centre Melbourne's offerings and services to our industry and the public. It also ensures the efficient and connected day-to-day operations of our organisation. The pandemic altered workforce and consumer expectations of technology, and investment is needed to keep pace and upgrade legacy systems so we can continue to deliver our services effectively and efficiently. This is particularly important now, as we embark on transforming our organisation and in support of Reimagining Arts Centre Melbourne.

Ensuring we are prepared and ready to meet future needs and expectations has been our focus, both in terms of our business needs and capability and for our audiences and communities. We have determined that we need to invest in the expansion of cloud-based technologies, as well as in business intelligence, platform integration, digital products, and systems. Digital recording, digital production, streaming and broadcast capabilities to enhance the accessibility our services and offering are also priority areas. The increasing importance of data has led to the recruitment of a Director of Data and Insights appointed in May 2022.





Music for Victoria  
rehearsals 2021.  
Photo Mark Gambino.

# Our Stakeholders

**Great things happen when partners and collaborators have a common intent, interest and destination in mind.**

**We offered ourselves as a productive partner open to listening and learning, whilst presenting our skills and technical expertise to work with the private sector, First Nations organisations, domestic and international governments and organisations, tertiary institutions, and industry.**

The partnerships we seek are long-term and we work with those who can help solve business, industry, and societal challenges.

## **Industry Partners**

With our performing arts partners and collaborators, we were able to remain contemporary and relevant to our artistic community that serves the whole of Victoria.

We will continue to work with our Resident Companies, as well as presenting partners and independent arts sector to fill our stages and spaces with inspiring and uplifting performances for audiences.

As our industry recovers from the impacts of the pandemic, we worked with our performing arts community and peak bodies to create and support jobs, advocate for the public value of the arts and provide the capability required for artists to make and present their best work. This included delivering training and skills development through our Registered Training Organisation and Arts Wellbeing Collective, as well as collaborating to share knowledge and networks to help our industry rebuild and thrive.

## **Government Partners**

We would like to thank the Victorian and Australian Governments and City of Melbourne for supporting us through another challenging year in Arts Centre Melbourne's history. Without this support we would not have been able to operate, recover and position ourselves for growth. Through this investment we were able to keep connected to our existing audiences and customers and build new and more diverse audiences through a range of offerings, different ways of working, and testing and refining new innovative platforms and communication channels.

In addition to the Victorian Government's base operating funding for Arts Centre Melbourne and investment in Reimagining Arts Centre Melbourne, we are grateful for the additional funding we have received to deliver several major initiatives aligned to our strategic priorities.

# Strategic Partners

**Throughout this year, Arts Centre Melbourne's Strategic Advocacy and Partnerships team has steered our partners and strategic alliances through the significant period of disruption and recovery. We focussed our efforts on keeping connection to our current partners and building the foundation for our collective future.**

We work with organisations and entities that share our values and our aspirations in the knowledge that when we partner, we can do more together to affect a direct benefit for the people of Victoria.

We work to drive cultural, social, educational and economic impact for Victorians. Our partners include PwC, JCDcaux, 3KND, the University of Melbourne, Singapore Airlines and more.

As we remain in the recovery and rebuilding phase, our partner relationships will be crucial in driving Arts Centre Melbourne's physical and organisational transformation.

Valuable insights, including adaptation, hybrid working, and increased flexibility have emerged through this recent period. In October, Arts Centre Melbourne, alongside our partners at Creative Partnerships Australia and Spark Strategy, published a report titled *Beyond Sponsorship: Transforming arts and business partnerships post COVID-19*. The report engaged stakeholders across the business and arts sectors to map what the future of partnerships will look like.

Driving social impact, creating shared value and creating long-lasting, multi-faceted partnerships were key themes which emerged from the research. These themes continue to inform Arts Centre Melbourne's approach to partnering and will be central to cultivating our partnership model in F2023 and beyond.





Live at the Bowl 2022.  
Photo Mark Gambino.

# Philanthropy

**The Arts Centre Melbourne philanthropic community provided extraordinary support for shared experiences, arts access for all and sector sustainability and recovery as we reopened and burst back to life.**

Philanthropic giving in 2021–22 supported our work in the five pillars of philanthropy:

- **Access and Inclusion:** making the arts more accessible for all by funding experiences for schools and communities needing support through the First Call Fund, delivering inclusive theatre and presenting the Alter State arts and disability digital program.
- **Education:** delivering programs for schools and young people onsite, online and in schools. Rebuilding the technical capacity of the sector through our sector leading Registered Training Organisation.
- **Arts Wellbeing Collective:** supporting positive mental health for performing arts workers through workshops and presentations, mental health first aid training and a webinar series.
- **Commissions and Sector Recovery:** supporting the creation, adaptation and presentation of performances, with a focus on First Nations, equity and inclusion and young people.
- **Collections:** conserving, digitising and exhibiting the Australian Performing Arts Collection and the Australian Music Vault and undertaking Collections Store works to create a new visitor experience: Australian Performing Arts Collection Reveal.

## FUNDRAISING APPEAL

The F2022 Summer Appeal raised \$301,251 from generous arts lovers, helping to spark a creative revival, and support creative projects such as Alter State, Live at the Bowl and other exciting works planned for later in 2022 and into 2023.

Our F2022 Tax time Arts For All Appeal raised \$357,216 to address barriers to the arts created by disability, distance and disadvantage.

We give our sincere thanks to all our philanthropic supporters, many of whom are listed on page 51.

## ARTS CENTRE MELBOURNE FOUNDATION

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

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

# Our Philanthropic Supporters

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

## LIFETIME BENEFACTORS

**Those who have made landmark gifts to Arts Centre Melbourne.**

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

## MAJOR SUPPORTERS

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

Mrs Jeanne Pratt AC & the late Mr Richard Pratt  
 The late Miss Betty Amsden AO DSJ  
 Mr Kevin Bamford & Mrs Colleen Bamford  
 Mr Neville Bertalli & Mrs Di Bertalli  
 Mr Marc Besen AC & the late Mrs Eva Besen AO  
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| Mr Robert Boscarato                                   | Ms Suzanne Daley                                      | Dr Sue Harrison                             | Mrs Sara Knight                              |
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| Mrs Anne Bowden                                       | Mrs Jill D'Arcy                                       | Mrs Beverley Harvey<br>& Mr John Harvey     | Carole Lander                                |
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| Mrs Diana M Brearley<br>& Mr Geoffrey<br>Brearley     | Mr Carol Des<br>Cognets                               | Mr Ian Hay                                  | Mr Peter Lawrence                            |
|   | The Dion &<br>Sandra Abrahams<br>Endowment            | Julia Heagerty                              | Bernice Lawson                               |
|   | Mr Mark Donegan                                       | Mr David Heames                             | Mr Peter Leaver                              |
|   | Linda Dong  | Ms Jennifer Hearn                           | Mrs Janet Leckie                             |
|   | Anne Drake  | Mr David Hebb                               | Mr Stan Lee<br>& Mrs Mary Lee                |
|   | Alison Duncan   | Ms Leonie Henry                             | Mrs Ann Leith                                |
|   |   | Ms Mary Henson                              |  |
|   |   | Emily Hinton                                |  |
|   |   | Ms Dale Hirst                               |  |

|   |  |   |  |
|---|--|---|--|
| Ms Gabrielle Levine                                   | Mr Trevor Moy                                  | Ms Deni Rohan   | Mr Allan Thorne  |
| Andrew Lewis  | Janet Mullen                                   | Dr Juan Romero  | Mrs Naomi Tippet   |
| Guang Min Li  | Mrs Antoinette Murray                          | Rohitha Rupesinghe                                    | Dr Bernadette Trifiletti   |
| Ms Fiona Liu  | Ms Karen Nanasca                               | Ms Susan Ruse<br>& Mr Warwick Ruse                    | Mrs Lorraine Tully   |
| Ms Elizabeth Loftus                                   | Paula Nicholson                                | Mrs Sarah Sacks                                       | NS & JS Turnbull   |
| Ms Jenny Low  | Mr John Nielsen &<br>Mrs Michele Nielsen       | Francesca Salvo                                       | Christina Turner   |
| Mr Graham<br>Ludecke OAM &<br>Mrs Pam Ludecke         | Linda Norman                                   | Ms Viorica Samson                                     | Mr Ewen Tyler AM   |
| Sophie Luff   | Mr Michael Nossal<br>& Ms Jo Porter            | Miriam Sandkuhler                                     | Dr Walter Uhlenbruch<br>AO KLJ & Mrs Waltraud<br>Uhlenbruch  |
| Mr Kevin Luscombe<br>AM & Mrs Barbara<br>Luscombe     | Ms Lynn Nuttall                                | Cheryl Saunders AO                                    | Mr Nicholas Vann   |
| Mrs Elizabeth<br>MacDessi                             | Mr Tom O'Dea<br>& Mrs Ruth O'Dea               | Ms Nalika Sayers                                      | Mrs Mary Venuto  |
| Dr Neil MacDonald                                     | Dr Kathleen Ooi<br>& Mr Neil Cormick           | Dr Paul Moore<br>Schneider                            | Dr Sharon Wallace  |
| Madame Ashton<br>Memorial Scholarship                 | Opera Society                                  | Adele Schonhardt                                      | Rosemary Walls   |
| Fiona Mahony  | Dave Oppedisano                                | Michael Sewell  | Ms Karen Walsh   |
| Mrs Rosemary<br>Mangiamele                            | Mr Ben Owen                                    | Ms Anne Short   | Elizabeth Watson   |
| Ms Lisa Morgan<br>Marshall                            | Mr Graeme Oxley                                | Jan Simon   | Leanne Webber  |
| Mrs Hannelore Martin                                  | Mr Arthur Ozols                                | Mrs Barbara Sinclair                                  | Dr Jennifer Weller-<br>Newton  |
| James McCaughey<br>& Ms Ellen Koshland                | Mrs Jill Page OAM                              | Mrs Edda Smrekar<br>& the late Mr Ermin<br>Smrekar    | Dr Moira Westmore  |
| Professor Rob<br>McGauran & Ms<br>Alessandra Giannini | Mrs Jillian Pappas                             | Michelle Smith  | Mr Kim Williams AM   |
| Ms Gail McKay   | Matthew Peckham                                | Lady Southey AC                                       | Mrs Lyn Williams AM  |
| Mr Ian McKenzie<br>& Ms Susan Cutler                  | Peel Fund                                      | Mrs Sue Spence  | Mr Peter Willis  |
| Deanna McKeown  | Ms Susan Pelka                                 | Ms Patricia Spring                                    | Meredith Wilson  |
| Edwina McLachlan                                      | Dr Elizabeth<br>Pemberton                      | Pat Standen   | Mr John Woods<br>& Mrs Erica Woods   |
| Ms Ann McLaren  | Mr Roger Pepperell AM<br>& Mrs Betty Pepperell | Dr Fiona Stanley                                      | Jasmine You  |
| Alan Meads  | Jenny Perera                                   | Stannards<br>Accountants<br>& Advisors                | Mr Richard<br>Zimmermann   |
| Ms Maria Mercurio                                     | Mr Nicholas Perkins<br>& Mr Paul Banks         | Ms Annie Strauch                                      | Anonymous (102)  |
| Mrs Marilyn Meyer                                     | Miss Adriana<br>Pesavento                      | Mr Richard Stuart                                     |  |
| Ms Roslynne Milne                                     | Mr Brett Pickering                             | Mrs Barbara<br>Stuart-Smith                           | <b>FIRST CALL FUND<br/>FOUNDING GIFTS</b>  |
| Mr Ron Minogue<br>& Mrs Carol Minogue                 | Ms Fiona Poletti                               | Dr John Sutton<br>& Dr Irene Sutton                   | <b>Giving young<br/>Victorians from<br/>disadvantaged<br/>communities the<br/>opportunity to<br/>experience the<br/>performing arts at<br/>Arts Centre Melbourne</b> |
| Ms Myrna Montague                                     | Ms Kerry Pratchett                             | Mr James Syme<br>& Mrs Anne Syme                      |  |
| Peter Moors   | Mr Robert Rattray<br>& Dr Jennifer Rattray     | Mr Stan Tabain  |  |
| Monica Morales Lara                                   | Ms Deborah Reich                               | The Taj Bear<br>Foundation                            | The late Miss Betty<br>Amsden AO DSJ<br><i>Patron of the First<br/>Call Fund</i>   |
| Rona Morgan   | Mr Ralph Renard<br>& Ruth Renard               | Judith Theobald                                       | Mr Christopher Begg<br>& the late Mrs Patricia<br>Begg OAM   |
| Mr George Morstyn<br>& Mrs Rosa Morstyn               | Mr John Rickard                                | Christine Thevathasan                                 |  |
|   | Mrs Chelsieanne Ride                           | Mrs Barbara Thomson<br>& Professor Kenneth<br>Thomson |  |
|   | Michael Roche                                  |   |  |

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

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#### AMSDEN ENSEMBLE

**The Amsden Ensemble  
 is the community  
 for individuals  
 who have made  
 the extraordinary  
 commitment to leave  
 a Gift in Will to Arts  
 Centre Melbourne.**

Ms Elizabeth  
 Alexandra  
 Miss Jenny Anderson  
 Mr Christopher Begg  
 Mr Tony Berry  
 Mrs Jenny Brukner OAM  
 & the late Mr John  
 Brukner  
 Mr Ken Bullen  
 Ms Lyndsey Burton  
 Mr Douglas Butler  
 Ms Peggy Cole  
 Ms Leanne Collis  
 Mr Ron Dobell &  
 Mrs Margaret Dobell  
 Mrs Isabella Edgoose  
 OAM & Mr Graeme  
 Edgoose  
 The Hon Alan Egan JP  
 Mr Richard Farrar  
 Ms Nola Finn  
 Mr Barrie Follows AM JP  
 & Mrs Gail Follows  
 Ms Rosemary Forbes  
 & Mr Ian Hocking  
 Mr Peter Game  
 & Mrs Betty Game  
 Mr Peter Gassenheimer  
 Mr Andrew Gemmell  
 Mrs Mia Hall

Ms Adrienne Harding  
 Ms Gabriella Havlin  
 Ms Carol Hay  
 Mr Richard Heathcote  
 & Mrs Margaret  
 Heathcote  
 Ms Linda Herd  
 Ms Denise Hughes  
 Mr Taylor Kane  
 Dr Richard King AM  
 & Mrs Andrea King  
 Ms Jane Kunstler  
 Mr Hugo Leschen  
 Mr Ieuan Mapperson  
 & Mrs Kathy  
 Mapperson  
 Ms Barbara Margetts  
 Ms Andrea McCall  
 Ms Caroline  
 Molesworth  
 Mr Jack Moshakis  
 & Ms Gill Tasker  
 Mr Andrew Myer AM  
 Mr Luke Nestorowicz  
 Mr Kenneth Park  
 Ms Lyn Payne  
 Ms Alison Pearce  
 Mr David Pisterman &  
 Mrs Cheryl Pisterman  
 Ms Lynne Robertson  
 Mr Craig Robson  
 Ms Anne Roussac-  
 Hoyne  
 Mr Graham Ryles OAM  
 KSJ & Mrs Judith Ryles  
 OAM  
 Mr John Short  
 Mr John Stanistreet  
 Mrs Val Stirling  
 Mr Graeme Studd  
 Mrs Pamela Swansson  
 Dr Christine  
 Thevathasan  
 Ms Margot Vaughan &  
 Ms Bernadette Nicholls  
 Mrs Dinanda  
 Waterham

Ms Jill Watson  
 Ms Judy Watt  
 Mr Ian Watts OAM  
 Mrs Dinah Whitaker  
 Mr Ben McKenzie  
 White  
 Mrs Pamela Wilson  
 Anonymous (8)  
**Estate Gifts**  
 The Estate of Miss  
 Betty Amsden AO DSJ  
 The Estate of Mrs  
 Patricia Begg OAM  
 The Estate of Maxwell  
 & Merle Carroll  
 The Estate of Mrs  
 Suzette Marie Chapple  
 The Estate of Wilma  
 Farrow  
 The Estate of Joyce  
 Isobel Grimshaw  
 The Estate of  
 Alexander Maxwell  
 Johnston  
 The Estate of Ms Nita  
 Johns  
 The Estate of Barry  
 Kitcher  
 The Estate of Mrs  
 Elgene Matthew  
 The Estate of Mr  
 Donald Matthews  
 The Estate of Mr John  
 Metherall Lee  
 The Estate of Mrs Gael  
 McRae  
 The Estate of Kenneth  
 Baillieu Myer AC DSC  
 The Estate of Mrs  
 Yasuko Myer  
 The Estate of Mary  
 Pierce-Williams  
 The Estate of Mr David  
 Richards  
 The Estate of Mr  
 Maurice Scott  
 The Estate of Miss  
 Sheila Scotter AM  
 The Estate of Jan  
 Stevenson

The Estate of Joyce  
 Winsome Woodroffe  
 The Estate of Mr Owen  
 White  
 Anonymous (2)

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#### TRUSTS AND FOUNDATIONS

Andrew and Geraldine  
 Buxton Foundation  
 The Besen Family  
 Foundation  
 Betty Amsden  
 Foundation  
 Cassandra Gantner  
 Foundation  
 Collier Charitable Fund  
 Gandel Foundation  
 Helen Macpherson  
 Smith Trust  
 The Hugh D T  
 Williamson Foundation  
 The Ian Potter  
 Foundation  
 The Marian & E.H.  
 Flack Trust  
 Playking Foundation  
 The Scobie and Claire  
 MacKinnon Trust  
 Sidney Myer Fund  
 State Trustees  
 Australia Foundation  
 Vincent Fairfax Family  
 Foundation  
 Anonymous (1)

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#### COLLECTION DONORS

**We thank the following  
 generous donors who  
 contributed significant  
 cultural material to  
 our collections.**

Richard Bonyng AC CBE  
 Stuart Braga  
 Daryl Braithwaite  
 Cheffins Fine Art  
 Cloc Musical Theatre  
 Neil Croker

|                              |  |
|------------------------------|--|
| Dayle Dickson                | Kylie Minogue AO OBE                               |
| Mel Drummond                 | Kate Murphy  |
| Warren Ellis                 | Philip Norman                                      |
| Jane Gazzo                   | Louise O’Gorman                                    |
| Sandy Graham                 | Annie Quail  |
| Stephen Harrap               | Archie Roach                                       |
| Mick Harvey                  | Marilyn Rowe AM OBE                                |
| Kathie Herbert               | Saatchi and Saatchi                                |
| Tracee Hutchison             | State Library<br>of Victoria                       |
| Mia Juffermans               | Theo Strasser                                      |
| Bernadette Keating           | Mr Frank Van Straten<br>AM and Mr Adrian<br>Turley |
| Roger Knox                   | Sebastian White                                    |
| Jason Lau                    | Colin Wilkes                                       |
| Helen Marcou AM              |  |
| Quincy McLean                |  |
| Melbourne Theatre<br>Company |  |

**There are many ways you can support Arts Centre Melbourne.**

**To discuss becoming part of our community of supporters, please email [donations@artscentremelbourne.com.au](mailto:donations@artscentremelbourne.com.au)**

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

# 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 authority subject to the general direction and control of the Minister for Creative Industries for the Victorian Government.

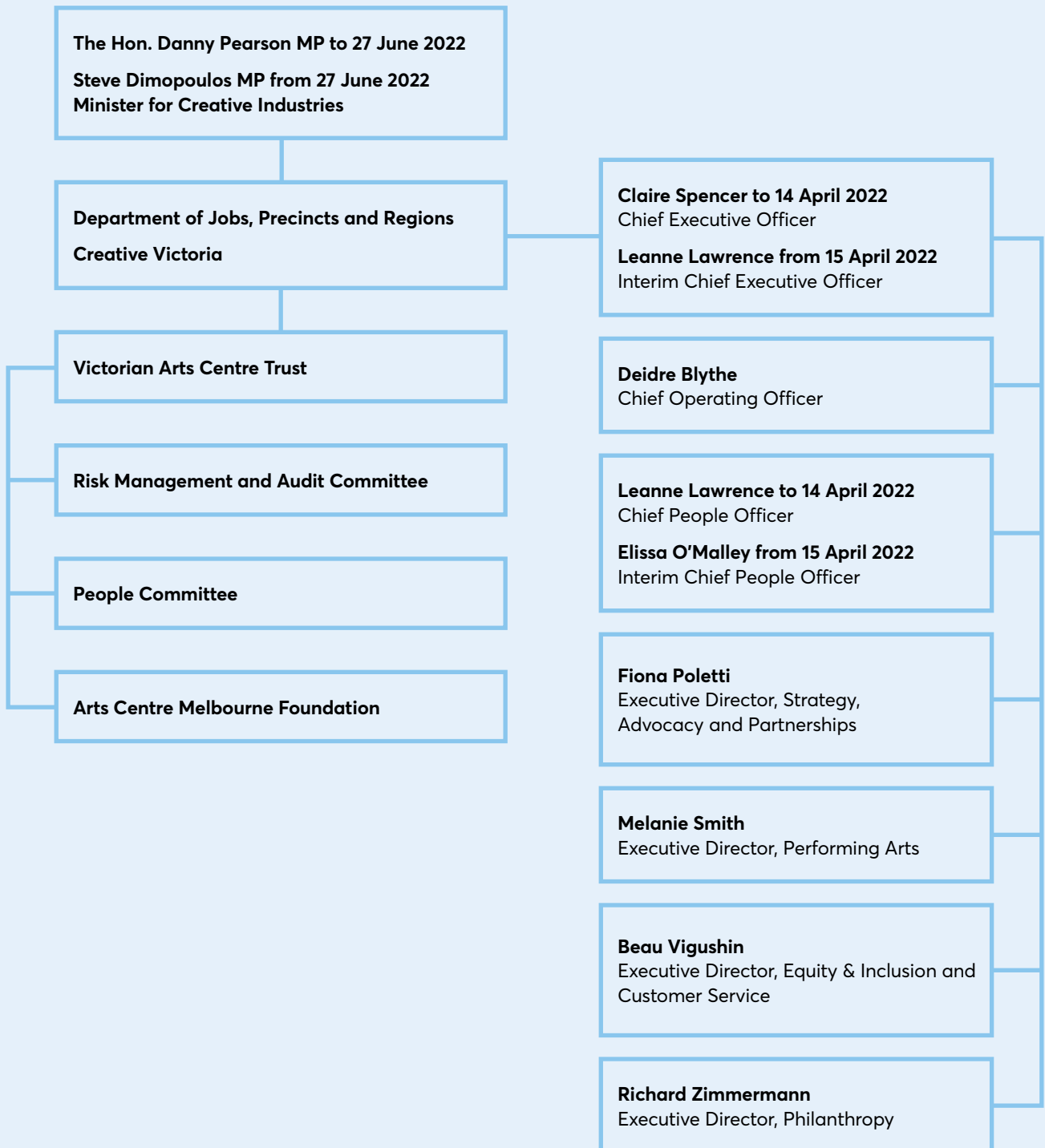
The functions of the Trust are described in section 5(1) of the *Victorian Arts Centre Act 1979* (as amended), which are:

- a) to control, manage, operate, promote, develop and maintain the Centre; and
- b) to present and produce theatrical performances, operas, plays, dramas, ballets and musical and other performances and entertainment of any kind at any place; and
- c) to promote the use of the theatres, concert hall and other places of assembly by suitable persons and bodies; and
- d) 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
- f) 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
- g) 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
- i) 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 within 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 <sup>AM</sup><br>President | Frankie Airey | Kerry Arabena <sup>1</sup> | Paul Barker<br>Risk Management<br>and Audit Committee Chair | Greta Bradman <sup>2</sup> | Leigh Johns <sup>OAM</sup> | Ian Roberts | Helen Silver <sup>AO</sup><br>People Committee Chair | Kee Wong <sup>3</sup> |
|--|---------------------------------------|---------------|----------------------------|---|----------------------------|----------------------------|-------------|--|-----------------------|
| <b>The Victorian Arts Centre Trust (the Trust)</b> | 8/8                                   | 8/8           | 6/8                        | 8/8   | 5/8                        | 6/8                        | 3/8         | 6/8  | 5/8                   |

The Trust met eight times in F2022.<sup>4</sup>

|  |     |   |   |     |     |     |   |   |   |
|--|-----|---|---|-----|-----|-----|---|---|---|
| <b>Risk Management and Audit Committee</b> | 5/6 | - | - | 6/6 | 6/6 | 6/6 | - | - | - |
|--|-----|---|---|-----|-----|-----|---|---|---|

Consistent with the requirements of the Standing Directions of the Financial Management Act 1994, this Committee provides advice to the Trust on matters relating to financial management, security and emergency management, risk management and all aspects of internal and external audit and compliance matters. This Committee must exercise independent judgement and be objective in its deliberations, decisions and advice. All members are independent as defined by Standing Direction 3.2.1.3 of the Financial Management Act 1994.

This Committee met six times in F2022.<sup>5</sup>

|                         |     |   |   |   |   |   |     |     |   |
|-------------------------|-----|---|---|---|---|---|-----|-----|---|
| <b>People Committee</b> | 3/3 | - | - | - | - | - | 3/3 | 3/3 | - |
|-------------------------|-----|---|---|---|---|---|-----|-----|---|

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

This Committee met three times in F2022.

|   |     |     |   |   |     |   |   |   |   |
|---|-----|-----|---|---|-----|---|---|---|---|
| <b>Arts Centre Melbourne Foundation</b> | 3/3 | 3/3 | - | - | 1/3 | - | - | - | - |
|---|-----|-----|---|---|-----|---|---|---|---|

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 F2022.

### Non-Trustee Foundation Members:

Andrew Myer <sup>AM</sup> – Foundation Chair

Krystyna Campbell-Pretty<sup>6</sup>

Andy Dinan

Lisa Hennessy<sup>6</sup>

Snowe Li

Jennifer Prescott<sup>6</sup>

Eleanor Langford

Vas Katos

<sup>1</sup> Appointed on 28 September 2021

<sup>2</sup> Resigned from the Foundation in December 2021

<sup>3</sup> Appointed on 10 August 2021

<sup>4</sup> Includes three ad hoc meetings

<sup>5</sup> Includes one ad hoc meetings

<sup>6</sup> Resigned as a member of the Foundation during FY2022

# Trustees

## Ian Carson AM (President)

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

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

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

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

## Frankie Airey

Frankie Airey has a long and distinguished career in development and philanthropy in both the UK and Australia commencing with a hugely successful stint in the university sector including at Oxford University and the University of London.

In the 1990s, she moved to Australia and was Director of Development at Arts Centre Melbourne from 1994-1997. Over the years Frankie has established an in-depth knowledge of the philanthropic sector and a track record of achievement in senior positions and consultancy. She founded boutique consulting firm Philanthropy Squared in 2003, and she and her team have worked with more than 140 non-profit organisations, including 60 art and cultural institutions.

Frankie has served on the Boards of the Malthouse Theatre in Melbourne and Sadler's Wells in London and is currently Chair of the Betty Amsden Foundation.

## Paul Barker

Paul Barker is a financial services professional with extensive experience at both board and executive level in Australia and overseas.

He is currently the Acting Chairman of Fed Square Pty Ltd and is a member of the Suburban Rail Loop Authority Board. He is a former member of the Interim Melbourne Arts Precinct Board, the former Chairman of WorkSafe Victoria, the Transport Accident Commission, the Emergency Services Telecommunication Authority, VicForests, Mirvac Funds Management Ltd, Stadium Operations Ltd (Marvel Stadium), Cricket Victoria, the Melbourne Stars and the Melbourne Renegades.

## Ian Roberts

Ian Roberts is the Executive Chair of the Annamila Foundation. He is also a freelance writer specialising in speeches and editing for daily press.

Previously Ian has served as the Chief Executive Officer of the Harold Mitchell Foundation, General Manager of the Melbourne Festival, and General Manager of the Geelong Performing Arts Centre. Ian also spent six months as the Interim CEO of Arts Centre Melbourne in 2014.

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

## Helen Silver AO

Helen Silver is a non-executive Director of the PEXA Group Limited. PEXA is the operator of the world's first digital property exchange platform. Helen has been an experienced senior executive who has worked at the highest level in both the public and private sectors. From 2013 she worked for eight and half years at Allianz Australia where her last role was Deputy Managing Director. Allianz is Australia's third largest insurer.

Prior to joining Allianz Australia, Helen had spent more than 30 years in executive roles in the Victoria and Commonwealth public sectors, culminating in 2008 as Head of the Victorian Public Service as the Secretary to the Department of Premier and Cabinet. Helen was a respected negotiator at the highest levels of government and played a key role in a number of Commonwealth and State reform initiatives as well as leading the administration and development of the Victorian Public sector.

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

Helen has a Bachelor of Economics (Hons) and a Master of Economics from Monash University. She is a National Fellow of the Institute of Public Administration Australia and a Distinguished Fellow of ANZSoG. Helen also serves on a number of boards including Melbourne Symphony Orchestra and the Victorian Arts Centre Trust and is a former board member of the Judicial Commission of Victoria.

## Leigh Johns OAM

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

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

## Greta Bradman

Greta Bradman is an Australian soprano and recording artist, registered psychologist, ABC broadcaster, investor and tech startup consultant and founder, and board director.

Amongst her qualifications she holds a Master of Psychology (Clinical), MBA from Melbourne Business School, an Australian National Academy of Music Fellowship, a GradDip in Advanced Vocal Studies (UK), and is a Graduate of the Australian Institute of Company Directors.

As a professional solo singer, Greta released four no.1 albums and toured nationally and internationally through USA, UK, EU, and the Asia Pacific. She champions works by Australian composers and female composers. As a psychologist Greta works in clinical and coaching practice and also champions scalable, population level mental health and wellbeing initiatives. Greta pitched and helped develop the Arts Wellbeing Collective at Arts Centre Melbourne. As an ABC Classic broadcaster, Greta presents "Weekend Brunch" and created the "Music for Wellbeing" channel. In tech, she consults with startups around data analytics, SaaS based product in workforce intelligence, wellbeing, and HR spaces, values and culture.

Other current governance work includes the Arts Centre Melbourne Audit and Risk Committee, the Bradman Foundation, and the Australian Mental Health Prize.

# Incoming Trustees

## **Kee Wong** APPOINTED 10 AUGUST 2021

Kee Wong is an experienced entrepreneur, investor, advisor and experienced non-executive Director with qualifications in engineering, information technology and business.

Mr Kee joined IBM in 1994 as a senior executive running part of its e-business group in the Asia Pacific region, including Australia and New Zealand. In 1999, he founded e-Centric Innovations, an IT/Management consulting firm, and went on to establish several businesses. As adviser to the Victorian Government, Mr Kee helped develop an R&D venture that resulted in a new global joint venture between Xerox and VicTrack to commercialise new technology that will remotely monitor the structural health of bridges.

Mr Kee is a Board member of Carsales.com, the Australian Energy Market Operator (AEMO), the Australian Institute of Company Directors (AICD), and the Committee for Melbourne, and is a member of the Victorian Government's Ministerial Advisory Council on International Education, Ministerial Innovation Taskforce and Transform Reform Board (Victorian Department of Transport). Recently, Mr Kee joined as a member of the ANU Centre for Asian-Australian Leadership Advisory Board and Swinburne University's Technology, Innovation and Value Creation Committee.

Amongst previous Board positions, Kee was also Chairman of the Australian Information Industry Association (AIIA), a Deputy Chairman of Asialink and a Director of LaunchVic.

Mr Kee is a Fellow of the Australian Institute of Company Directors (AICD) and Adjunct Professor of Engineering and IT at La Trobe University. Kee was awarded a Fellow of Monash University in 2010 and Distinguished Alumni in 2014. He has a Bachelor of Engineering (Hons.), a Graduate Diploma in Computing and an MBA.

## **Kerry Arabena** APPOINTED 28 SEPTEMBER 2021

A descendant of the Meriam people from the Torres Strait, Kerry's work has brought her to the forefront of Indigenous affairs in Australia.

A former social worker with a Doctorate in Environmental Science, Kerry has held senior positions including Chair of Indigenous Health at the University of Melbourne, Executive Director of First 1000 Days Australia, CEO of the Lowitja Institute and Director of Indigenous Health Research at Monash University.

Internationally, Kerry has held senior positions with Ecohealth International, consulted for the World Health Organisation, is a former Scientific Commissioner on the Lancet Pathfinder project and completed a Fellows program with the Rockefeller Foundation.

With an extensive background in public health, administration, community development and research, Kerry has led a wide range of organisations and committees. Currently a Director of IgNITE, Kerry holds an honorary professorial position with the University of Melbourne, manages her burgeoning consulting, publishing and coaching companies and has several entrepreneurial programs in development.

# Executive Team

## Leanne Lawrence

### Interim Chief Executive Officer

As Interim Chief Executive Officer, Leanne is leading the Arts Centre Melbourne team through this next transitional period by taking a people and wellbeing approach.

Leanne is building on her Chief People Officer role and working together with the Executive team and Trust to; lead Arts Centre Melbourne through recovery from the pandemic; maintain strategic and operational focus in this complex environment and deliver on our well thought through plans for transformation.

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

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

## Deirdre Blythe

### Chief Operating Officer

As Chief Operating Officer, Deirdre leads our Operations team, which includes Finance, Information Technology, Data and Insights, 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, where she chairs the Audit and Risk Management Committee, and a Fellow of the Australian Institute of Company Directors.

## **Elissa O'Malley**

Interim Chief People Officer

Elissa O'Malley is a seasoned, values-driven, leadership professional, who has focussed on People, Culture, Wellbeing and Organisational Development for almost 25 years. A "for purpose" specialist, her sectors of experience include emergency services, international community volunteering and development across more than 20 countries, and most recently the performing arts sector, where her early years as a flute player and enthusiastic student theatre participant (both onstage and backstage) have provided a sense of homecoming.

Elissa's technical experience spans workforce planning and recruitment, employee and industrial relations, learning and development, performance management, remuneration/ payroll management, workforce wellbeing, health and safety, and change management. Elissa seeks to inspire and support positive change and create workplaces that feel inclusive, enabling and purposeful.

## **Fiona Poletti**

Executive Director, Strategy, Advocacy and Partnerships

Fiona Poletti, is one of Australia's leading arts executives, specialising in strategic enterprise development, government relations and advocacy. Bringing with her a passion for purpose driven impact, Fiona sees the arts and cultural sector as an important contributor to Australia's economic, social, and cultural landscape.

Over the past 7 years, Fiona has led the Strategy, Advocacy and Partnerships functions at Arts Centre Melbourne. She leads a team responsible for working across the business to help guide its transformation and future direction through levers including strategy and business planning, advocacy, strategic partnerships, and stakeholder relations.

Diversifying revenue streams and unlocking potential through partnerships and investment (government, business, industry and tertiary) has been a particular area of focus and success for Arts Centre Melbourne.

Over her 25+ years career in the arts and cultural sector, Fiona has held senior advisory and management positions in the Australian and state government and the Creative Industries, including a four-year residency in Japan where she was engaged by the Australian Embassy in Tokyo.

Fiona lives and plays on the lands of the Bunurong People of the Kulin Nation, alongside her husband and three sons.

## **Melanie Smith**

Executive Director, Performing Arts

Melanie leads the creative content areas, including Programming, Presenter Services, Production, Collections and Asian Arts teams.

She is responsible for the development and delivery of the Performing Arts Strategy and Business Plan. Melanie is dedicated to ensuring Arts Centre Melbourne presents a diversity of events that represent and reflect the cultural make up of our State, offers creative learning experiences for students and families and supports our industry recovery and partnerships.

Melanie is an Executive Councillor on the Live Performance Australia Executive Council, the national peak body formed to ensure the long-term sustainability of the Australian live performance industry.

## Beau Vigushin

Executive Director, Equity & Inclusion and Customer Experience

Beau is an executive leader with a vision to create a happier, healthier, connected society through memorable, fun and inspiring life experiences. Beau leads our Equity & Inclusion work and the end-to-end experience for customers with a focus on engagement, innovation, service and communications.

Beau has always had a strong connection to the land surrounding the Birrarung, now known as Southbank. Beau started with Arts Centre Melbourne as a casual usher in 2002 and through years of learning and leadership growth joined the Executive team in April 2018. Beau has previously been a Board Member with Arts Access Victoria and is currently a board member with Tessitura Network – a global arts and cultural technology organisation.

Beau thrives on enabling others to be their best self, think big, focus on impact and not be bound by tradition. Beau has worked on customer transformation projects with Melbourne Recital Centre from 2010–14. Beau also worked with the Mushroom Group on starting up and leading the audience services for the iconic Hanging Rock concert venue.

Beau is passionate about the Melbourne Arts Precinct being a welcoming and enriching place that represents the full diversity of our city. Beau strives to create unique experiences and strong happy memories for people when they gather with us and experience the magic of the performing arts.

## Richard Zimmermann

Executive Director, Philanthropy

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

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

Since moving to Melbourne in 1990 Richard has continued to work extensively in marketing and fundraising for the film, arts and health sectors. He has headed up successful philanthropy programs at The Australian Film Institute, The Australian Ballet School, Jewish Care, ACMI (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.

# Financial Overview

**The five-year summary of results is presented on page 72. 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 80.**

**This distinction is important as under accounting standards the comprehensive operating statement includes a number of income streams and expenditure which are either not available for operating purposes or are subject to differences in timing.**

Non-operating items include:

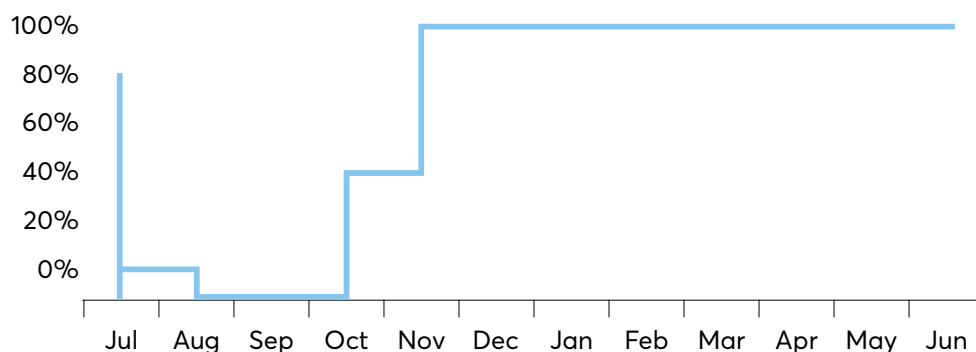
- Philanthropic bequests and endowments
- Donations of items to the Australian Performing Arts Collection
- Timing differences in relation to fundraising activities
- Funding that is used for capital purposes

## Operating Activities

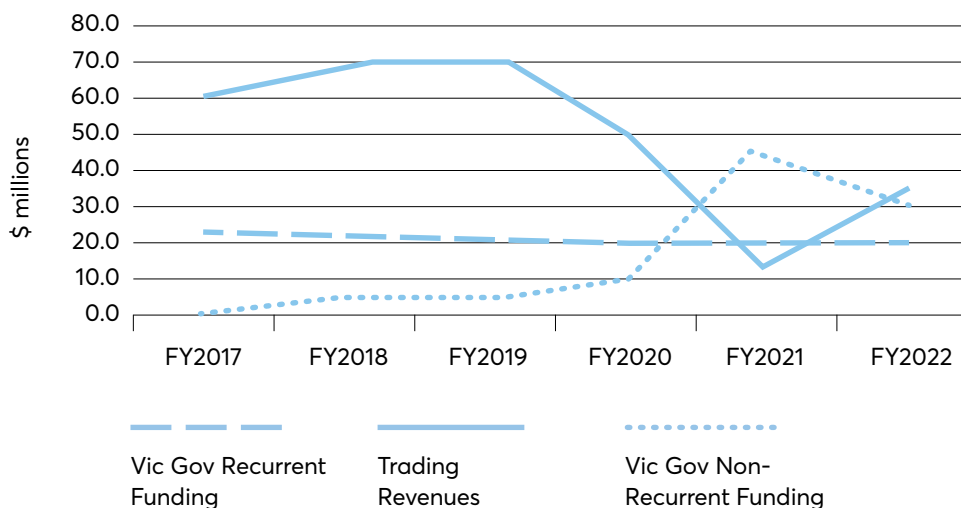
Lockdowns and restrictions associated with public health orders continued to be a prominent feature throughout the first half of the financial year. Whilst Arts Centre Melbourne was able to operate with no capacity limits from late November, it took time for the benefits to be felt.

Presenters and performing arts companies suffered significant financial consequences, and combined with the ongoing uncertainty, it was necessary for Arts Centre Melbourne to invest significantly in content to offer the public.

## Lockdowns and Restrictions – Permitted Capacity



**Key Revenue Streams – 5 Year Trend**



Ordinarily, around 80% of revenues are self-generated and are reliant on an open and thriving arts centre. Trading revenues declined significantly at the peak of the pandemic but began climbing with the reopening and reactivation of Arts Centre Melbourne.

For FY2022, trading revenues reached almost 50% of pre-pandemic levels. The number of performance events in FY2022 is 35% below levels experienced in FY2019 pre-pandemic. This represents a significant improvement from 73% down in FY2021. Attendance at performances is slower to improve and is down 50% on FY2019 levels (improved from 79% below in FY2021). The graph, above, illustrates the impact that COVID-19 has had on Arts Centre Melbourne’s revenue streams and how the sharp drop in revenue from trading activities when the pandemic took hold resulted in the need for supplementary support from the Victorian Government.

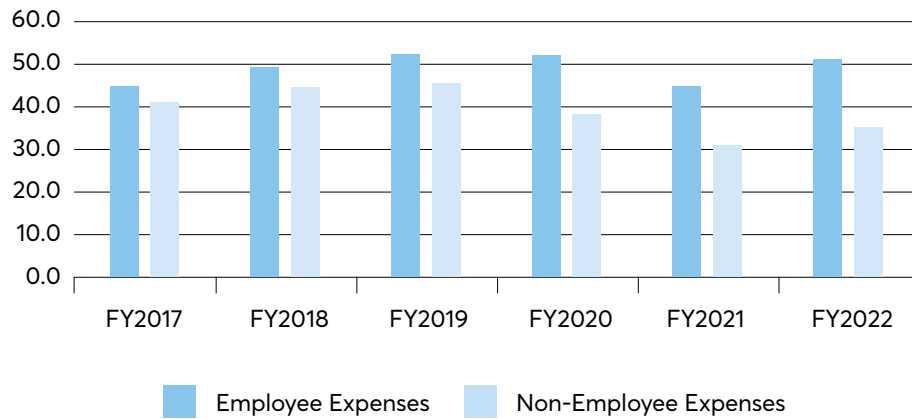
Recurrent funding from the Victorian Government was \$20.9 million in FY2022 (FY2021 \$20.9 million). Total non-recurrent funding for the FY2022 period was \$30.6 million (FY2021 \$43.3 million), largely consisting of funding support due to the pandemic. As a State Government entity,

Arts Centre Melbourne received support to facilitate critical activity, maintain employment in line with the conditions attached to that funding and to ensure the organisation’s solvency and ability to trade as a going concern. The Commercial Tenancies Relief Scheme, providing rent relief to tenants also remained effective until 15 March 2022, which impacted trading revenues.

Arts Centre Melbourne was provided with COVID-19 solvency funding support of \$26.5 million (FY2021 \$36.0 million). Additionally, \$4.0 million was provided in project funding. Whilst capacity restrictions were lifted during the year, the recovery to pre-pandemic levels and beyond will take time.

Employee expenses in the year totalled \$50.7 million (FY2021: \$46.0 million), almost returning to pre-pandemic levels. As a result of restricted activity levels and in honouring funding conditions Arts Centre Melbourne has managed non-employee expenses tightly to minimise the level of solvency funding required. As the graph on page 70 illustrates these expenses amounted to \$36.0 million, which equates to a 23% reduction on pre-pandemic levels.

### Operating Expenses – 5 Year Trend



### Non-Operating Activities

Net income from non-operating activities falls into two categories. Philanthropic funds flow represents the timing difference between raising funds and undertaking the activity for which they are designated.

Fundraising has remained strong during the pandemic with the generosity of donors and funders supporting the delivery of Arts Centre Melbourne's social, cultural and educational initiatives and programs. \$1.7 million of philanthropic revenues were distributed to support this work. Generous gifts of almost \$1.2 million were also provided in relation to capital projects including \$1 million for the capital campaign to support Reimagining Arts Centre Melbourne.

Distributed investment income recovered after suppressed returns experienced earlier in the pandemic.

The other category relates to income that is either capital in nature, for example non-cash donations to collections or income used to support Arts Centre Melbourne's capital investment.

Total revenues for capital purpose consisted of:

- \$0.9 million in relation to the Australian Performing Arts Centre Reveal project which is opening up access to the Australian Performing Arts Collection, with a combination of funding from donors and the Victorian Government;
- \$1 million donation to Reimagining Arts Centre Melbourne; and
- \$0.4 million relating to endowments, non-cash donations to the Australian Performing Arts Collection, and investment income on Arts Centre Melbourne's bank deposits.

Investing in content for stages which drives commercial return is a key initiative in driving the recovery and reduce the dependence on financial support of the Victorian Government. A commercial investment fund has been established to allow such investment, with returns initially being used to grow the fund to a level that material investments can be made. At this point further returns will also support Arts Centre Melbourne's operating activities. The fund commenced very successfully with strong returns in its inaugural year, with the fund reaching a balance of \$1 million.

### Net Result

The net operating result was a small deficit of \$0.4 million (FY2021 \$3.9 million). Non-operating activities delivered a surplus of \$5.4 million due to the strength of the fundraising campaign for future activities as well as generous donations and funding that has been received in order to fund capital projects which will not be expensed through the profit and loss account.

Depreciation and amortisation of \$17.7 million results in a net deficit from transactions of \$12.7 million. Whilst distributed investment income rose in the year, the value of investments held by the Foundation declined by 13%, resulting in a significant unrealised loss on financial assets, taking the comprehensive result to a deficit of \$15.0 million.

### Balance Sheet

Net assets of the Trust amount to \$651.3 million (FY2021: \$654.4 million), of which \$620.5 million relates to property, plant and equipment. In addition to depreciation outlined above, there were \$9.6 million of additions, almost entirely relating to the Reimagining Arts Centre Melbourne major capital project.

Financial assets increased by 47% to \$74.6 million (FY2021: \$50.8 million). The increase reflects the return to significant operating activity, with \$19.7 million of the increase is driven by box office funds held on behalf of presenters, which is representative of the greater number of events on sale compared to June 2021. There is also an increase in other restricted cash holdings of \$5.5 million, relating to Foundation funds and grants with specific performance obligations.

Other non-financial assets have increased by \$4.5 million, which relates to prepayment of funds to Development Victoria for the Reimagining Arts Centre Melbourne project.

Total liabilities increased by 70% to \$55.3 million (FY2021 \$32.5 million), most notably driven by the increase in box office creditors outlined above, as well as other income received in advance.

## Summary of Results 2018 – 2022

2021 – 2022

|   | FY2022<br>\$m | FY2021<br>\$m | FY2020<br>\$m | FY2019<br>\$m | FY2018<br>\$m |
|---|---------------|---------------|---------------|---------------|---------------|
| <b>FINANCIAL PERFORMANCE</b>                            |               |               |               |               |               |
| <b>OPERATING REVENUE</b>                                |               |               |               |               |               |
| Victorian Government Grants – Recurrent                 | 20.9          | 20.9          | 20.9          | 20.9          | 21.1          |
| Victorian Government Grants – Non-Recurrent             | 30.6          | 43.3          | 10.6          | 3.6           | 3.3           |
| Trading revenues  | 34.7          | 16.3          | 51.3          | 70.1          | 68.9          |
| Distribution from Foundation Funds                      | 1.7           | 1.7           | 4.7           | 3.0           | 3.2           |
| Operating Revenue allocated for Capital Purposes        | (0.7)         | (0.4)         | (1.2)         | (0.3)         | (0.9)         |
| Revenue allocated to Commercial Investment Fund         | (1.0)         | -             | -             | -             | -             |
| <b>Total operating revenue</b>                          | <b>86.2</b>   | <b>81.9</b>   | <b>86.4</b>   | <b>97.4</b>   | <b>95.5</b>   |
| <b>OPERATING EXPENSES</b>                               |               |               |               |               |               |
| Employee expenses                                       | (50.7)        | (46.0)        | (51.9)        | (51.9)        | (48.7)        |
| Performance Generated Expenses                          | (10.9)        | (11.7)        | (11.6)        | (13.0)        | (14.4)        |
| Other operating expenses                                | (14.2)        | (10.0)        | (14.9)        | (18.9)        | (18.7)        |
| Facilities Expenses                                     | (10.9)        | (10.2)        | (11.9)        | (14.5)        | (14.1)        |
| <b>Total operating expenses</b>                         | <b>(86.6)</b> | <b>(78.0)</b> | <b>(90.3)</b> | <b>(98.4)</b> | <b>(95.9)</b> |
| <b>Net Income From Operating Activities</b>             | <b>(0.4)</b>  | <b>3.9</b>    | <b>(3.9)</b>  | <b>(1.0)</b>  | <b>(0.5)</b>  |
| <b>NET INCOME FROM NON-OPERATING ACTIVITIES</b>         |               |               |               |               |               |
| <b>Revenue for Capital Purposes</b>                     |               |               |               |               |               |
| Investment Income                                       | 0.1           | 0.1           | 0.3           | 0.7           | 0.6           |
| Bequests & Endowments                                   | 0.1           | 0.0           | 0.1           | 3.5           | 1.1           |
| Donations to the Performing Arts Collection             | 0.2           | 0.0           | 0.1           | 1.1           | 0.3           |
| Operating Revenue allocated for Capital Purposes        | 0.7           | 0.4           | 1.2           | 0.3           | 0.9           |
| Philanthropic Funding for Capital Purposes              | 1.2           | 0.1           | -             | -             | -             |
| <b>Revenue for Capital Purposes</b>                     | <b>2.2</b>    | <b>0.7</b>    | <b>1.7</b>    | <b>5.5</b>    | <b>2.9</b>    |
| <b>Philanthropic Funds Flow</b>                         |               |               |               |               |               |
| Philanthropy  | 3.7           | 3.4           | 3.3           | 2.7           | 2.9           |
| Other Grants (Federal, International, Local)            | 0.4           | 0.5           | 0.6           | 0.1           | 0.1           |
| Foundation Investment Income                            | 1.0           | 0.7           | 0.9           | 1.1           | 0.5           |
| Distribution to Operating Activities                    | (1.7)         | (1.7)         | (4.7)         | (3.0)         | (3.2)         |
| Distribution to Capital Funding                         | (1.2)         | (0.1)         | -             | -             | -             |
| <b>Philanthropic Funds Flow</b>                         | <b>2.2</b>    | <b>2.7</b>    | <b>0.0</b>    | <b>0.9</b>    | <b>0.2</b>    |
| Commercial Investment Fund Income – Non-Operating       | 1.0           | -             | -             | -             | -             |
| <b>Net Income From Non-Operating Activities</b>         | <b>5.4</b>    | <b>3.4</b>    | <b>1.7</b>    | <b>6.5</b>    | <b>3.1</b>    |
| <b>Net result from transactions before depreciation</b> | <b>5.0</b>    | <b>7.3</b>    | <b>(2.2)</b>  | <b>5.5</b>    | <b>2.6</b>    |
| Depreciation and amortisation                           | (17.7)        | (12.0)        | (11.8)        | (23.2)        | (22.5)        |
| <b>Net result from transactions</b>                     | <b>(12.7)</b> | <b>(4.8)</b>  | <b>(14.0)</b> | <b>(17.8)</b> | <b>(19.9)</b> |
| Other Economic Flows Included in Net Result             | (2.3)         | 2.0           | (0.8)         | (0.8)         | 0.5           |
| <b>Net Result</b>                                       | <b>(15.0)</b> | <b>(2.8)</b>  | <b>(14.7)</b> | <b>(18.5)</b> | <b>(19.4)</b> |
| Other Economic Flows – other comprehensive income       | -             | (21.1)        | 59.8          | -             | 31.0          |
| <b>COMPREHENSIVE RESULT</b>                             | <b>(15.0)</b> | <b>(23.9)</b> | <b>45.0</b>   | <b>(18.5)</b> | <b>11.5</b>   |

## Summary of Activity 2018 – 2022

|  | Notes | FY2022       | FY2021     | FY2020       | FY2019       | FY2018       |
|--|-------|--------------|------------|--------------|--------------|--------------|
| <b>PATRONAGE PROFILE</b>                 |       | 000          | 000        | 000          | 000          | 000          |
| Attendances at Performances              | 1     | 705          | 302        | 989          | 1,431        | 1,535        |
| Attendances at Public Programs           | 2     | 1            | 1          | 21           | 111          | 497          |
| Attendances at Exhibitions               |       | 86           | 4          | 506          | 708          | 407          |
| Other Visitors & Facility Users          | 3     | 628          | 206        | 782          | 1,105        | 1,324        |
| <b>Total ACM Attendances</b>             |       | <b>1,420</b> | <b>513</b> | <b>2,298</b> | <b>3,355</b> | <b>3,763</b> |
| Asia TOPA Consortium/Partner Attendances | 4     | -            | -          | 804          | -            | -            |
| <b>Total Visitations</b>                 |       | <b>1,420</b> | <b>513</b> | <b>3,102</b> | <b>3,355</b> | <b>3,763</b> |

|                                     |   | #          | #          | #            | #            | #            |
|-------------------------------------|---|------------|------------|--------------|--------------|--------------|
| <b>EVENTS PROFILE</b>               |   |            |            |              |              |              |
| Performance Events                  | 5 | 953        | 436        | 1,152        | 1,626        | 1,971        |
| Public Program Events               |   | 34         | 68         | 192          | 834          | 1,368        |
| Exhibitions & Displays              |   | 1          | 1          | 6            | 15           | 20           |
| <b>Total ACM Events</b>             |   | <b>988</b> | <b>505</b> | <b>1,350</b> | <b>2,475</b> | <b>3,359</b> |
| Asia TOPA Consortium/Partner Events |   | -          | -          | 175          | -            | -            |
| <b>Total Events</b>                 |   | <b>988</b> | <b>505</b> | <b>1,525</b> | <b>2,475</b> | <b>3,359</b> |

|                                 |   | %          | %          | %          | %          | %          |
|---------------------------------|---|------------|------------|------------|------------|------------|
| <b>VENUE UTILISATION</b>        |   |            |            |            |            |            |
| State Theatre                   |   | 50%        | 8%         | 62%        | 97%        | 87%        |
| Playhouse                       |   | 48%        | 28%        | 59%        | 95%        | 80%        |
| Fairfax Studio                  |   | 38%        | 21%        | 65%        | 97%        | 92%        |
| Hamer Hall                      |   | 37%        | 28%        | 59%        | 73%        | 84%        |
| <b>Indoor Main Stage Venues</b> |   | <b>43%</b> | <b>21%</b> | <b>61%</b> | <b>91%</b> | <b>86%</b> |
| Sidney Myer Music Bowl          |   | 33%        | 28%        | 11%        | 16%        | 17%        |
| <b>Main Stage Venues</b>        |   | <b>41%</b> | <b>23%</b> | <b>51%</b> | <b>76%</b> | <b>72%</b> |
| The Famous Spiegeltent          | 6 | 48%        | 71%        | 32%        | 79%        | 35%        |
| The Pop-Up Globe SMMB           |   | 0%         | 0%         | 0%         | 0%         | 79%        |

- Attendances at Performances includes education and community engagement related performances.
- Attendance at Public Programs excludes Online Attendances
- Other Visitors & Facility Users include visitors to food & beverage outlets, Sunday market, the Hamer Hall visitor hub & car park.
- Asia TOPA Consortium and Partner events & attendances relate to events held at our partner organisations.
- Performance Events includes education and other community engagement related performances.
- The Famous Spiegeltent utilisation relates to the period when Spiegeltent is on ACM's premises.

|                                       |  |            |            |            |            |              |
|---------------------------------------|--|------------|------------|------------|------------|--------------|
| <b>ONLINE ATTENDANCES</b>             |  | <b>000</b> | <b>000</b> | <b>000</b> | <b>000</b> | <b>000</b>   |
| Attendances at Online Performances    |  | -          | -          | -          | -          | -            |
| Attendances at Online Public Programs |  | 1          | 255        | 504        | -          | 1,300        |
| Attendances at Online Exhibitions     |  | -          | -          | -          | -          | -            |
| <b>Online Attendances</b>             |  | <b>1</b>   | <b>255</b> | <b>504</b> | <b>-</b>   | <b>1,300</b> |
| <b>ONLINE EVENTS</b>                  |  | <b>#</b>   | <b>#</b>   | <b>#</b>   | <b>#</b>   | <b>#</b>     |
| Performance Events                    |  | -          | -          | -          | -          | -            |
| Public Program Events                 |  | 13         | 449        | 72         | -          | 16           |
| Exhibitions & Displays                |  | -          | -          | -          | -          | -            |
| <b>Online Events</b>                  |  | <b>13</b>  | <b>449</b> | <b>72</b>  | <b>-</b>   | <b>16</b>    |
| <b>WEBSITE VISITATION</b>             |  | <b>000</b> | <b>000</b> | <b>000</b> | <b>000</b> | <b>000</b>   |
| Website Visitation                    |  | 3,059      | 1,604      | 3,463      | 3,949      | 4,035        |

# Victorian Arts Centre Trust

## Table of Contents

for the financial year ended 30 June 2022

2021 – 2022

### How this report is structured

Arts Centre Melbourne has presented its audited general purpose financial statements for the financial year ended 30 June 2022 in the following structure to provide users with the information about the Victorian Arts Centre Trust's stewardship of resources entrusted to it.

## Financial Statements

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# Victorian Arts Centre Trust

## Accountable Officer's and Chief Financial Officer's Declaration

For the financial year ended 30 June 2022

### Accountable Officer's 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 2022 and the financial position of the Trust as at 30 June 2022. At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 24 August 2022.



**Ian Carson AM**  
President  
Victorian Arts Centre Trust



**Leanne Lawrence**  
Interim Chief Executive Officer



**Deirdre Blythe**  
Chief Operating Officer

# Victorian Arts Centre Trust

## Independence Declaration

For the financial year ended 30 June 2022



## 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 2022, I declare that, to the best of my knowledge and belief, there have been:

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

MELBOURNE  
8 September 2022

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

Simone Bohan  
*as delegate for the Auditor-General of Victoria*

# Victorian Arts Centre Trust

## INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2022



Victorian Auditor-General's Office

### Independent Auditor's Report

#### To the Trustees of the Victorian Arts Centre Trust

|   |   |
|---|---|
| <b>Opinion</b>  | <p>I have audited the financial report of the Victorian Arts Centre Trust (the trust) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2022</li><li>• comprehensive operating statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• cash flow statement for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• accountable officer's and chief financial officer's declaration.</li></ul> <p>In my opinion the financial report is in accordance with Part 7 of the <i>Financial Management Act 1994</i> and Division 60 of the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, including:</p> <ul style="list-style-type: none"><li>• presenting fairly, in all material respects, the financial position of the trust as at 30 June 2022 and of its financial performance and its cash flows for the year then ended</li><li>• complying with Australian Accounting Standards and Division 60 of the <i>Australian Charities and Not-for-profits Commission Regulations 2013</i>.</li></ul> |
| <b>Basis for Opinion</b>                                  | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the trust in accordance with the auditor independence requirements of the <i>Australian Charities and Not-for-profits Commission Act 2012</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>  |
| <b>Trustees responsibilities for the financial report</b> | <p>The Trustees of the trust are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the <i>Financial Management Act 1994</i> and the <i>Australian Charities and Not-for-profits Commission Act 2012</i>, and for such internal control as the Trustees determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Trustees are responsible for assessing the trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>   |

**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.



# Victorian Arts Centre Trust

## COMPREHENSIVE OPERATING STATEMENT

For the financial year ended 30 June 2022

2021 – 2022

| CONTINUING OPERATIONS  | Notes | 2022<br>\$'000s  | 2021<br>\$'000s |
|--|-------|------------------|-----------------|
| <b>REVENUE AND INCOME FROM TRANSACTIONS</b>  |       |                  |                 |
| Sales of goods and services  | 2.2.1 | 32,561           | 14,873          |
| Income from fundraising activities   | 2.2.2 | 4,504            | 3,646           |
| Grants   | 2.2.3 | 51,859           | 64,718          |
| Income from financial assets   | 2.2.4 | 1,090            | 761             |
| Fair value of assets and services received free of charge or for nominal consideration | 2.2.5 | 369              | 482             |
| Other income   | 2.2.6 | 1,245            | 774             |
| <b>Total revenue and income from transactions</b>                                      |       | <b>91,628</b>    | <b>85,253</b>   |
| <b>EXPENSES FROM TRANSACTIONS</b>  |       |                  |                 |
| Employee benefit expenses  | 3.2   | (50,660)         | (46,022)        |
| Performance generated expenses   | 3.3   | (10,874)         | (11,677)        |
| Other commercial expenses  | 3.4   | (5,360)          | (2,320)         |
| Facilities expenses  | 3.5   | (10,893)         | (10,242)        |
| Other operating expenses   | 3.6   | (8,841)          | (7,717)         |
| Depreciation and amortisation  | 4.1.1 | (17,732)         | (12,043)        |
| <b>Total expenses from transactions</b>  |       | <b>(104,360)</b> | <b>(90,020)</b> |
| <b>Net deficit from transactions</b>   |       | <b>(12,732)</b>  | <b>(4,767)</b>  |
| <b>OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT</b>                                     |       |                  |                 |
| Net gain/(loss) on non-financial assets <sup>(a)</sup>                                 | 8.1   | (176)            | (1)             |
| Net gain/(loss) on financial assets <sup>(b)</sup>                                     | 8.1   | (2,602)          | 1,342           |
| Other gains/(losses) from other economic flows   | 8.1   | 519              | 624             |
| <b>Total other economic flows included in net result</b>                               |       | <b>(2,259)</b>   | <b>1,965</b>    |
| <b>Net Result</b>  |       | <b>(14,991)</b>  | <b>(2,802)</b>  |
| <b>OTHER ECONOMIC FLOWS – OTHER COMPREHENSIVE INCOME</b>                               |       |                  |                 |
| <b>Items that will not be reclassified to net result</b>                               |       |                  |                 |
| Changes in physical asset revaluation surplus  | 8.2   | -                | (21,127)        |
| <b>Total other economic flows – other comprehensive income</b>                         |       | <b>-</b>         | <b>(21,127)</b> |
| <b>Comprehensive result</b>  |       | <b>(14,991)</b>  | <b>(23,928)</b> |

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

Notes:

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

# Victorian Arts Centre Trust

## BALANCE SHEET

As at 30 June 2022

| ASSETS                                 | Notes | 2022<br>\$'000s | 2021<br>\$'000s |
|--|-------|-----------------|-----------------|
| <b>FINANCIAL ASSETS</b>                |       |                 |                 |
| Cash and cash equivalents              | 6.2   | 52,966          | 31,136          |
| Receivables                            | 5.1.1 | 6,482           | 2,397           |
| Contract assets                        | 5.1.2 | 468             | 629             |
| Investments and other financial assets | 4.3   | 14,636          | 16,623          |
| <b>Total financial assets</b>          |       | <b>74,551</b>   | <b>50,785</b>   |
| <b>NON-FINANCIAL ASSETS</b>            |       |                 |                 |
| Inventories                            | 5.3   | 605             | 519             |
| Property, plant and equipment          | 4.1   | 620,518         | 628,859         |
| Intangible assets                      | 4.2   | 165             | 460             |
| Other non-financial assets             | 5.4   | 10,745          | 6,256           |
| <b>Total non-financial assets</b>      |       | <b>632,033</b>  | <b>636,095</b>  |
| <b>Total assets</b>                    |       | <b>706,584</b>  | <b>686,879</b>  |
| <b>LIABILITIES</b>                     |       |                 |                 |
| Payables                               | 5.2.1 | 8,869           | 9,496           |
| Contract liabilities                   | 5.2.2 | 36,847          | 13,669          |
| Provisions                             | 3.2.2 | 9,067           | 9,011           |
| Lease liabilities                      | 6.1   | 462             | 328             |
| <b>Total liabilities</b>               |       | <b>55,245</b>   | <b>32,504</b>   |
| <b>Net assets</b>                      |       | <b>651,341</b>  | <b>654,376</b>  |
| <b>EQUITY</b>                          |       |                 |                 |
| Contributed capital                    |       | 589,531         | 577,576         |
| Donation and endowment reserve         | 8.2.1 | 22,019          | 22,340          |
| Asset revaluation surplus              | 8.2.2 | 335,351         | 335,351         |
| Accumulated deficit                    |       | (295,562)       | (280,892)       |
| <b>Total equity</b>                    |       | <b>651,341</b>  | <b>654,376</b>  |

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

# Victorian Arts Centre Trust

## STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2022

2021 – 2022

|  | Notes      | Contributed capital<br>\$'000s | Donation and endowment reserve<br>\$'000s | Physical asset revaluation surplus<br>\$'000s | Accumulated deficit<br>\$'000s | Total<br>\$'000s |
|--|------------|--------------------------------|---|---|--------------------------------|------------------|
| <b>Balance at 1 July 2020</b>  | <b>8.2</b> | <b>558,661</b>                 | <b>18,185</b>                             | <b>356,478</b>                                | <b>(273,935)</b>               | <b>659,389</b>   |
| Net result for the year  |            | -                              | -   | -   | (2,802)                        | (2,802)          |
| Fair value adjustment to financial assets attributed to donation & endowment reserve | (iii)      | -                              | 1,263                                     | -   | (1,263)                        | -                |
| Other comprehensive income for the year  |            | -                              | -   | (21,127)                                      | -                              | (21,127)         |
| Bequests and endowment funds received  | (i)        | -                              | 43  | -   | (43)                           | -                |
| Net donations and investment income received   | (i)        | -                              | 4,513                                     | -   | (4,513)                        | -                |
| Donations and endowment distributions  | (i)        | -                              | (1,803)                                   | -   | 1,803                          | -                |
| Donations for capital purpose  |            | -                              | 140                                       | -   | (140)                          | -                |
| Capital appropriations   | (i)        | 18,915                         | -   | -   | -                              | 18,915           |
| <b>Balance as at 1 July 2021</b>   | <b>8.2</b> | <b>577,576</b>                 | <b>22,340</b>                             | <b>335,351</b>                                | <b>(280,892)</b>               | <b>654,376</b>   |
| Net result for the year  |            | -                              | -   | -   | (14,991)                       | (14,991)         |
| Fair value adjustment to financial assets attributed to donation & endowment reserve | (iii)      | -                              | (2,514)                                   | -   | 2,514                          | -                |
| Other comprehensive income for the year  |            | -                              | -   | -   | -                              | -                |
| Bequests and endowment funds received  | (i)        | -                              | 106                                       | -   | (106)                          | -                |
| Net donations and investment income received   | (i)        | -                              | 5,140                                     | -   | (5,140)                        | -                |
| Donations and endowment distributions  | (i)        | -                              | (4,619)                                   | -   | 4,619                          | -                |
| Donations for capital purpose  |            | -                              | 1,567                                     | -   | (1,567)                        | -                |
| Capital appropriations   | (i)        | 11,955                         | -   | -   | -                              | 11,955           |
| <b>Balance at 30 June 2022</b>   | <b>8.2</b> | <b>589,531</b>                 | <b>22,019</b>                             | <b>335,351</b>                                | <b>(295,562)</b>               | <b>651,341</b>   |

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

Notes:

- (i) During the year \$2.2m was transferred from the accumulated deficit to the donation and endowment reserve. In FY2021 \$2.9m 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 \$0.5m (FY2021: \$0.4m) in relation to the Cultural Facilities Maintenance fund, \$10.3m (FY2021: \$18.0m) for Reimagining, \$0.6m (FY2021: \$nil) for COVID safe improvements and \$0.5m (FY2021: \$0.5m) for minor maintenance. These transfers are designated as a contribution from the owners (capital appropriations).
- (iii) The portion of the fair value adjustment under AASB 9 that is related to Arts Centre Melbourne's Foundation is allocated to the donation & endowment reserve.

# Victorian Arts Centre Trust

## CASH FLOW STATEMENT

For the financial year ended 30 June 2022

| CASH FLOWS FROM OPERATING ACTIVITIES  | Notes        | 2022<br>\$'000s | 2021<br>\$'000s |
|---|--------------|-----------------|-----------------|
| <b>RECEIPTS</b>   |              |                 |                 |
| Receipts from customers <sup>(a)</sup>  |              | 51,671          | 13,744          |
| Receipts from fundraising activities  |              | 4,554           | 3,717           |
| Receipts from bequests and endowments   |              | 106             | 43              |
| Government grants received  |              | 54,225          | 65,985          |
| GST received from the Australian Taxation Office                                  |              | -               | 3,640           |
| Interest and distributions received <sup>(b)</sup>                                |              | 259             | 959             |
| <b>Total receipts</b>   |              | <b>110,814</b>  | <b>88,088</b>   |
| <b>PAYMENTS</b>   |              |                 |                 |
| Payments to suppliers   |              | (34,776)        | (24,576)        |
| Payments to employees   |              | (50,677)        | (47,057)        |
| GST paid to the Australian Taxation Office <sup>(c)</sup>                         |              | (280)           | -               |
| Interest and other costs of finance paid  |              | (18)            | (5)             |
| <b>Total payments</b>   |              | <b>(85,751)</b> | <b>(71,638)</b> |
| <b>Net cash from/ (used in) operating activities</b>                              | <b>6.2.1</b> | <b>25,063</b>   | <b>16,450</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |              |                 |                 |
| Payments for property, plant and equipment  |              | (4,849)         | (23,750)        |
| Receipts from investments <sup>(d)</sup>  |              | -               | 1,523           |
| Payments for intangible assets  |              | -               | -               |
| Prepayment for property, plant and equipment                                      |              | (10,127)        | (2,464)         |
| <b>Net cash from/ (used in) investing activities</b>                              |              | <b>(14,975)</b> | <b>(24,692)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                       |              |                 |                 |
| Owner contributions by State Government   |              | 11,967          | 18,969          |
| Repayment of borrowings and principal portion of lease liabilities <sup>(e)</sup> |              | (224)           | (162)           |
| <b>Net cash provided by financing activities</b>                                  |              | <b>11,743</b>   | <b>18,807</b>   |
| Net increase in cash and cash equivalents   |              | 21,831          | 10,564          |
| Cash and cash equivalents at the beginning of the financial year                  |              | 31,136          | 20,572          |
| <b>Cash and cash equivalents at the end of the financial year</b>                 | <b>6.2</b>   | <b>52,966</b>   | <b>31,136</b>   |

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

Notes:

- (a) Receipts from customers in FY2022 includes \$20.9m (FY2021: \$4.0m) of cash received from ticket purchasers for future events which can only be made available to the Presenter (ticketing receipts) and the Trust (venue rental, ticketing commission and other recoveries) after the relevant event has occurred.
- (b) 'Dividends received' is recognised as cash flow from operating activities.
- (c) GST paid to the Australian Taxation Office is presented on a net basis.
- (d) Includes equity and debt instruments.
- (e) The Trust has recognised cash payments for the principal portion of lease payments as financing activities; cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 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 Regions.

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, which does not form part of these financial statements.

#### Structure

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| 1.3 Economic Dependency                             | 85 |

### 1.1 BASIS OF ACCOUNTING PREPARATION AND MEASUREMENT

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

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

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

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

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis.

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

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated. Discrepancies in tables between total and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 1.2 COMPLIANCE STATEMENT

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

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

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

### 1.3 ECONOMIC DEPENDENCY

The spread of novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a global pandemic on 11 March 2020. The rapid rise of the virus has seen an unprecedented global response by Governments, regulators and industry sectors.

The Australian Federal Government enacted its emergency plan on 29 February 2020 which saw the closure of Australian borders from 20 March 2020, an increasing level of restrictions on corporate Australia's ability to operate, significant volatility and instability in financial markets and the release of a number of government stimulus packages to support individuals and businesses as the Australian and global economies face significant slowdowns and uncertainties. Since this time, outbreaks in Victoria and interstate have resulted in lockdowns and significant measures to reduce the risk of infection.

For the year ended 30 June 2022, COVID-19 has impacted Arts Centre Melbourne, specifically as follows:

- Arts Centre Melbourne was forced to close its doors again on 15 July 2021 when Melbourne entered its fifth lockdown, and all indoor venues remained closed until late November 2021, when a gradual and phased reopening commenced, adhering to the Victorian Government's COVID safety measures. Almost 80% of Arts Centre Melbourne's revenues were self-generated prior to the pandemic, and during periods of closure or restricted trading those revenue streams are severely impacted.
- Whilst the second half of the financial year was not impacted by lockdowns, the return of audiences in their pre-pandemic numbers will take time to achieve, particularly in light of new variants and their impact on consumer confidence. The recovery of self-generated revenue is reliant upon the organisation achieving these activity levels.
- As a result of the impact of the closures and restrictions, \$26.5m of financial support has been provided by the Victorian Government in the form of additional grant funding during the financial year. Additionally, \$4.0m million was provided in project funding, relating to a number of initiatives including support for Resident Companies, programming for schools and the APAC Reveal project.

The Trustees have prepared projected cash flow information for the twelve months from the date of approval of these financial statements taking into consideration the estimation of the

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

continued business impacts of COVID-19. The projections demonstrate that further support will be required over the coming year based on current expectations, which are highly uncertain.

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

ACM has received written confirmation from the Victorian Government that it has agreed policies to address the loss of own source revenue that some of the State's controlled entities have suffered. These policies will support entities to continue to grow their revenues and return to sustainable operations. The letter of support provides the necessary confidence for Arts Centre Melbourne to prepare its Annual Financial Report for 2021-22 on a going concern basis to meet the requirements of Australian accounting standard AASB 101 Presentation of Financial Statements.

Support is conditional upon Arts Centre Melbourne taking all necessary steps to maximise the efficiency of its operations, capping discretionary expenditure growth while maximising revenue, and the consistent application of the Coronavirus (COVID-19) guidance notes and any subsequent policies determined by the Victorian Government.

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

## 2. FUNDING DELIVERY OF OUR SERVICES

### Introduction

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

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

### Structure

|   |    |
|---|----|
| 2.1 Summary of revenue and income that funds the delivery of our services | 87 |
| 2.2 Revenue and income from Transactions                                  | 88 |

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

|  | Notes | 2022<br>\$'000s | 2021<br>\$'000s |
|--|-------|-----------------|-----------------|
| <b>REVENUE AND INCOME FROM TRANSACTIONS</b>  |       |                 |                 |
| Sales of goods and services  | 2.2.1 | 32,561          | 14,873          |
| Income from fundraising activities   | 2.2.2 | 4,504           | 3,646           |
| Grants   | 2.2.3 | 51,859          | 64,718          |
| Income from financial assets   | 2.2.4 | 1,090           | 761             |
| Fair value of assets and services received free of charge or for nominal consideration | 2.2.5 | 369             | 482             |
| Other income   | 2.2.6 | 1,245           | 774             |
| <b>Total revenue and income from transactions</b>                                      |       | <b>91,628</b>   | <b>85,253</b>   |

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 2.2 REVENUE AND INCOME FROM TRANSACTIONS

#### 2.2.1 Sales of goods and services

|  | 2022<br>\$'000s | 2021<br>\$'000s |
|--|-----------------|-----------------|
| Arts Centre Melbourne programming        | 2,367           | 2,138           |
| Theatre services                         | 12,633          | 5,227           |
| Ticketing                                | 4,719           | 1,220           |
| Food and beverage                        | 9,796           | 4,439           |
| Car park                                 | 3,044           | 1,848           |
| Other commercial                         | 3               | 1               |
| <b>Total Sales of goods and services</b> | <b>32,561</b>   | <b>14,873</b>   |

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

Key income areas are as follows:

- Arts Centre Melbourne programming income comprises ticket sales from Arts Centre Melbourne presented and produced events. Revenue is recognised at a point in time when the performance obligation is satisfied; when the event or program is completed; and over time when the customer simultaneously receives and consumes the services as it is provided;
- Theatre services income consists of the recovery of event production costs and venue rental. Revenue is recognised at a point in time when the performance obligation is satisfied; when the event or program is completed; and over time when the customer simultaneously receives and consumes the services as it is provided;
- Ticketing income comprises commissions on the sale of tickets as well as merchant and transaction fees. Revenue is recognised at a point in time when the performance obligation is satisfied;
- The food and beverage revenue is earned from the various Arts Centre Melbourne bars and restaurants and from the Conference Meetings and Event business. Revenue is recognised at the point of time when a customer uses the bars and restaurants. For events, revenue is recognised when the event is completed; and

The car park income is earned from the onsite car parking facilities. Revenue is recognised at the point in time when a customer uses the facility.

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 2.2.2 Income from fundraising activities

|   | 2022<br>\$'000s | 2021<br>\$'000s |
|---|-----------------|-----------------|
| Philanthropy                                    | 3,736           | 3,736           |
| Bequests and endowments                         | 106             | 43              |
| Membership                                      | 264             | 31              |
| Sponsorships                                    | 399             | 196             |
| <b>Total income from fundraising activities</b> | <b>4,504</b>    | <b>3,646</b>    |

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

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

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

### 2.2.3 Grants

|  | 2022<br>\$'000s | 2021<br>\$'000s |
|--|-----------------|-----------------|
| Victorian Government appropriation – recurrent       | 20,937          | 20,937          |
| Victorian Government grants - Australian Music Vault | 72              | 948             |
| Other Victorian Government grants – non-recurrent    | 30,484          | 42,353          |
| Federal government grants                            | 59              | 98              |
| Other grants   | 308             | 382             |
| <b>Total grants</b>                                  | <b>51,859</b>   | <b>64,718</b>   |

#### Non-recurrent Victorian Government grants

The Trust received non-recurrent funding from the Victorian Government of \$30.5m in FY2022 (FY2021: \$42.4m) comprising COVID-19 crisis funding support of \$26.5m and \$4.1m of funding for programming activities (primarily the Live At The Bowl summer season and Megamix Social at Sidney Myer Music Bowl), support for sector recovery through Access All Stages and storage and display of the Performing Arts and Works of Art Collections.

#### Grants recognised under AASB 1058

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

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

Related amounts may take the form of:

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

### Grants recognised under AASB 15

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15. These grants primarily relate to programming activity, the Australian Music Vault and the Arts Wellbeing Collective.

Revenue is recognised when the Trust satisfies the performance obligation. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur.

### 2.2.4 Income from financial assets

|  | 2022<br>\$'000s | 2021<br>\$'000s |
|--|-----------------|-----------------|
| Interest – bank deposits <sup>(a)</sup>                                    | 134             | 85              |
| Dividends and interest – externally managed unitised trusts <sup>(b)</sup> | 955             | 676             |
| <b>Total income from financial assets classified as available for sale</b> | <b>1,090</b>    | <b>761</b>      |

Notes:

- (a) Interest includes \$19k (FY2021: \$14k) relating to fundraising activities and \$115k (FY2021: \$71k) relating to operating activities.
- (b) Included in dividends is \$955k (FY2021: \$644k) relating to fundraising activities and \$nil (FY2021: \$32k) relating to operating activities.

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

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

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 2.2.5 Fair value of assets and services received free of charge or for normal consideration

|   | 2022<br>\$'000s | 2021<br>\$'000s |
|---|-----------------|-----------------|
| Donations to the Performing Arts and visual art collections   | 164             | 25              |
| Sponsorship Income  | 206             | 457             |
| <b>Total fair value of assets and services received free of charge or for nominal consideration</b> | <b>369</b>      | <b>482</b>      |

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the Trust obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions.

Donated works of art or Performing Arts Collection assets are recognised when the gift is accepted by the Trust and is recorded at fair value. Fair value is determined by either an average of independent valuations under the Cultural Gifts Program or curatorial assessment by the Trust.

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

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

### 2.2.6 Other income

|   | Notes | 2022<br>\$'000s | 2021<br>\$'000s |
|---|-------|-----------------|-----------------|
| Facilities management <sup>(a)</sup>            |       | 447             | 37              |
| Cost recovery from third parties <sup>(b)</sup> | 3.5   | 251             | 251             |
| Rental Income                                   |       | 322             | 304             |
| Sundry <sup>(c)</sup>                           |       | 224             | 182             |
| <b>Total other income</b>                       |       | <b>1,245</b>    | <b>774</b>      |

Notes:

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

Rental income is earned from the Trust's food & beverage tenants and stallholders at the Trust's weekend markets. Rental income from operating leases is recognised on a straight-line basis over the lease term.

Operating leases relate to the Trust's food & beverage tenancies with lease terms between 5 and 10 years, currently with no option to extend. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew.

The lessee does not have an option to purchase the property at the expiry of the lease period. The risks associated with rights that the Trust retains in underlying assets are not considered to be significant, the Trust employs strategies to minimise these risks.

For example, ensuring all contracts include clauses requiring the lessee to compensate the Trust when a property has been subject to excess wear and tear during the lease term.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 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 | 93  |
| 3.2 Employee benefit expenses                            | 93  |
| 3.3 Performance generated expenses                       | 100 |
| 3.4 Other commercial expenses                            | 100 |
| 3.5 Facilities expenses                                  | 101 |
| 3.6 Other operating expenses                             | 101 |

#### 3.1 SUMMARY OF EXPENSES INCURRED IN DELIVERY OF SERVICES

| TOTAL EXPENSES INCURRED IN THE DELIVERY OF SERVICES        | Notes | 2022<br>\$'000s | 2021<br>\$'000s |
|--|-------|-----------------|-----------------|
| Employee benefit expenses                                  | 3.2   | 50,660          | 46,022          |
| Performance generated expenses                             | 3.3   | 10,874          | 11,677          |
| Other commercial expenses                                  | 3.4   | 5,360           | 2,320           |
| Facilities expenses  | 3.5   | 10,893          | 10,242          |
| Other operating expenses                                   | 3.6   | 8,841           | 7,717           |
| <b>Total expenses incurred in the delivery of services</b> |       | <b>86,628</b>   | <b>77,977</b>   |

#### 3.2 EMPLOYEE BENEFIT EXPENSES

##### 3.2.1 Employee benefits in the comprehensive operating statement

|  | 2022<br>\$'000s | 2021<br>\$'000s |
|--|-----------------|-----------------|
| Salaries and wages                     | 43,987          | 40,012          |
| Superannuation                         | 4,123           | 3,596           |
| Taxes                                  | 2,387           | 2,056           |
| Other employee expenses                | 163             | 358             |
| <b>Total employee benefit expenses</b> | <b>50,660</b>   | <b>46,022</b>   |

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

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 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.

|   | 2022<br>\$'000s | 2021<br>\$'000s |
|---|-----------------|-----------------|
| <b>Current provisions:</b>                                |                 |                 |
| <b>Annual leave</b>                                       |                 |                 |
| Unconditional and expected to settle within 12 months     | 2,387           | 2,357           |
| Unconditional and expected to settle after 12 months      | 993             | 905             |
| <b>Long service leave</b>                                 |                 |                 |
| Unconditional and expected to settle within 12 months     | 386             | 357             |
| Unconditional and expected to settle after 12 months      | 2,943           | 2,938           |
| <b>Provision of on-costs</b>                              |                 |                 |
| Unconditional and expected to settle within 12 months     | 390             | 383             |
| Unconditional and expected to settle after 12 months      | 616             | 603             |
| <b>Total current provisions for employee benefits</b>     | <b>7,717</b>    | <b>7,543</b>    |
| <b>Non-current provisions:</b>                            |                 |                 |
| Employee benefits   | 1,161           | 1,262           |
| On costs  | 189             | 206             |
| <b>Total non-current provisions for employee benefits</b> | <b>1,350</b>    | <b>1,468</b>    |
| <b>Total provisions for employee benefits</b>             | <b>9,067</b>    | <b>9,011</b>    |

|   | 2022<br>\$'000s | 2021<br>\$'000s |
|---|-----------------|-----------------|
| <b>RECONCILIATION OF MOVEMENT IN ON-COST PROVISIONS</b>       |                 |                 |
| <b>Opening balance</b>  | <b>1,192</b>    | <b>1,193</b>    |
| Additional provisions recognised                              | 705             | 587             |
| Reductions arising from payments                              | (629)           | (503)           |
| Unwind of discount and effect of changes in the discount rate | (73)            | (85)            |
| <b>Closing balance</b>  | <b>1,195</b>    | <b>1,192</b>    |
| Current   | 1,006           | 986             |
| Non-current   | 189             | 206             |
| <b>Total</b>  | <b>1,195</b>    | <b>1,192</b>    |

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

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

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

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

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

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.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 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<br>FOR THE YEAR |                 | CONTRIBUTION<br>OUTSTANDING AT YEAR END |                 |
|----------------------------|-----------------------------------|-----------------|---|-----------------|
|                            | 2022<br>\$'000s                   | 2021<br>\$'000s | 2022<br>\$'000s                         | 2021<br>\$'000s |
| Defined benefit plans      | 81                                | 118             | 23                                      | 8               |
| Defined contribution plans | 4,276                             | 3,980           | 421                                     | -               |
| <b>Total</b>               | <b>4,357</b>                      | <b>4,098</b>    | <b>445</b>                              | <b>8</b>        |

**(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 10% (FY2022) or as per enterprise agreements. The Superannuation Guarantee contribution rate is legislated to progressively increase to 12% by 2025, and will increase to 10.5% from 1 July 2022.

**(b) Defined benefit fund**

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

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

As provided under Paragraph 34 of AASB 119 – 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.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

As a result, the level of participation of The Trust in the Fund cannot be measured as a percentage compared with other participating employers. While there is an agreed methodology to allocate any shortfalls identified by the Fund Actuary for funding purposes, there is no agreed methodology to allocate benefit liabilities, assets and costs between the participating employers for accounting purposes. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119 because of the pooled nature of the Fund's Defined Benefit category.

### Funding arrangements

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

An interim actuarial investigation as at 30 June 2021 was conducted and was completed by the due date of 31 October 2021. The vested benefit index (VBI) of the Defined Benefit category of which The Trust is a contributing employer was 109.8% as at 30 June 2021 (104.6% at 30 June 2020). The financial assumptions used to calculate the VBIs were:

|                        | 30 June 2021 (Interim review) | 30 June 2020 (Full review)                        |
|------------------------|-------------------------------|---|
| Net investment returns | 4.75% pa                      | 5.6% pa   |
| Salary information     | 2.75% pa                      | 2.5% pa for 2 years<br>and 2.75% pa<br>thereafter |
| Price inflation (CPI)  | 2.25% pa                      | 2.0% pa   |

An interim actuarial investigation is currently underway for the Defined Benefit category as at 30 June 2022 as the Fund provides lifetime pensions in the Defined Benefit category. It is expected to be completed by 31 October 2022.

Vision Super has advised that the VBI at 30 June 2022 was 102.2%. The Trust was notified of the 30 June 2022 VBI during August 2022 (2021: August 2022). The financial assumptions used to calculate this VBI were:

|                        |   |
|------------------------|---|
| Net investment returns | 5.5% pa   |
| Salary information     | 2.5% pa to 30 June 2023, and<br>2.75% pa thereafter |
| Price inflation (CPI)  | 3.0% pa   |

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2021 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.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Employer contributions

#### Regular contributions

On the basis of the results of the 2021 interim actuarial investigation conducted by the Fund Actuary, The Trust makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2022, this rate was 10.0% of members' salaries (9.5% in 2020/21). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

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

#### Funding calls

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.

#### The 2021 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 2021 and the last full investigation was conducted as at 30 June 2020.

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

|                                       | 2021 (Interim) \$m | 2020 (Triennial) \$m |
|---------------------------------------|--------------------|----------------------|
| A VBI Surplus                         | \$214.7            | \$100.0              |
| A total service liability surplus     | \$270.3            | \$200.0              |
| A discounted accrued benefits surplus | \$285.2            | \$217.8              |

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 2021.

The total service liability surplus means that the current value of the assets in the Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2021.

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 2021.

The Trust was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

### The 2022 interim actuarial investigation

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2022. It is anticipated that this actuarial investigation will be completed by October 2022. The financial assumptions for the purposes of this investigation are:

|                       | 2022 Interim investigation                         | 2021 Interim investigation |
|-----------------------|--|----------------------------|
| Net investment return | 5.5% pa  | 4.75% pa                   |
| Salary inflation      | 2.5% pa to 30 June 2023,<br>and 3.5% pa thereafter | 2.75% pa thereafter        |
| Price inflation       | 3.0% pa  | 2.25% pa                   |

The Trust was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

### Accrued benefits

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

|   | 30 June 2021 (Interim) \$m | 30 June 2020 (Triennial) \$m |
|---|----------------------------|------------------------------|
| Net Market Value of Assets  | 2,436.4                    | 2,253.4                      |
| Accrued Benefits  | 2,151.8                    | 2,035.6                      |
| Difference between Assets<br>and Accrued Benefits   | 284.6                      | 217.8                        |
| <b>Vested Benefits</b><br><b>(Minimum sum which must be paid to</b><br><b>members when they leave the fund)</b> | <b>2,222.7</b>             | <b>2,153.4</b>               |

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

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

|                       | 30 June 2021 | 30 June 2020                                  |
|-----------------------|--------------|---|
| Net investment return | 4.75% pa     | 5.6% pa                                       |
| Salary inflation      | 2.75% pa     | 2.5% pa for two years and 2.75% pa thereafter |
| Price inflation       | 2.25% pa     | 2.0% pa                                       |

### 3.3 PERFORMANCE GENERATED EXPENSES

|   | 2022<br>\$'000s | 2021<br>\$'000s |
|---|-----------------|-----------------|
| Arts Centre Melbourne programming           | 5,112           | 6,594           |
| Theatre services                            | 3,790           | 3,907           |
| Ticketing                                   | 573             | 97              |
| Performance marketing                       | 1,398           | 1,079           |
| <b>Total performance generated expenses</b> | <b>10,874</b>   | <b>11,677</b>   |

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

|  | 2022<br>\$'000s | 2021<br>\$'000s |
|--|-----------------|-----------------|
| Food and beverage                      | 4,427           | 1,743           |
| Car park                               | 835             | 557             |
| Commercial marketing                   | 65              | 2               |
| Other commercial                       | 34              | 18              |
| <b>Total other commercial expenses</b> | <b>5,360</b>    | <b>2,320</b>    |

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.

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 3.5 FACILITIES EXPENSES

|   | Notes | 2022<br>\$'000s | 2021<br>\$'000s |
|---|-------|-----------------|-----------------|
| Maintenance and renewal                                 |       | 2,004           | 2,945           |
| Maintenance contracts                                   |       | 3,008           | 2,386           |
| Equipment   |       | 381             | 327             |
| Cleaning, waste and security services                   |       | 3,966           | 3,081           |
| Utilities   |       | 1,284           | 1,252           |
| Other costs recovered from third parties <sup>(a)</sup> | 2.2.6 | 251             | 251             |
| <b>Total facilities expenses</b>                        |       | <b>10,893</b>   | <b>10,242</b>   |

Notes:

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

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

### 3.6 OTHER OPERATING EXPENSES

|   | 2022<br>\$'000s | 2021<br>\$'000s |
|---|-----------------|-----------------|
| Other marketing                           | 435             | 619             |
| Information systems and technology        | 2,118           | 2,286           |
| Lease rental expenses – short term leases | 268             | 518             |
| Lease rental expenses – variable leases   | 225             | 32              |
| Lease rental expenses – low-value assets  | 17              | -               |
| Insurance                                 | 672             | 565             |
| Legal and professional                    | 2,729           | 2,080           |
| Finance costs                             | 142             | 124             |
| Travel, transportation and freight        | 264             | 115             |
| Office expenses                           | 198             | 174             |
| Staff support                             | 705             | 614             |
| Bad debts                                 | 166             | 40              |
| General                                   | 901             | 550             |
| <b>Total other expenses</b>               | <b>8,841</b>    | <b>7,717</b>    |

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

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

Services provided free of charge or for nominal consideration are only recognised when the value can be reliably determined and the services would have been purchased if not donated. Other marketing services provided free of charge in FY2022 were \$0.2m (FY2021: \$0.5m).

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

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 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.

#### Structure

|  |     |
|--|-----|
| 4.1 Total property, plant and equipment    | 103 |
| 4.2 Intangible assets                      | 108 |
| 4.3 Investments and other financial assets | 109 |

#### 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.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 4.1 TOTAL PROPERTY, PLANT AND EQUIPMENT

|   | Gross carrying amount |                 | Accumulated depreciation |                 | Net carrying amount |                 |
|---|-----------------------|-----------------|--------------------------|-----------------|---------------------|-----------------|
|   | 2022<br>\$'000s       | 2021<br>\$'000s | 2022<br>\$'000s          | 2021<br>\$'000s | 2022<br>\$'000s     | 2021<br>\$'000s |
| Land at fair value                      | 204,850               | 204,850         | -                        | -               | 204,850             | 204,850         |
| Buildings at fair value                 | 146,446               | 146,180         | (2,643)                  | (163)           | 143,803             | 146,017         |
| Building fit outs at fair value         | 143,342               | 143,342         | (11,915)                 | -               | 131,426             | 143,342         |
| Work in progress at cost <sup>(a)</sup> | 29,665                | 22,253          | -                        | -               | 29,665              | 22,253          |
| Furniture and equipment at cost         | 78,118                | 76,631          | (45,884)                 | (42,822)        | 32,234              | 33,809          |
| Motor vehicles at cost                  | 111                   | 137             | (100)                    | (125)           | 10                  | 11              |
| Work of art at fair value               | 44,809                | 44,809          | -                        | -               | 44,809              | 44,809          |
| Performing art collection at fair value | 33,721                | 33,769          | -                        | -               | 33,721              | 33,769          |
| <b>Net carrying amount</b>              | <b>681,061</b>        | <b>671,970</b>  | <b>(60,543)</b>          | <b>(43,110)</b> | <b>620,518</b>      | <b>628,859</b>  |

Notes:

- (a) Work in progress contains \$27.8m (FY2021: \$20.7m) in relation to Critical Asset Renewal projects. These work in progress assets have been designated as contributions by owners and are recognised in contributed capital. A further \$1.9m (FY2021: \$1.5m) relates to miscellaneous work in progress capital projects.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

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

|                               | Gross carrying amount |                 | Accumulated depreciation |                 | Net carrying amount |                 |
|-------------------------------|-----------------------|-----------------|--------------------------|-----------------|---------------------|-----------------|
|                               | 2022<br>\$'000s       | 2021<br>\$'000s | 2022<br>\$'000s          | 2021<br>\$'000s | 2022<br>\$'000s     | 2021<br>\$'000s |
| Buildings at fair value       | 430                   | 164             | (238)                    | (163)           | 192                 | 1               |
| Motor Vehicles                | -                     | 26              | -                        | (26)            | -                   | -               |
| Property, Plant and Equipment | 417                   | 437             | (166)                    | (111)           | 252                 | 326             |
| <b>Net carrying amount</b>    | <b>848</b>            | <b>627</b>      | <b>(404)</b>             | <b>(300)</b>    | <b>444</b>          | <b>327</b>      |

**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.

| 2022                      | Buildings at fair value<br>\$'000s | Motor vehicles<br>\$'000s | Property, Plant and Equipment<br>\$'000s |
|---------------------------|------------------------------------|---------------------------|--|
| <b>Opening balance</b>    | <b>1</b>                           | <b>-</b>                  | <b>326</b>                               |
| Additions                 | 297                                | -                         | 30                                       |
| Disposals                 | (30)                               | (26)                      | (49)                                     |
| Depreciation on disposals | 30                                 | 26                        | 49                                       |
| Depreciation              | (106)                              | -                         | (104)                                    |
| <b>Closing balance</b>    | <b>192</b>                         | <b>-</b>                  | <b>252</b>                               |

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

#### *Right-of-use asset acquired by lessees Initial measurement*

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

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

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

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

Under Financial Reporting Direction (FRD) 103 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 of less than 10% in this area, and as such, a managerial valuation was not undertaken.

### *Right-of-use asset – Subsequent measurement*

The Trust depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as property, plant and equipment. The right-of-use assets are also subject to revaluation.

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

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

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

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

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

**Indefinite life assets:** Land, 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 of property, plant and equipment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

### Significant estimation uncertainty in valuation of assets

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

## 4.1.1 Depreciation and Amortisation

Charge for the period <sup>(a)</sup>

|  | 2022<br>\$'000s | 2021<br>\$'000s |
|--|-----------------|-----------------|
| Buildings                                  | 2,509           | 3,058           |
| Building fit-out                           | 11,915          | 6,917           |
| Furniture and equipment                    | 3,135           | 1,893           |
| Motor vehicles                             | 1               | 14              |
| Intangible assets                          | 171             | 161             |
| <b>Total depreciation and amortisation</b> | <b>17,732</b>   | <b>12,043</b>   |

Notes:

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

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

Estimates of the remaining useful lives for all assets are reviewed at least annually. The maximum useful lives for buildings is 100 years and for 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:

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

| Asset                                       | Useful life (years) |
|---|---------------------|
| Buildings                                   | 50 to 100           |
| Building fit-outs                           | 3 to 50             |
| Furniture and equipment                     | 3 to 30             |
| Motor vehicles                              | 5 to 6              |
| Software intangible assets                  | 2.5 to 4.5          |
| Works of art and Performing Arts Collection | Non-depreciable     |

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the Trust obtains ownership of the underlying leases asset or if the cost of the right-of-use asset reflects that the Trust will exercise a purchase option, the Trust depreciates the right-of-use asset over its useful life.

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

### 4.1.2 Reconciliation of movements in carrying amount of property, plant and equipment

| 2022                      | Land<br>\$'000s | Buildings<br>\$'000s | Buildings Fit-out<br>\$'000s | Furniture and Equipment<br>\$'000s | Motor Vehicles<br>\$'000s | Work of Art<br>\$'000s | Performing Arts<br>Collection<br>\$'000s | Work in Progress<br>\$'000s | Total<br>\$'000s |
|---------------------------|-----------------|----------------------|------------------------------|------------------------------------|---------------------------|------------------------|--|-----------------------------|------------------|
| <b>Opening balance</b>    | <b>204,850</b>  | <b>146,017</b>       | <b>143,342</b>               | <b>33,809</b>                      | <b>11</b>                 | <b>44,809</b>          | <b>33,769</b>                            | <b>22,253</b>               | <b>628,859</b>   |
| Additions                 | -               | 297                  | -                            | 198                                | -                         | -                      | 173                                      | 8,899                       | 9,567            |
| Disposals                 | -               | (30)                 | -                            | (73)                               | (26)                      | -                      | (221)                                    | -                           | (351)            |
| Transfers                 | -               | -                    | -                            | 1,362                              | -                         | -                      | -  | (1,362)                     | -                |
| Transfers to intangible   | -               | -                    | -                            | -                                  | -                         | -                      | -  | (116)                       | (116)            |
| Depreciation              | -               | (2,510)              | (11,915)                     | (3,135)                            | (1)                       | -                      | -  | -                           | (17,562)         |
| Depreciation on disposals | -               | 30                   | -                            | 73                                 | 26                        | -                      | -  | -                           | 129              |
| Expensed                  | -               | -                    | -                            | -                                  | -                         | -                      | -  | (10)                        | (10)             |
| <b>Closing balance</b>    | <b>204,850</b>  | <b>143,803</b>       | <b>131,426</b>               | <b>32,234</b>                      | <b>10</b>                 | <b>44,809</b>          | <b>33,721</b>                            | <b>29,665</b>               | <b>620,518</b>   |

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

2021 – 2022

| 2021  | Land<br>\$'000s | Buildings<br>\$'000s | Buildings Fit-out<br>\$'000s | Furniture and Equipment<br>\$'000s | Motor Vehicles<br>\$'000s | Work of Art<br>\$'000s | Performing Arts Collection<br>\$'000s | Work in Progress<br>\$'000s | Total<br>\$'000s |
|---|-----------------|----------------------|------------------------------|------------------------------------|---------------------------|------------------------|---------------------------------------|-----------------------------|------------------|
| <b>Opening balance</b>                            | 191,782         | 183,888              | 164,488                      | 7,416                              | 26                        | 37,224                 | 26,108                                | 26,695                      | 637,627          |
| Additions   | -               | -                    | 379                          | 18,047                             | -                         | -                      | 31                                    | 5,803                       | 24,260           |
| Disposals   | -               | (13)                 | -                            | -                                  | -                         | -                      | -                                     | -                           | (13)             |
| Transfers   | -               | -                    | -                            | 10,239                             | -                         | -                      | -                                     | (10,239)                    | -                |
| Depreciation                                      | -               | (3,058)              | (6,917)                      | (1,893)                            | (14)                      | -                      | -                                     | -                           | (11,882)         |
| Expensed  | -               | -                    | -                            | -                                  | -                         | -                      | -                                     | (8)                         | (8)              |
| Revaluation of Land and Buildings and Collections | 13,068          | (34,801)             | (14,609)                     | -                                  | -                         | 7,585                  | 7,630                                 | -                           | (21,127)         |
| <b>Closing balance</b>                            | <b>204,850</b>  | <b>146,017</b>       | <b>143,342</b>               | <b>33,809</b>                      | <b>11</b>                 | <b>44,809</b>          | <b>33,769</b>                         | <b>222,253</b>              | <b>628,859</b>   |

## 4.2 INTANGIBLE ASSETS

|  | 2022<br>\$'000s | 2021<br>\$'000s |
|--|-----------------|-----------------|
| <b>Gross carrying amount</b>                                 |                 |                 |
| Opening balance  | 6,344           | 6,344           |
| Additions  | 33              | -               |
| <b>Closing balance</b>                                       | <b>6,376</b>    | <b>6,344</b>    |
| Work in Progress <sup>(a)</sup>                              | -               | 157             |
| <b>Accumulated depreciation, amortisation and impairment</b> |                 |                 |
| Opening balance  | (6,040)         | (5,879)         |
| Amortisation of intangible non produced assets               | (171)           | (161)           |
| <b>Closing balance</b>                                       | <b>(6,212)</b>  | <b>(6,040)</b>  |
| Net book value at end of financial year                      | 165             | 460             |

Notes:

- (a) Work in Progress of \$157k at 30 June 2021 comprised tangible WIP incorrectly classified as intangible. This amount was capitalised as a tangible addition during FY2022.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

**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:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- 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.

## 4.3 INVESTMENTS AND OTHER FINANCIAL ASSETS

|   | 2022<br>\$'000s | 2021<br>\$'000s |
|---|-----------------|-----------------|
| <b>Managed investment schemes:</b> <sup>(a)</sup>               |                 |                 |
| Managed investment schemes – Foundation Funds <sup>(b)</sup>    | 14,636          | 16,623          |
| <b>Total non current investments and other financial assets</b> | <b>14,636</b>   | <b>16,623</b>   |
| <b>Total investments and other financial assets</b>             | <b>14,636</b>   | <b>16,623</b>   |

Notes:

- The Trust designates all its managed investment schemes at fair value through profit or loss. Unless such assets are part of a disposal group held for sale, all managed investment schemes are classified as non-current.
- Investments held relating to Foundation funds are donated for an agreed purpose and not available for general operations

### Ageing analysis of investments and other financial assets

All investments and financial assets are not past due and not impaired for FY2022 (FY2021 not past due and not impaired).

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 5. OTHER ASSETS AND LIABILITIES

#### Introduction

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

#### Structure

|                                       |     |
|---------------------------------------|-----|
| 5.1 Receivables and contract assets   | 110 |
| 5.2 Payables and contract liabilities | 111 |
| 5.3 Inventories                       | 114 |
| 5.4 Other non-financial assets        | 114 |

### 5.1 RECEIVABLES AND CONTRACT ASSETS

#### 5.1.1 Receivables

|  | 2022<br>\$'000s | 2021<br>\$'000s |
|--|-----------------|-----------------|
| <b>Contractual</b>   |                 |                 |
| Sale of goods and services                                 | 5,447           | 2,212           |
| Allowance for impairment losses of contractual receivables | (387)           | -               |
| Other receivables  | 1,421           | 38              |
| <b>Statutory</b>   |                 |                 |
| GST receivable   | -               | 148             |
| <b>Total receivables</b>                                   | <b>6,482</b>    | <b>2,397</b>    |
| <b>Represented by:</b>                                     |                 |                 |
| Current receivables  | 6,482           | 2,397           |

**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. The Trust holds the contractual receivables with the objective to collect the contractual cash flows and therefore they are subsequently measured at amortised cost using the effective interest method, less any impairment. .

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

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 5.1.2 Contract assets

|   | 2022<br>\$'000s | 2021<br>\$'000s |
|---|-----------------|-----------------|
| <b>Contract assets</b>  |                 |                 |
| Opening balance   | 629             | 98              |
| Add: Additional costs incurred that are recoverable from the customer | 468             | 629             |
| Less: Transfer to revenue recognition                                 | (629)           | (98)            |
| <b>Total contract assets</b>  | <b>468</b>      | <b>629</b>      |
| Represented by:   |                 |                 |
| Current contract assets   | 468             | 629             |
| Non-current contract assets   | -               | -               |

Contract assets relate to the Trust's right to consideration in exchange for goods transferred to customers for works completed, but not yet billed at the reporting date.

The contract assets are transferred to receivables when the rights become unconditional, at this time an invoice is issued. This usually occurs when the Trust issues an invoice to the customer. The works are expected to be completed and recovered early next year.

## 5.2 PAYABLES AND CONTRACT LIABILITIES

### 5.2.1 Payables

|                                     | 2022<br>\$'000s | 2021<br>\$'000s |
|-------------------------------------|-----------------|-----------------|
| <b>Contractual</b>                  |                 |                 |
| Supplies and services               | 1,184           | 2,213           |
| Sundry Creditors and accruals       | 3,928           | 4,656           |
| Box Office Creditors                | 965             | 729             |
| Defined pension superannuation call | 1,457           | 1,751           |
| <b>Statutory</b>                    |                 |                 |
| FBT payable                         | 16              | 20              |
| GST receivable                      | 165             | -               |
| Superannuation guarantee payable    | 448             | 8               |
| Other taxes payable                 | 706             | 121             |
| <b>Total payables</b>               | <b>8,869</b>    | <b>9,496</b>    |
| <b>Represented by:</b>              |                 |                 |
| Current receivables                 | 7,702           | 8,036           |
| Non-current payables                | 1,166           | 1,460           |

Payables consist of:

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

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 5.2.2 Contract liabilities

|  | 2022<br>\$'000s | 2021<br>\$'000s |
|--|-----------------|-----------------|
| <b>Contract liabilities</b>  |                 |                 |
| Opening balance  | 13,669          | 7,387           |
| Add: Payments received for performance obligations yet to be completed during the period   | 28,859          | 11,013          |
| Add: Grant consideration for sufficiently specific performance obligations received during the year  | 3,862           | 2,656           |
| Less: Revenue recognised in the reporting period for the completion of a performance obligation  | (7,129)         | (6,688)         |
| Less: Grant revenue for sufficiently specific performance obligations works recognised consistent with the performance obligations met during the year | (2,414)         | (699)           |
| <b>Total contract liabilities</b>  | <b>36,847</b>   | <b>13,669</b>   |
| <b>Represented by:</b>   |                 |                 |
| Current contract assets  | 36,723          | 13,578          |
| Non-current contract assets  | 124             | 91              |

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

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

### Maturity analysis of contractual payables <sup>(a)</sup>

|                                     | Maturity dates               |                                    |                            |                                 |                           |                     |
|-------------------------------------|------------------------------|------------------------------------|----------------------------|---------------------------------|---------------------------|---------------------|
|                                     | Carrying<br>amount<br>\$'000 | Less<br>than<br>1 month<br>\$'000s | 1 – 3<br>months<br>\$'000s | 3 months<br>– 1 year<br>\$'000s | 1 – 5<br>years<br>\$'000s | 5+ years<br>\$'000s |
| <b>2022</b>                         |                              |                                    |                            |                                 |                           |                     |
| Supplies and services               | 1,184                        | 1,184                              | -                          | -                               | -                         | -                   |
| Sundry Creditors and accruals       | 3,928                        | 3,928                              | -                          | -                               | -                         | -                   |
| Box Office Creditors                | 965                          | 640                                | 66                         | 259                             | -                         | -                   |
| Defined pension superannuation call | 1,457                        | -                                  | -                          | 291                             | 1,166                     | -                   |
| <b>Total</b>                        | <b>7,534</b>                 | <b>5,752</b>                       | <b>66</b>                  | <b>550</b>                      | <b>1,166</b>              | <b>-</b>            |

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

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

Notes:

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 5.3 INVENTORIES

|                            | 2022<br>\$'000s | 2021<br>\$'000s |
|----------------------------|-----------------|-----------------|
| <b>Current inventories</b> |                 |                 |
| Theatre equipment          | 84              | 85              |
| Central plant              | 44              | 50              |
| Cleaning consumables       | 24              | 8               |
| Food and beverage          | 453             | 376             |
| <b>Total inventories</b>   | <b>605</b>      | <b>519</b>      |

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

|                                   | 2022<br>\$'000s | 2021<br>\$'000s |
|-----------------------------------|-----------------|-----------------|
| <b>Current other assets</b>       |                 |                 |
| Prepayments                       | 10,745          | 6,256           |
| <b>Total current other assets</b> | <b>10,745</b>   | <b>6,256</b>    |

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 \$9.2m (FY2021 \$5.5m) paid to Development Victoria as a prepayment for property, plant and equipment.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 6. HOW WE FINANCED OUR OPERATIONS

#### Introduction

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

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

#### Structure

|  |     |
|--|-----|
| 6.1 Leases                             | 115 |
| 6.2 Cash flow information and balances | 118 |
| 6.3 Commitments for expenditure        | 120 |

### 6.1 LEASES

#### 6.1.1 Leases

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

##### The Trust's leasing activities

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

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

At 30 June 2022, the Trust was committed to short-term and low-value leases and the total commitment at that date was \$0.5m.

##### 6.1.1 (a) Right-of-use Assets

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

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

|                                 | 2022<br>\$'000s | 2021<br>\$'000s |
|---------------------------------|-----------------|-----------------|
| Lease liabilities - current     | 183             | 78              |
| Lease liabilities – non-current | 279             | 250             |
| <b>Total lease liabilities</b>  | <b>462</b>      | <b>328</b>      |

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 6.1.1 (c) Amounts recognised in the Comprehensive Operating Statement

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

|   | 2022<br>\$'000s | 2021<br>\$'000s |
|---|-----------------|-----------------|
| Interest expense on lease liabilities   | 18              | 5               |
| Expenses relating to short term leases  | 268             | -               |
| Expenses relating to leases of low-value assets                               | 225             | 536             |
| Variable lease payments, not included in the measurement of lease liabilities | 17              | 32              |
| <b>Total amount recognised in the comprehensive operating statement</b>       | <b>528</b>      | <b>573</b>      |

### 6.1.1 (d) Amounts recognised in the Cash Flow Statement

The following amounts are recognised in the Cash Flow Statement for the year ended 30 June 2022 relating to leases

|                                      | 2022<br>\$'000s | 2021<br>\$'000s |
|--------------------------------------|-----------------|-----------------|
| <b>Total cash outflow for leases</b> | <b>224</b>      | <b>167</b>      |

For any new contracts entered into, the Trust considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Trust assesses whether the contract meets three key evaluations which are whether:

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

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Separation of lease and non-lease components

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

### Recognition and measurement of leases as a lessee

#### Lease Liability – initial measurement

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

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

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

#### Lease Liability – subsequent measurement

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

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

#### Short-term leases and leases of low value assets

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

#### Below market/Peppercorn lease

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

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

#### Presentation of right-of-use assets and lease liabilities

The Trust presents right-of-use assets as 'property plant equipment'. Lease liabilities are presented as 'borrowings' in the balance sheet.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 6.1.2 Short-term and low value lease liabilities

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

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

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

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

## 6.2 CASH FLOW INFORMATION AND BALANCES

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

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

|   | 2022<br>\$'000s | 2021<br>\$'000s |
|---|-----------------|-----------------|
| Cash on hand and in bank                            | 3,012           | 8,259           |
| Cash held in box office bank account <sup>(a)</sup> | 29,499          | 9,765           |
| Cash held in Foundation bank account <sup>(b)</sup> | 6,179           | 4,341           |
| Bank deposits (restricted use) <sup>(c)</sup>       | 14,276          | 8,771           |
| <b>Balance as per cash flow statement</b>           | <b>52,966</b>   | <b>31,136</b>   |

Notes:

- 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.
- Cash held in the Foundation bank account represents accumulated revenue received from donations, bequests, investment income and similar sources which is dedicated to be spent for an agreed purpose, usually on ACM's own programming activities, and not available for general operations.
- Restricted funds relate to capital funding and income received in advance held to a specific purpose and not available for general operations.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 6.2.1 Reconciliation of net result for the period to cash flow from operating activities

|   | 2022<br>\$'000s | 2021<br>\$'000s |
|---|-----------------|-----------------|
| <b>Net result for the period</b>                              | <b>(14,991)</b> | <b>(2,802)</b>  |
| <b>Non cash movements</b>                                     |                 |                 |
| (Gain)/loss on sale or disposal of non current assets         | 176             | 1               |
| (Gain)/loss on financial assets                               | 2,602           | (1,342)         |
| Depreciation and amortisation of non current assets           | 17,732          | 12,053          |
| Donations of property, plant and equipment                    | (164)           | (25)            |
| Re-investment of dividends                                    | (831)           | -               |
| <b>Movements in assets and liabilities</b>                    |                 |                 |
| (Increase)/decrease in receivables                            | (4,058)         | 59              |
| (Increase)/decrease in contract assets                        | 161             | (531)           |
| (Increase)/decrease in inventories                            | (86)            | 51              |
| (Increase)/decrease in other current assets                   | 1,609           | 106             |
| Increase/(decrease) in payables                               | (455)           | 2,841           |
| Increase/(decrease) in contract liabilities                   | 23,178          | 6,282           |
| Increase/(decrease) in provisions including employee benefits | 56              | (244)           |
| Increase/(decrease) in other liabilities                      | 134             | -               |
| <b>Net cash flows from/(used in) operating activities</b>     | <b>25,063</b>   | <b>16,450</b>   |

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 6.3 COMMITMENTS FOR EXPENDITURE

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

#### 6.3.1 Total commitments payable

| Nominal amounts 2022  | Less than<br>1 year<br>\$'000s | 1 – 5<br>years<br>\$'000s | 5+ years<br>\$'000s | Total<br>\$'000s |
|---|--------------------------------|---------------------------|---------------------|------------------|
| Operating commitments payable                                     | 4,313                          | 1,207                     | -                   | 5,519            |
| Capital expenditure commitments payable <sup>(a)</sup>            | 663                            | -                         | -                   | 663              |
| Short-term and low-value lease commitments payable <sup>(b)</sup> | 171                            | 363                       | -                   | 534              |
| Programming commitments payable                                   | 438                            | 144                       | -                   | 5,824            |
| <b>Total commitments (inclusive of GST)</b>                       | <b>5,586</b>                   | <b>1,713</b>              | <b>-</b>            | <b>7,299</b>     |
| Less GST recoverable  | 398                            | 112                       | -                   | 510              |
| <b>Total commitments (exclusive of GST)</b>                       | <b>5,188</b>                   | <b>1,601</b>              | <b>-</b>            | <b>6,789</b>     |

Notes:

- (a) Capital expenditure commitments of \$0.1m are funded by Development Victoria in relation to the Reimagining Arts Centre Melbourne.
- (b) Short-term and low-value lease commitments predominantly relate to computer equipment with lease terms typically between one and three 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.

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

Notes:

- (a) Capital expenditure commitments of \$0.9m are funded by Development Victoria in relation to the Reimagining Arts Centre Melbourne.
- (b) Short-term and low-value lease commitments predominantly relate to computer equipment with lease terms between one and three 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.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

#### Introduction

The Victorian Arts Centre Trust is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements.

This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Trust related mainly to fair value determination.

#### Structure

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| 7.1 Financial instruments specific disclosures   | 121 |
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| 7.3 Fair value determination and impairment      | 136 |

### 7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

#### INTRODUCTION

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

#### CATEGORIES OF FINANCIAL ASSETS

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

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

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

The Trust recognises the following assets in this category:

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Financial assets at fair value through net result

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

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

### CATEGORIES OF FINANCIAL LIABILITIES

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

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

**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.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

**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:
  - has transferred substantially all the risks and rewards of the asset; or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

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

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 7.1.1 Financial instruments: Categorisation

| 2022  | Financial assets / liabilities designated at fair value through profit/loss (FVTPL) \$'000s | Financial assets at amortised cost (AC) \$'000s | Contractual financial liabilities at amortised cost \$'000s | Total \$'000s |
|---|---|---|---|---------------|
| <b>Contractual financial assets</b>                       |   |   |   |               |
| Cash and deposits   | -   | 52,966  | -   | 52,966        |
| <b>Receivables <sup>(a)</sup></b>                         |   |   |   |               |
| Sale of goods and services                                | -   | 5,061   | -   | 5,061         |
| Other receivables   | -   | 1,421   | -   | 1,421         |
| <b>Investments and other contractual financial assets</b> |   |   |   |               |
| Managed investment schemes                                | 14,636  | -   | -   | 14,636        |
| <b>Total contractual financial assets</b>                 | <b>14,636</b>   | <b>59,447</b>                                   | <b>-</b>  | <b>74,083</b> |
| <b>Contractual financial liabilities</b>                  |   |   |   |               |
| <b>Payables <sup>(a)</sup></b>                            |   |   |   |               |
| Supplies and services                                     | -   | -   | 1,184   | 1,184         |
| Box Office Creditors                                      | -   | -   | 965   | 965           |
| Defined Pension superannuation call                       | -   | -   | 1,457   | 1,457         |
| Other payables  | -   | -   | 3,928   | 3,928         |
| <b>Borrowings</b>   |   |   |   |               |
| Lease liabilities   | -   | -   | 462   | 462           |
| <b>Total contractual financial liabilities</b>            | <b>-</b>  | <b>-</b>  | <b>7,996</b>  | <b>7,996</b>  |

Notes:

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

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

Notes:

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 7.1.2 Financial instruments: Net holding gain/(loss) on financial instruments by category

| 2022  | Net holding gain/(loss) \$'000s | Total interest income/(expense) \$'000s | Total \$'000s  |
|---|---------------------------------|---|----------------|
| <b>Contractual financial assets</b>                           |                                 |   |                |
| Financial assets at amortised cost – loans and receivables    | (387)                           | 134                                     | (252)          |
| Financial assets designated at fair value through profit/loss | (2,216)                         | 955                                     | (1,260)        |
| <b>Total contractual financial assets</b>                     | <b>(2,602)</b>                  | <b>1,090</b>                            | <b>(1,512)</b> |

Notes:

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

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

Notes:

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:

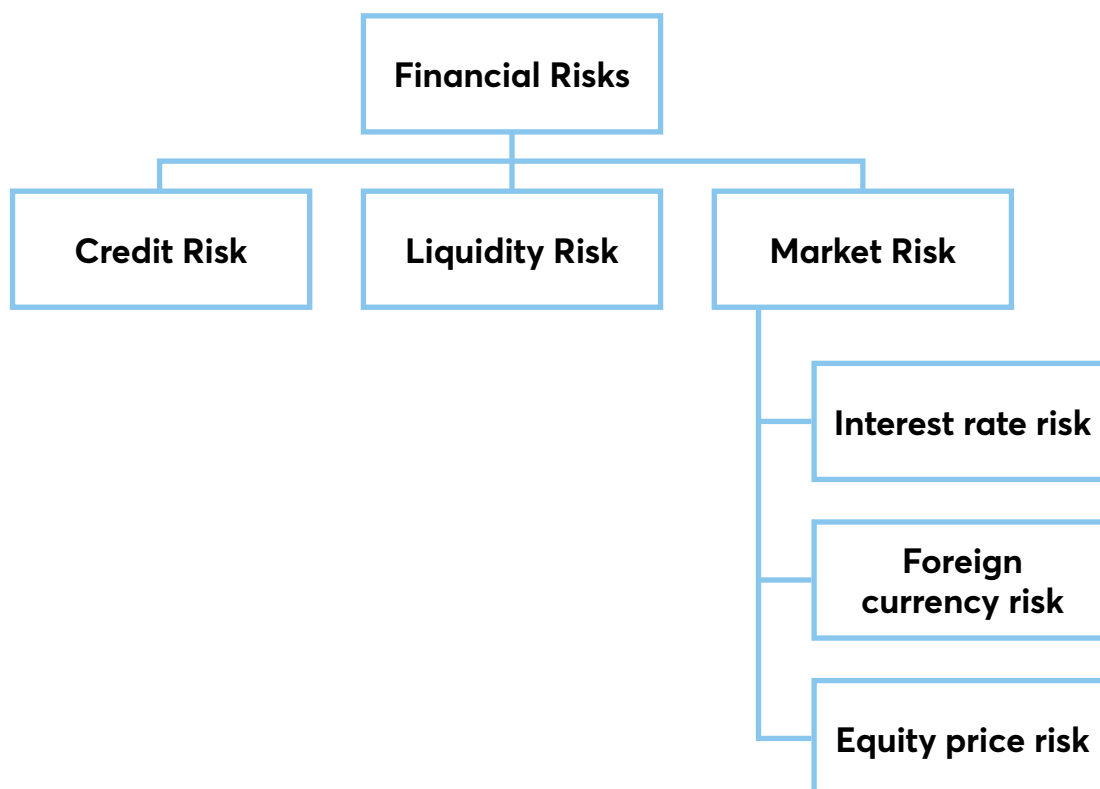
- for cash and cash equivalents and financial assets at amortised cost, the net gain or loss is calculated by taking the movement in the fair value of the asset, the interest income, plus or minus foreign exchange gains or losses arising from revaluation of the financial assets, and minus any impairment recognised in the net result.
- for financial asset that are mandatorily measured at or designated at fair value through net result, the net gain or loss is calculated by taking the movement in the fair value of the financial asset.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 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 7.3 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.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 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 2021-22.

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

| 2022                                      | Financial institutions (AA credit rating) \$'000s | Government agencies (AA credit rating) \$'000s | Other \$'000s | Total \$'000s |
|---|---|--|---------------|---------------|
| Cash and deposits                         | 52,966  | -  | 1             | 52,966        |
| Receivables <sup>(a)</sup>                | 31  | 1,336  | 2,953         | 4,319         |
| Investments and other financial assets    | -   | 14,636   | -             | 14,636        |
| <b>Total contractual financial assets</b> | <b>52,996</b>                                     | <b>15,972</b>                                  | <b>2,954</b>  | <b>71,921</b> |

Notes:

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

| 2021                                      | Financial institutions (AA credit rating) \$'000s | Government agencies (AA credit rating) \$'000s | Other \$'000s | Total \$'000s |
|---|---|--|---------------|---------------|
| Cash and deposits                         | 31,127  | -  | 9             | 31,136        |
| Receivables <sup>(a)</sup>                | 3   | 233  | 1,031         | 1,267         |
| Investments and other financial assets    | -   | 16,623   | -             | 16,623        |
| <b>Total contractual financial assets</b> | <b>31,131</b>                                     | <b>16,855</b>                                  | <b>1,040</b>  | <b>49,026</b> |

Notes:

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Impairment of financial assets under AASB 9

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

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

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

### Contractual receivables at amortised cost

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

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

| 2022   | Current | Less than 1 month | 1-3 months | 3 months - 1 year | 1-5 years | Total      |
|--|---------|-------------------|------------|-------------------|-----------|------------|
| Expected loss rate                               | 0%      | 0%                | 61%        | 60%               | 65%       | 6%         |
| Gross carrying amount of contractual receivables | 4,319   | 1,911             | 124        | 446               | 68        | 6,868      |
| <b>Loss allowance</b>                            | -       | -                 | <b>76</b>  | <b>267</b>        | <b>44</b> | <b>387</b> |

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

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

|   | 2022<br>\$'000s | 2021<br>\$'000s |
|---|-----------------|-----------------|
| <b>Balance at beginning of the year</b>   | -               | (64)            |
| <b>Non cash movements</b>   |                 |                 |
| Increase in provision recognised in the net result                                | (570)           | -               |
| Reversal of provision of receivables written off during the year as uncollectible | 183             | 44              |
| Reversal of unused provision recognised in the net result                         | -               | 20              |
| <b>Balance at end of the year</b>   | <b>(387)</b>    | -               |

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.

### Statutory receivables and debt investments at amortised cost

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

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

### Financial instruments: Liquidity risk

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

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

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

### Maturity analysis of contractual financial liabilities

| 2022                                | Carrying amount \$'000s | Less than 1 month \$'000s | 1-3 months \$'000s | 3 months - 1 year \$'000s | Greater than 1 year \$'000s |
|-------------------------------------|-------------------------|---------------------------|--------------------|---------------------------|-----------------------------|
| <b>Payables:</b>                    |                         |                           |                    |                           |                             |
| Trade creditors                     | 1,184                   | 1,184                     | -                  | -                         | -                           |
| Box office creditors                | 965                     | 640                       | 66                 | 259                       | -                           |
| Other payables                      | 3,928                   | 3,928                     | -                  | -                         | -                           |
| Defined pension superannuation call | 1,457                   | -                         | -                  | 291                       | 1,166                       |
| <b>Borrowings:</b>                  |                         |                           |                    |                           |                             |
| Lease liabilities                   | 462                     | 20                        | 39                 | 124                       | 279                         |
| <b>Total</b>                        | <b>7,996</b>            | <b>5,772</b>              | <b>105</b>         | <b>674</b>                | <b>1,446</b>                |

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

### 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 (FY2021: 100 basis points up and down) in market interest rates (AUD);
- a movement of 15% up and down (FY2021: 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.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 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.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Trust's sensitivity to interests rate risk are set out in the table that follows.

### Interest rate exposure of financial instruments

|                                     | Weighted average interest rate % | Carrying amount \$'000s | Interest rate exposure      |                                |                              |
|-------------------------------------|----------------------------------|-------------------------|-----------------------------|--------------------------------|------------------------------|
|                                     |                                  |                         | Fixed interest rate \$'000s | Variable interest rate \$'000s | Non interest bearing \$'000s |
| <b>2022</b>                         |                                  |                         |                             |                                |                              |
| <b>Financial assets</b>             |                                  |                         |                             |                                |                              |
| Cash at bank and on hand            | 0.34%                            | 52,966                  | -                           | 52,966                         | -                            |
| <b>Receivables <sup>(a)</sup></b>   |                                  |                         |                             |                                |                              |
| Sale of goods and services          | -                                | 5,061                   | -                           | -                              | 5,061                        |
| Accrued investment income           | -                                | -                       | -                           | -                              | -                            |
| Other receivables                   | -                                | 1,421                   | -                           | -                              | 1,421                        |
| <b>Investments</b>                  |                                  |                         |                             |                                |                              |
| Managed investment schemes          | -                                | 14,636                  | -                           | -                              | 14,636                       |
| <b>Total financial assets</b>       | -                                | <b>74,083</b>           | -                           | <b>52,966</b>                  | <b>21,118</b>                |
| <b>Financial liabilities</b>        |                                  |                         |                             |                                |                              |
| <b>Payables <sup>(a)</sup></b>      |                                  |                         |                             |                                |                              |
| Supplies and services               | -                                | 1,184                   | -                           | -                              | 1,184                        |
| Box Office Creditors                | -                                | 965                     | -                           | -                              | 965                          |
| Defined pension superannuation call | 7.5%                             | 1,457                   | 1,457                       | -                              | -                            |
| Other payables                      | -                                | 3,928                   | -                           | -                              | 3,928                        |
| <b>Borrowings</b>                   |                                  |                         |                             |                                |                              |
| Lease liabilities                   | 3.34%                            | 462                     | 462                         | -                              | -                            |
| <b>Total financial liabilities</b>  | -                                | <b>7,996</b>            | <b>1,920</b>                | -                              | <b>6,077</b>                 |

Notes:

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

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

### Interest rate risk sensitivity

| 2022                  | Carrying amount \$'000s | Net result \$'000s |                   |
|-----------------------|-------------------------|--------------------|-------------------|
|                       |                         | -100 basis points  | +100 basis points |
| Cash and deposits (a) | 52,966                  | (530)              | 530               |
| <b>Total impact</b>   | <b>52,966</b>           | <b>(530)</b>       | <b>530</b>        |

| 2021                  | Carrying amount \$'000s | Net result \$'000s |                   |
|-----------------------|-------------------------|--------------------|-------------------|
|                       |                         | -100 basis points  | +100 basis points |
| Cash and deposits (a) | 31,136                  | (311)              | 311               |
| <b>Total impact</b>   | <b>31,136</b>           | <b>(311)</b>       | <b>311</b>        |

Notes:

- (a) Cash and deposits include a deposit of \$53.0m (FY2021: \$31.1m) that is exposed to floating rates movements. Sensitivities to these movements are calculated as follows:  
 FY2022: \$53.0m x (0.01) = (\$530k); and \$53.0m x 0.01 = \$530k; and  
 FY2021: \$31.1m x (0.01) = (\$311k); and \$131.1m x 0.01 = \$311k.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 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

|                            | Carrying amount<br>\$'000s | Net result \$'000s |            |
|----------------------------|----------------------------|--------------------|------------|
|                            |                            | -5%                | +5%        |
| 2022                       |                            |                    |            |
| Managed investment schemes | 14,636                     | (732)              | 732        |
| <b>Total impact</b>        | <b>14,636</b>              | <b>(732)</b>       | <b>732</b> |

|                            | Carrying amount<br>\$'000s | Net result \$'000s |            |
|----------------------------|----------------------------|--------------------|------------|
|                            |                            | -5%                | +5%        |
| 2021                       |                            |                    |            |
| Managed investment schemes | 16,623                     | (831)              | 831        |
| <b>Total impact</b>        | <b>16,623</b>              | <b>(831)</b>       | <b>831</b> |

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

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

#### Contingent assets

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

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

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

#### Contingent liabilities

Contingent liabilities are:

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

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

#### *Non-quantifiable contingent liabilities*

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

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

The Trust is not aware of any quantifiable contingent liabilities.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 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;
- 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.

#### **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.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### How this section is structured

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

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

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

### 7.3.1 Fair value determination of financial assets and liabilities

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

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

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

These financial instruments include:

| Financial assets                                    | Financial liabilities                 |
|---|---------------------------------------|
| Cash and deposits                                   | Payables:                             |
| Receivables:  | • For supplies and services           |
| • Sale of goods and services                        | • Box office creditors                |
| • Accrued investment income                         | • Other payables                      |
| • Other receivables                                 | • Defined benefit superannuation call |
| Investments and other contractual financial assets: | • Lease liabilities                   |
| • Term deposits                                     |                                       |
| • Managed investment schemes                        |                                       |

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

|                            | Carrying amount as at 30 June \$'000s | Fair value measurement at end of reporting period using: |                 |                 |
|----------------------------|---------------------------------------|--|-----------------|-----------------|
|                            |                                       | Level 1 \$'000s  | Level 2 \$'000s | Level 3 \$'000s |
| 2022                       |                                       |  |                 |                 |
| Managed investment schemes | 14,636                                | -  | 14,636          | -               |
| <b>Total</b>               | <b>14,636</b>                         | <b>-</b>   | <b>14,636</b>   | <b>-</b>        |

|                            | Carrying amount as at 30 June \$'000s | Fair value measurement at end of reporting period using: |                 |                 |
|----------------------------|---------------------------------------|--|-----------------|-----------------|
|                            |                                       | Level 1 \$'000s  | Level 2 \$'000s | Level 3 \$'000s |
| 2021                       |                                       |  |                 |                 |
| Managed investment schemes | 16,623                                | -  | 16,623          | -               |
| <b>Total</b>               | <b>16,623</b>                         | <b>-</b>   | <b>16,623</b>   | <b>-</b>        |

Notes:

- 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.
- There is no significant transfer between Level 1 and Level 2.

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate fair value.

**Managed investment schemes:** The Trust invests in managed funds, which are not quoted in an active market and which may be subject to restrictions on redemptions.

The investments are in funds managed by VFMC and are held in their Balanced Fund and Growth Fund.

**Impairment of financial assets:** At the end of each reporting period, the Trust assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment.

The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 7.3.2 Fair value determination: Non-financial physical assets

Fair value measurement hierarchy monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

|   | Carrying amount as at 30 June 2022<br>\$'000s | Fair value measurement at end of reporting period using: |                                       |   |
|---|---|--|---------------------------------------|---|
|   |   | Level 1 <sup>(a),(c),(d)</sup><br>\$'000s                | Level 2 <sup>(a),(c)</sup><br>\$'000s | Level 3 <sup>(a),(c),(d)</sup><br>\$'000s |
| 2022  |   |  |                                       |   |
| <b>Land at fair value</b>                                       |   |  |                                       |   |
| Specialised land  | 204,850                                       | n.a.   | -                                     | 204,850                                   |
| <b>Total of land at fair value</b>                              | <b>204,850</b>                                | <b>n.a.</b>  | <b>-</b>                              | <b>204,850</b>                            |
| <b>Buildings at fair value</b>                                  |   |  |                                       |   |
| Specialised buildings and building fit-out                      | 275,229                                       | n.a.   | -                                     | 275,229                                   |
| <b>Total of buildings at fair value</b>                         | <b>275,229</b>                                | <b>n.a.</b>  | <b>-</b>                              | <b>275,229</b>                            |
| <b>Furniture, equipment and vehicles at fair value</b>          |   |  |                                       |   |
| Vehicles <sup>(b)</sup>   | 10  | n.a.   | 10                                    | -   |
| Furniture and Equipment   | 32,234  | n.a.   | 32,234                                | -   |
| <b>Total of Furniture, equipment and vehicles at fair value</b> | <b>32,244</b>                                 | <b>n.a.</b>  | <b>32,244</b>                         | <b>-</b>                                  |
| <b>Cultural assets at fair value</b>                            |   |  |                                       |   |
| Works of art  | 44,809  | n.a.   | 44,809                                | -   |
| Performing Arts Collection                                      | 33,721  | n.a.   | 33,721                                | -   |
| <b>Total of cultural assets at fair value</b>                   | <b>78,530</b>                                 | <b>n.a.</b>  | <b>78,530</b>                         | <b>-</b>                                  |

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

2021 – 2022

|   | Carrying amount as at 30 June 2021<br>\$'000s | Fair value measurement at end of reporting period using: |                                       |                                       |
|---|---|--|---------------------------------------|---------------------------------------|
|   |   | Level 1 <sup>(a),(c),(d)</sup><br>\$'000s                | Level 2 <sup>(a),(c)</sup><br>\$'000s | Level 3 <sup>(a),(c)</sup><br>\$'000s |
| 2021  |   |  |                                       |                                       |
| <b>Land at fair value</b>                                       |   |  |                                       |                                       |
| Specialised land  | 204,850                                       | n.a.   | -                                     | 204,850                               |
| <b>Total of land at fair value</b>                              | <b>204,850</b>                                | <b>n.a.</b>  | <b>-</b>                              | <b>204,850</b>                        |
| <b>Buildings at fair value</b>                                  |   |  |                                       |                                       |
| Specialised buildings and building fit-out                      | 289,359                                       | n.a.   | -                                     | 289,359                               |
| <b>Total of buildings at fair value</b>                         | <b>289,359</b>                                | <b>n.a.</b>  | <b>-</b>                              | <b>289,359</b>                        |
| <b>Furniture, equipment and vehicles at fair value</b>          |   |  |                                       |                                       |
| Vehicles <sup>(b)</sup>   | 11  | n.a.   | 11                                    | -                                     |
| Furniture and Equipment   | 33,809  | n.a.   | 33,809                                | -                                     |
| <b>Total of Furniture, equipment and vehicles at fair value</b> | <b>33,820</b>                                 | <b>n.a.</b>  | <b>33,820</b>                         | <b>-</b>                              |
| <b>Cultural assets at fair value</b>                            |   |  |                                       |                                       |
| Works of art  | 44,809  | n.a.   | 44,809                                | -                                     |
| Performing Arts Collection                                      | 33,769  | n.a.   | 33,769                                | -                                     |
| <b>Total of cultural assets at fair value</b>                   | <b>75,578</b>                                 | <b>n.a.</b>  | <b>75,578</b>                         | <b>-</b>                              |

Notes:

- 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.
- 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.

### 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.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

An independent valuation of the Trusts' specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2021.

Under Financial Reporting Direction (FRD) 103 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 of less than 10% in this area, and as such, a managerial valuation was not undertaken.

**Cultural assets** (Works of art and the Performing Arts Collection) are valued using the best estimate of the price reasonably obtainable in the market at reporting date.

An independent valuation of the Works of art was performed by Charles Nodrum Gallery and the Performing Arts Collection valuation was performed by Ian Armstrong (OAM). The valuation method compared recent auction prices for similar items. Factors taken into account include age, condition, importance of item and relative importance of the performer with which each item was associated.

To the extent that cultural assets do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach. The effective date of the valuation for Works of art and the Performing Arts Collection is 30 June 2021.

**Vehicles** are valued using the depreciated replacement cost method. The Trust acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition use and disposal in the market is managed by experienced fleet managers in the Trust who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

**Furniture and equipment** is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

There were no changes in valuation techniques throughout the period to 30 June 2022.

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

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Reconciliation of Level 3 fair value movements

|   | Specialised land 2022 \$'000s | Specialised buildings and building fit outs 2022 \$'000s | Specialised land 2021 \$'000s | Specialised buildings and building fit outs 2021 \$'000s |
|---|-------------------------------|--|-------------------------------|--|
| <b>Opening balance</b>  | <b>204,850</b>                | <b>289,359</b>   | <b>191,782</b>                | <b>348,376</b>   |
| Purchases (sales)   | -                             | 297  | -                             | 366  |
| Transfers in (out) of Level 3   | -                             | -  | -                             | -  |
| Gains or losses recognised in net result  | -                             | -  | -                             | -  |
| Depreciation  | -                             | (14,425)   | -                             | (9,974)  |
| Impairment loss   | -                             | -  | -                             | -  |
| <b>Subtotal</b>   |                               | <b>(14,128)</b>  | <b>-</b>                      | <b>9,608</b>   |
| Gains or losses recognised in other economic flows – other comprehensive income | -                             | -  | -                             | -  |
| Revaluation   | -                             | -  | 13,068                        | (49,410)   |
| <b>Subtotal</b>   | <b>-</b>                      | <b>-</b>   | <b>13,068</b>                 | <b>(49,410)</b>  |
| <b>Closing balance</b>  | <b>204,850</b>                | <b>275,229</b>   | <b>204,850</b>                | <b>289,359</b>   |

### Description of significant unobservable inputs to Level 3 valuations

| 2022 and 2021         | Valuation technique                     | Significant unobservable inputs               | Range (weighted average)               | Sensitivity of fair value measurement to changes in significant unobservable inputs   |
|-----------------------|---|---|--|---|
| Specialised land      | Market approach                         | Community service obligation (CSO) adjustment | 30-60% (44%) <sup>(a)</sup>            | A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.                       |
| Specialised buildings | Current replacement cost <sup>(b)</sup> | Direct cost per square metre                  | \$514-\$6,274/m <sup>2</sup> (\$2,812) | A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value. |
|                       |   | Useful life of specialised buildings          | 30-100 years (65 years)                | A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.   |

Notes:

- CSO adjustments ranging from 30% to 60% were applied to reduce the market approach value for the Trust's specialised land, with the weighted average 44% reduction applied.
- For some heritage and iconic assets, cost may be the reproduction cost of the asset rather than the replacement cost if their service potential could only be replaced by reproducing them with the same materials.

Significant unobservable inputs have remained unchanged since June 2021.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 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:

|  | 2022<br>\$'000s | 2021<br>\$'000s |
|--|-----------------|-----------------|
| <b>Net gain/(loss) on non financial assets</b>   |                 |                 |
| Net gain/(loss) on disposal of property plant and equipment  | (176)           | (1)             |
| <b>Total net gain/(loss) on non financial assets</b>   | <b>(176)</b>    | <b>(1)</b>      |
| <b>Net gain/(loss) on financial instruments</b>  |                 |                 |
| Impairment of:   |                 |                 |
| Financial assets at amortised cost <sup>(a)</sup>  | (387)           | 64              |
| Net gain/loss arising from revaluation of financial assets at fair value through net result <sup>(b)</sup> | (2,216)         | 1,278           |
| <b>Total net gain/(loss) on financial instruments</b>  | <b>(2,602)</b>  | <b>1,342</b>    |
| <b>Other gains/(losses) from other economic flows</b>  |                 |                 |
| Net gain/(loss) arising from revaluation of long service liability <sup>(c)</sup>                          | 519             | 624             |
| <b>Total other gains/(losses) from other economic flows</b>  | <b>(2,259)</b>  | <b>1,965</b>    |

Notes:

- (a) Including increase/(decrease) in provision for doubtful debts and bad debts from other economic flows – refer to Note 7.1.3. Loans and receivables were reclassified as financial assets at amortised cost as per AASB 9.
- (b) Revaluation of financial assets reclassified at fair value through net result as per AASB 9.
- (c) Revaluation gain/(loss) due to changes in bond rates.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 8.2 RESERVES

|   | Notes        | 2022<br>\$'000s | 2021<br>\$'000s |
|---|--------------|-----------------|-----------------|
| <b>Donation and endowment reserve</b>                 | <b>8.2.1</b> |                 |                 |
| Balance at beginning of financial year                |              | 22,340          | 18,185          |
| Fair value adjustment to financial assets transferred |              | (2,514)         | 1,263           |
| Bequests and endowment funds received                 |              | 106             | 43              |
| Net donations and investment income received          |              | 5,140           | 4,513           |
| Donations received for capital purposes               |              | (4,619)         | 140             |
| Donations and endowment distributions                 |              | 1,567           | (1,803)         |
| <b>Balance at end of financial year</b>               |              | <b>22,019</b>   | <b>22,340</b>   |
| <b>Asset revaluation surplus <sup>(a)</sup></b>       | <b>8.2.2</b> |                 |                 |
| Balance at beginning of financial year                |              | 335,351         | 356,478         |
| Revaluation (decrements)/ increments                  |              | -               | (21,127)        |
| <b>Balance at end of financial year</b>               |              | <b>335,351</b>  | <b>335,351</b>  |
| <b>Net changes in reserves</b>                        |              | <b>(321)</b>    | <b>(16,971)</b> |

#### 8.2.1 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.

#### 8.2.2 Asset revaluation surplus

Represents increments arising from the periodic revaluation of land, building, plant and machinery and cultural assets.

### 8.3 RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the Financial Management Act 1994 the following disclosures are made regarding responsible persons for the reporting period.

#### Responsible Minister

Mr Danny Pearson MP, Minister for Creative Industries (until June 2022)

Mr Steve Dimopoulos MP, Minister for Creative industries (from June 2022)

#### Responsible Persons

Ian Carson <sup>AM</sup>

Frankie Airey

Professor Kerry Arabena (from 28 September 2021)

Paul Barker

Greta Bradman

Leigh Johns <sup>OAM</sup>

Ian Roberts

Helen Silver <sup>AO</sup>

Kee Wong (from 10 August 2021)

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

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 8.5 for related party transactions.

### Accountable Officer

Claire Spencer (CEO until 14 April 2022)

Leanne Lawrence (Interim CEO from 15 April 2022)

### Remuneration

The remuneration of the Accountable Officer was in the range of \$420,000 - 430,000 (FY2021: \$410,000 - \$420,000).

## 8.4 REMUNERATION OF EXECUTIVES

The number of executive officers, other than the Accountable Officer, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

**Short-term employee benefits** include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

**Post-employment benefits** include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

**Other long-term benefits** include long service leave, other long service benefits or deferred compensation.

**Termination benefits** include termination of employment payments, such as severance packages.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the State's annual financial report.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

| Remuneration of executive officers<br>(including Key Management Personnel disclosed in Note 8.5) | Total remuneration |                 |
|--|--------------------|-----------------|
|  | 2022<br>\$'000s    | 2021<br>\$'000s |
| Short-term employee benefits   | 1,312              | 1,317           |
| Post-employment benefits   | 120                | 116             |
| Other long-term benefits   | 33                 | 36              |
| Termination benefits   | -                  | -               |
| <b>Total remuneration<sup>(a)</sup></b>  | <b>1,463</b>       | <b>1,469</b>    |
| <b>Total number of executives</b>  | <b>6</b>           | <b>6</b>        |
| <b>Total annualised employee equivalents<sup>(b)</sup></b>                                       | <b>5.8</b>         | <b>5.9</b>      |

Notes:

- (a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.5).
- (b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

## 8.5 RELATED PARTIES

The Victorian Arts Centre Trust (the "Trust"), is a Victorian Government statutory authority of Creative Victoria, a division of the Department of Jobs, Precincts & Regions.

Related parties of the Trust include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- minister for Creative Industries and his close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

**Key management personnel** of the Trust includes the Portfolio Minister, the Hon. Martin Foley MP, Minister for Creative Industries, all cabinet ministers and their close family members, members of the Trust and members of the Senior Executive Team.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

| Name of the KMP  | Role                   |
|--|------------------------|
| Ian Carson AM  | President of the Trust |
| Frankie Airey  | Trustee                |
| Professor Kerry Arabena  | Trustee                |
| Paul Barker  | Trustee                |
| Greta Bradman  | Trustee                |
| Leigh Johns OAM  | Trustee                |
| Ian Roberts  | Trustee                |
| Helen Silver AO  | Trustee                |
| Kee Wong   | Trustee                |
| Claire Spencer AM (Until 14 April 2022)  | CEO                    |
| Leanne Lawrence (Executive until 14 April 2022 and Interim CEO from 15 April 2022) | Interim CEO/ Executive |
| Deirdre Blythe   | Executive              |
| Fiona Poletti  | Executive              |
| Melanie Smith  | Executive              |
| Beau Vigushin  | Executive              |
| Richard Zimmermann   | Executive              |

| Compensation of KMPs <sup>(a)</sup> | 2022<br>\$'000s | 2021<br>\$'000s |
|-------------------------------------|-----------------|-----------------|
| Short-term employee benefits        | 1,698           | 1,704           |
| Post-employment benefits            | 143             | 137             |
| Other long-term benefits            | 43              | 46              |
| Termination benefits                | -               | -               |
| <b>Total</b>                        | <b>1,884</b>    | <b>1,887</b>    |

Notes:

(a) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.4).

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### Significant transactions with government-related entities

In FY2022, the Trust received operating funding of \$52.6m (FY2021: \$65.2m) and capital funding of \$12.0m (FY2021: \$18.9m) from the Department of Jobs, Precincts & Regions.

The Trust also received the following from other State Government entities:

- Funding for programming activities of \$1.1m from the Department of Education and Training; and
- Funding for the Arts Wellbeing Collective of \$0.1m from Worksafe Victoria.

During the year, the Trust had the following transactions with State Government related entities as part of usual business activities, with receipts of \$2.3m (FY2021: \$1.7m) and payments of \$1.3m (FY2021: \$0.9m):

- receipts for shared infrastructure at cost from the National Gallery of Victoria (NGV);
- payments for insurance to Victorian Managed Insurance Authority (VMIA);
- payments to South East Water Corporation for water and sewerage services;
- payments for rental to Public Records Office Victoria (PROV); and
- payments for rental to Museum Victoria.

### Transactions and balances with key management personnel and other related parties

No transactions have occurred between KMP and their related parties that are considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that the Trust's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

## 8.6 REMUNERATION OF AUDITORS

|   | 2022<br>\$'000s | 2021<br>\$'000s |
|---|-----------------|-----------------|
| <b>Victorian Auditor General's Office</b> |                 |                 |
| Audit of the financial statements         | 55              | 58              |
| Other non audit services <sup>(a)</sup>   | -               | -               |
| <b>Total remuneration of auditors</b>     | <b>55</b>       | <b>58</b>       |

Notes:

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

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 8.7 SUBSEQUENT EVENTS

Early works on the Reimagining Arts Centre Melbourne project commenced in July 2022, the first step in delivering the Melbourne Arts Precinct Transformation. There will be interruptions to ACM's day to day operations in FY2023 and beyond as a result of these works, and funding has been secured from the Victorian Government to mitigate the impact of the disruption to ACM.

### 8.8 OTHER ACCOUNTING POLICIES

#### Contributions by owners

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 that 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.

#### Foreign currency balances / transactions

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction or rate as per hedging contract in line with the Trust's policy. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period. Non-monetary assets carried at fair value that are denominated in foreign currencies are translated to the functional currency at the rates prevailing at the date when the fair value was determined.

Foreign currency translation differences are recognised in other economic flows in the comprehensive operating statement and accumulated in a separate component of equity, in the period in which they arise.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 8.9 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

Certain new and revised accounting standards have been issued but are not effective for the 2021-22 reporting period. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non Current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date to defer the application by one year to periods beginning on or after 1 January 2023. The Trust will not early adopt the Standard.

The Trust is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on the Trust's reporting.

- AASB 17 Insurance Contracts.
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.
- AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

### 8.10 GLOSSARY OF TECHNICAL TERMS

The following is a summary of the major technical terms used in this report.

**Amortisation** is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

**Borrowings** refers to interest-bearing liabilities.

**Commitments** include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

**Comprehensive result** is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

**Depreciation** is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

**Effective interest method** is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

**Employee benefits expenses** include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

**Financial asset** is any asset that is either:

- cash
- an equity instrument of another entity
- a contractual right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is either:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

**Financial instrument** is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial liability** is any liability that is either:

- a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity
- a contract that will or may be settled in the entity's own equity instruments and is either:
  - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

**Financial statements** comprise:

- a balance sheet as at the end of the period
- a comprehensive operating statement for the period
- a statement of changes in equity for the period
- a cash flow statement for the period
- notes, comprising a summary of significant accounting policies and other explanatory information
- comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial Statements
- a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

**Interest expense** represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession financial liabilities and amortisation of discounts or premiums in relation to borrowings.

**Interest income** includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

**Leases** are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

**Net result from transactions** is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

# Victorian Arts Centre Trust

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

**Net result** is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as 'other non-owner movements in equity'.

**Non-financial assets** are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.

**Non-produced assets** are assets needed for production that have not themselves been produced. They include land and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced.

**Operating result** is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner movements in equity'. Refer also to 'net result'.

**Other economic flows included in net result** are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non produced) from their use or removal.

**Other economic flows – other comprehensive income** comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

**Payables** includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

**Produced assets** include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which does not include the start-up costs associated with capital projects).

**Receivables** include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

**Sales of goods and services** refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services income.

# Administrative reporting requirements

## Public Sector Values and Employment Principles

*The Public Administration Act 2004* established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

The Trust has policies and practices that are consistent with the VPSC's employment standards and provide for fair treatment, career opportunities and the early resolution of workplace issues. The Trust has implemented policies, training and other processes to advise its employees on how to avoid conflicts of interest, how to respond to offers of gifts and how it deals with misconduct.

## Occupational Health and Safety (OH&S)

The Victorian Arts Centre Trust (Arts Centre Melbourne) recognises its clear responsibility to provide a healthy, safe and secure environment for Arts Centre Melbourne (ACM) team members and all other users of venues and facilities including hirers, tenants, contractors, patrons and public. Our commitment is embedded in our culture statement, 'The Role You Play' core values on Leadership, Community, Care More, Creativity and Equity. In F2022, our focus was on ensuring, in the dynamic nature of a pandemic, the safest work environment is provided.

Through the experience of working differently the opportunity to reassess processes that may pose hazards were reviewed with a focus on minimising risk to the team. A highlight has been the introduction of power assisted wheelchairs for patron transfer as part of a broader ergonomic review to prevent musculoskeletal injuries to team members. Ongoing work in this area will assess updated processes for continuous improvement in reduction of manual handling injuries to team members

During F2022, the Trust oversaw the consultation with the workplace for the Health and Safety Committee on representation of designated work groups, nomination of Health and Safety Representatives (HSRs), election and their training. The committed HSRs have attended monthly meetings and supported the health, safety, and wellbeing of ACM by reviewing safety policies and procedures and consultation with their teams. Through organisational wide consultation and reviewing the incident data including hazards and near miss occurrences ACMs safety management system has continued to provide a strong foundation to support best practice and continuous improvement. The strong commitment to health, safety and wellbeing is represented in Arts Centre Melbourne's WorkCover premium being well below the industry rate.

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   | FY2022   | FY2021   | FY2020  |
|---------------------------------------|---|----------|----------|---------|
| <b>Management Commitment</b>          | Evidence of OHS Policy statement, OHS objectives, regular reporting to senior management of OHS and OHS plans                         | Yes      | Yes      | Yes     |
| <b>Consultation and Participation</b> | Evidence of agreed structure of designated workgroups (DWG), health and safety representatives (HSRs) and Issue Resolution Procedures | Yes      | Yes      | Yes     |
| <b>Incident Reporting</b>             | Number of staff member incidents per 100 full-time equivalent staff members   | 12.6     | 12.0     | 31.9    |
|                                       | Number of visitor incidents per 100 visitors  | 0.031    | 0.021    | 0.015   |
|                                       | Number of hazards per 100 full-time equivalent staff members  | 90.1     | 35.6     | 45.9    |
| <b>Workers Compensation</b>           | No. of standard claims <sup>1</sup>   | 1.37     | 0.47     | 1.05    |
|                                       | No. of lost time standard claims <sup>2</sup>   | 0.59     | 0.24     | 0.26    |
|                                       | Average cost per standard claim <sup>3</sup>  | \$96,053 | \$10,786 | \$6,924 |
|                                       | Number of claims exceeding 13 weeks   | 3        | 1        | 1       |
|                                       | Return to work <sup>4</sup>   | 98.5%    | 98%      | 100%    |

1. Hazard reports include the reports of COVID-19 cases of Team Members, Contractors and Hirers.

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

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

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

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

## Comparative Workforce Data

The following table discloses the head count and full-time staff equivalent (FTE) of all active employees of the Trust, employed in the last full pay period in June of the current reporting period (F2022), and in the last full pay period in June of the previous reporting period (F2021).

These figures may not be representative of employment levels over the course of each financial year due to the seasonality of ACM's events profile and the resulting variability in labour requirements. All employees have been correctly classified in workforce data collections as outlined in the below table.

## Details of Employment Levels in June 2021 and 2022

### June 2022

|                            | All employees  |            | Ongoing                  |                          |           | Variable-time <sup>1</sup> |            | Fixed term and casual |            |              |
|----------------------------|--|------------|--------------------------|--------------------------|-----------|----------------------------|------------|-----------------------|------------|--------------|
|                            | Number<br>(headcount)  | FTE        | Full-time<br>(headcount) | Part-time<br>(headcount) | FTE       | Number<br>(headcount)      | FTE        | Number<br>(headcount) | FTE        |              |
| <b>DEMOGRAPHIC DATA</b>    | <b>Gender</b>  | <b>734</b> | <b>509.9</b>             | <b>248</b>               | <b>27</b> | <b>267.9</b>               | <b>110</b> | <b>67.5</b>           | <b>349</b> | <b>174.5</b> |
|                            | Female   | 420        | 280.0                    | 133                      | 25        | 151.3                      | 49         | 28.8                  | 213        | 100.0        |
|                            | Male   | 305        | 222.9                    | 112                      | 2         | 113.6                      | 60         | 38.1                  | 131        | 71.2         |
|                            | Self-described   | 9          | 7.0                      | 3                        | 0         | 3                          | 1          | 0.7                   | 5          | 3.3          |
|                            | <b>Age</b>   | <b>734</b> | <b>509.9</b>             | <b>248</b>               | <b>27</b> | <b>267.9</b>               | <b>110</b> | <b>67.5</b>           | <b>349</b> | <b>174.5</b> |
|                            | 15–24  | 182        | 86.1                     | 8                        | 1         | 8.8                        | 24         | 13.7                  | 149        | 63.6         |
|                            | 25–34  | 195        | 145.3                    | 81                       | 7         | 86.1                       | 30         | 18.1                  | 77         | 41.1         |
|                            | 35–44  | 155        | 125.2                    | 72                       | 13        | 81.6                       | 24         | 15.3                  | 46         | 28.4         |
|                            | 45–54  | 125        | 97.9                     | 58                       | 5         | 62.0                       | 15         | 9.9                   | 47         | 25.9         |
|                            | 55–64  | 66         | 49.9                     | 28                       | 1         | 28.4                       | 14         | 8.7                   | 23         | 12.7         |
| 65+                        | 11   | 5.6        | 1                        | 0                        | 1.0       | 3                          | 1.9        | 7                     | 2.7        |              |
| <b>CLASSIFICATION DATA</b> | <b>Administrative, support &amp; managerial</b>                | <b>720</b> | <b>495.9</b>             | <b>240</b>               | <b>27</b> | <b>259.9</b>               | <b>110</b> | <b>67.5</b>           | <b>343</b> | <b>168.5</b> |
|                            | Administrative, functional and technical support               | 420        | 217.7                    | 44                       | 1         | 44.8                       | 81         | 48.0                  | 294        | 124.8        |
|                            | Supervisory, base-level professional and senior administrative | 156        | 139.7                    | 95                       | 9         | 100.9                      | 28         | 18.9                  | 24         | 20.0         |
|                            | Managerial, supervisory and professional                       | 144        | 138.5                    | 101                      | 17        | 114.2                      | 1          | 0.6                   | 25         | 23.7         |
|                            | <b>Senior employees</b>  | <b>14</b>  | <b>14.0</b>              | <b>8</b>                 | <b>0</b>  | <b>8.0</b>                 | <b>0</b>   | <b>0.0</b>            | <b>6</b>   | <b>6.0</b>   |
|                            | Strategic and professional leadership                          | 8          | 8.0                      | 8                        | 0         | 8.0                        | 0          | 0.0                   | 0          | 0.0          |
|                            | Executives   | 6          | 6.0                      | 0                        | 0         | 0.0                        | 0          | 0.0                   | 6          | 6.0          |
|                            | <b>Total employees</b>   | <b>734</b> | <b>509.9</b>             | <b>248</b>               | <b>27</b> | <b>267.9</b>               | <b>110</b> | <b>67.5</b>           | <b>349</b> | <b>174.5</b> |

## June 2021

|                            | All employees  |            | Ongoing               |                       |           | Variable-time <sup>1</sup> |           | Fixed term and casual |            |              |
|----------------------------|--|------------|-----------------------|-----------------------|-----------|----------------------------|-----------|-----------------------|------------|--------------|
|                            | Number (headcount)   | FTE        | Full-time (headcount) | Part-time (headcount) | FTE       | Number (headcount)         | FTE       | Number (headcount)    | FTE        |              |
| <b>DEMOGRAPHIC DATA</b>    | <b>Gender</b>  | <b>566</b> | <b>423.8</b>          | <b>224</b>            | <b>29</b> | <b>244.2</b>               | <b>98</b> | <b>60</b>             | <b>215</b> | <b>119.6</b> |
|                            | Female   | 307        | 226.7                 | 111                   | 27        | 129.7                      | 36        | 21.2                  | 131        | 75.8         |
|                            | Male   | 258        | 196.1                 | 113                   | 2         | 114.5                      | 62        | 38.8                  | 81         | 42.8         |
|                            | Self-described   | 1          | 1.0                   | 0                     | 0         | 0                          | 0         | 0                     | 1          | 1.0          |
|                            | <b>Age</b>   | <b>566</b> | <b>423.8</b>          | <b>224</b>            | <b>29</b> | <b>244.2</b>               | <b>98</b> | <b>60.0</b>           | <b>215</b> | <b>119.6</b> |
|                            | 15–24  | 54         | 26.4                  | 6                     | 0         | 6.0                        | 15        | 7.8                   | 33         | 12.6         |
|                            | 25–34  | 161        | 119.4                 | 61                    | 7         | 65.7                       | 23        | 13.9                  | 70         | 39.8         |
|                            | 35–44  | 151        | 120.8                 | 70                    | 14        | 79.4                       | 27        | 17.1                  | 40         | 24.3         |
|                            | 45–54  | 116        | 95.7                  | 55                    | 5         | 59.1                       | 16        | 10.4                  | 40         | 26.2         |
|                            | 55–64  | 68         | 52.1                  | 31                    | 2         | 32.3                       | 13        | 8.3                   | 22         | 11.5         |
|                            | 65+  | 16         | 9.4                   | 1                     | 1         | 1.6                        | 4         | 2.6                   | 10         | 5.2          |
| <b>CLASSIFICATION DATA</b> | <b>Administrative, support &amp; managerial</b>                | <b>552</b> | <b>410.0</b>          | <b>219</b>            | <b>28</b> | <b>238.4</b>               | <b>98</b> | <b>60.0</b>           | <b>207</b> | <b>111.6</b> |
|                            | Administrative, functional and technical support               | 275        | 154.4                 | 41                    | 1         | 41.6                       | 71        | 42.7                  | 162        | 70.2         |
|                            | Supervisory, base-level professional and senior administrative | 140        | 122.9                 | 77                    | 16        | 87.2                       | 25        | 15.8                  | 22         | 19.9         |
|                            | Managerial, supervisory and professional                       | 137        | 132.7                 | 101                   | 11        | 109.5                      | 2         | 1.6                   | 23         | 21.6         |
|                            | <b>Senior employees</b>  | <b>14</b>  | <b>13.8</b>           | <b>5</b>              | <b>1</b>  | <b>5.8</b>                 | <b>0</b>  | <b>0.0</b>            | <b>8</b>   | <b>8</b>     |
|                            | Strategic and professional leadership                          | 7          | 6.8                   | 5                     | 1         | 5.8                        | 0         | 0.0                   | 1          | 1.0          |
|                            | Executives   | 7          | 7.0                   | 0                     | 0         | 0.0                        | 0         | 0.0                   | 7          | 7.0          |
|                            | <b>Total employees</b>   | <b>566</b> | <b>423.8</b>          | <b>224</b>            | <b>29</b> | <b>244.2</b>               | <b>98</b> | <b>60.0</b>           | <b>215</b> | <b>119.6</b> |

1. Variable-time employment is a form of flexible secure employment which may be ongoing or fixed term and is not casual employment. A variable-time employee is engaged under equivalent conditions to non-casual employees performing the same work, except that they are engaged to work a minimum guaranteed number of ordinary time hours within a specified period.

## Annualised Total Salary, by \$20 000 Bands, for Executives and Other Senior Non-Executive Staff

| INCOME BAND (SALARY)  | Executives | Senior Employees |
|-----------------------|------------|------------------|
| < \$200 000           | 1          | 8                |
| \$200 000 – \$219 999 | 2          | –                |
| \$220 000 – \$239 999 | –          | –                |
| \$240 000 – \$259 999 | –          | –                |
| \$260 000 – \$279 999 | 1          | –                |
| \$280 000 – \$299 999 | –          | –                |
| \$300 000 – \$319 999 | –          | –                |
| \$320 000 – \$339 999 | 2          | –                |
| \$340 000 – \$359 999 | –          | –                |
| \$360 000 – \$379 999 | –          | –                |
| \$380 000 – \$399 999 | –          | –                |
| <b>Total</b>          | <b>6</b>   | <b>8</b>         |

Notes: The salaries reported above are 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*.

## Workforce Inclusion Policy

The Trust is working towards creating an inclusive working environment where equal opportunity and diversity are valued, and that reflects the communities we serve. Consistent with the *Gender Equality Act 2020*, the Trust has developed a Gender Equality Action Plan, approved by the Commission for Gender Equality in June 2022. Progress against any targets will be reported in subsequent annual reports.

The Trust values staff with non-binary gender identities at all levels. The Trust acknowledges that due to historic and current barriers to disclosure of non-binary gender identities, staff may not choose to disclose this information. As a result, targets or quotas are not currently a useful way to promote opportunities for gender diverse staff at all levels.

## Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Public sector agencies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for State-wide projects, or \$1 million or more for projects in regional Victoria.

The MPSG policy applies to all construction projects valued at \$20 million or more.

Arts Centre Melbourne did not commence or complete any applicable projects during F2022.

## Details Of Government Advertising Expenditure (Campaigns With A Media Spend Of \$100,000 Or Greater)

|   | Notes        | 2022<br>\$'000s | 2021<br>\$'000s |
|---|--------------|-----------------|-----------------|
| <b>DONATION AND ENDOWMENT RESERVE</b>                 | <b>8.2.1</b> |                 |                 |
| Balance at beginning of financial year                |              | 22,340          | 18,185          |
| Fair value adjustment to financial assets transferred |              | (2,514)         | 1,263           |
| Bequests and endowment funds received                 |              | 106             | 43              |
| Net donations and investment income received          |              | 5,140           | 4,513           |
| Donations received for capital purposes               |              | (4,619)         | 140             |
| Donations and endowment distributions                 |              | 1,567           | (1,803)         |
| <b>Balance at end of financial year</b>               |              | <b>22,019</b>   | <b>22,340</b>   |
| <b>Asset revaluation surplus <sup>(a)</sup></b>       | <b>8.2.2</b> |                 |                 |
| Balance at beginning of financial year                |              | 335,351         | 356,478         |
| Revaluation (decrements)/ increments                  |              | -               | (21,127)        |
| <b>Balance at end of financial year</b>               |              | <b>335,351</b>  | <b>335,351</b>  |
| <b>Net changes in reserves</b>                        |              | <b>(321)</b>    | <b>(16,971)</b> |

|                         |  |
|-------------------------|--|
| <b>NAME OF CAMPAIGN</b> | Live at the Bowl   |
| <b>CAMPAIGN SUMMARY</b> | The Live at the Bowl campaign included media advertising, venue promotional signage, content creation and visual documentation across a five-month period. |

| Start/<br>End date  | Advertising<br>(Media)<br>Expenditure<br>F2022 | Creative and<br>campaign<br>development<br>Expenditure<br>F2022<br>(excluding<br>GST) | Research and<br>evaluation<br>Expenditure<br>F2022<br>(excluding<br>GST) | Print and<br>collateral<br>Expenditure<br>F2022<br>(excluding<br>GST) | Other<br>Campaign<br>Expenditure<br>F2022<br>(excluding<br>GST) | Total<br>Campaign<br>Expenditure<br>F2022<br>(excluding<br>GST) |
|---------------------|--|---|--|---|---|---|
| 30-Nov<br>to 25-Apr | \$292,289                                      | 0   | 0  | \$18,298  | \$87,827  | \$398,414   |

## Consultancy Expenditure

### Details of consultancies (valued at \$10 000 or greater)

In 2021-22, there were five consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2021-22 in relation to these consultancies is \$154,781 (excluding GST). Details of individual consultancies can be viewed at [artscentremelbourne.com.au/annualreport](https://artscentremelbourne.com.au/annualreport). In 2021-22, there were no consultancy engagements during the year with total fees payable less than \$10,000.

## Information and Communication Technology Expenditure

### Details of information and communication technology (ICT) expenditure

For the 2021-22 reporting period, the Trust had a total ICT expenditure of \$6.5 million, with the details shown below.

(\$ thousand)

| All operational ICT expenditure | ICT expenditure related to projects to create or enhance ICT capabilities |   |                         |                     |
|---------------------------------|---|---|-------------------------|---------------------|
|                                 | Business as Usual (BAU) ICT expenditure                                   | Non Business as Usual (non BAU) ICT expenditure           | Operational expenditure | Capital expenditure |
| (Total)                         |   | (Total = Operational expenditure and capital expenditure) |                         |                     |
| <b>4,107</b>                    |   | <b>2,352</b>  | <b>2,352</b>            | <b>-</b>            |

ICT expenditure refers to the Trust's costs in providing business enabling ICT services within the current reporting period. It comprises Business as Usual (BAU) ICT expenditure and Non-Business as Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing the Trust's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure that primarily relates to ongoing activities to operate and maintain the current ICT capability.

## Freedom Of Information

The *Freedom of Information Act 1982* (Vic) ("FOI Act") allows the public a right of access to documents held by the Trust. The purpose of the FOI Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by the Trust. This comprises documents both created by the Trust or supplied to the Trust by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by the Trust is available on the Trust's website under its Part II Information Statement: [artscentremelbourne.com.au/freedom-of-information](https://artscentremelbourne.com.au/freedom-of-information)

The Act allows the Trust to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include: cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to the Trust in-confidence.

From 1 September 2017, the FOI Act has been amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by the Trust, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

### Making a request

When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

Requests for documents in the possession of the Arts Centre Melbourne should be addressed to:

Freedom of Information Officer

Arts Centre Melbourne  
100 St Kilda Rd  
Melbourne 3004

[foi@artscentremelbourne.com.au](mailto:foi@artscentremelbourne.com.au)

### FOI statistics /timeliness

In the 12 months ending 30 June 2022  
ACM received no formal FOI applications.

### Further information

Further information regarding the operation and scope of FOI can be obtained from the Act; regulations made under the Act; and [foi.vic.gov.au](https://foi.vic.gov.au).

## Compliance with the Building Act 1993

The Trust continues to comply with the relevant guidelines under the *Building Act 1993*. To ensure compliance, third party surveyors are engaged prior to commencement of works where building permits are required and also following the construction of works, to satisfy compliance with building regulations.

During F2022 the following building type activities were undertaken:

- One (1) Building Permits issued
- Nil (0) Final Inspections & Occupancy Certificates issued
- One (1) Building Related Projects valued more than \$50,000
- Nil (0) buildings brought into conformity as all buildings conform to the *Building Act 1993*

In addition, there were zero emergency orders / building orders issued and all buildings of the Trust were compliant with the *Building Act 1993*. The Trust had mechanisms in place to ensure inspections, reporting, scheduling and carrying out of maintenance occurred and that the buildings comply with building standards.

## Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, that any advantage arising solely from their government ownership are removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. The policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The Trust is committed to the ongoing compliance with the requirements of the competitive neutrality principles and is satisfied that its activities comply with the Victorian Government's National Competition Policy including compliance with the requirements of the policy statement, *Competitive Neutrality Policy Victoria* and any subsequent reforms.

## Social Procurement Framework

The Social Procurement Framework (SPF) works to leverage the Victorian Government's buying power to create jobs and skills-Based training in areas of disadvantage. It seeks to address systematic inequalities and improve environmental outcomes in local communities. Arts Centre Melbourne is committed to advancing social and sustainable objectives in accordance with the SPF. The Social Procurement Framework objectives prioritised during the year were:

- Opportunities for Victorian Aboriginal people;
- Opportunities for Victorians with disability;
- Opportunities for disadvantaged Victorians;
- Sustainable Victorian social enterprises and Aboriginal business sectors and
- Supporting Safe and fair workplaces through ethically sources suppliers.

Due to the impacts of the ongoing COVID-19 pandemic and the resulting reduction in procurement activity, opportunities for delivering the objectives of Arts Centre Melbourne's Social Procurement Strategy were more limited than they would otherwise have been in 2021-22. . However; ACM was still able to make progress against the above objectives, including:

- Exceeding the Victorian Government target for the representation of Aboriginal-owned enterprises within the supplier base;

- Forming partnerships to sell products from Aboriginal owned enterprises in our food & beverage outlets, including a partnership to sell clothing behind our bars at the Sidney Myer Music Bowl;
- The engagement of many Victorian social benefit suppliers, including Victorian Aboriginal businesses and social enterprises supporting disadvantaged Victorians or those living with a disability; and
- Commencing a review of take away food & beverage packaging to ensure sustainable and environmentally friendly options are being used wherever practicable.

## Compliance with the Public Interest Disclosures Act 2012

*The Public Interest Disclosures Act 2012* ("Act") encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The Trust is committed to the aims and objectives of the Act. In particular, the Trust does not tolerate improper conduct by its staff nor the taking of reprisals against those who come forward to disclose such conduct.

### Reporting Procedures

The Trust is not a public body to which disclosures under the Act may be made. Disclosures of improper conduct or detrimental action relating to the Trust should generally be made to the Independent Broad-based Anti-corruption Commission (IBAC).

Further information about making disclosures to the IBAC can be found at [ibac.vic.gov.au](http://ibac.vic.gov.au)

### Further Information

The Trust's Public Interest Disclosure Guidelines outline the procedures of the Trust for protecting people who

make public interest disclosures from detrimental action by the Trust or its staff. This is available on the Trust's website: [artscentremelbourne.com.au/about-us/how-we-work/our-policies](http://artscentremelbourne.com.au/about-us/how-we-work/our-policies)

## Compliance with the Carers Recognition Act 2012

The Trust seeks to comply with its obligations under the *Carers Recognition Act 2012* (the Act) as an organisation funded by the Victorian Government.

The measures taken by the Trust include:

- We are an affiliate of the Companion Card scheme which provides a companion carer with a ticket free of charge.
- We ensure our staff have an awareness and understanding of the role of the Companion Card in supporting carer relationships.
- We consider the carer relationships principles set out in the Act when setting employment policies and provide for carers leave in our Enterprise Agreement.

## Compliance with the Disability Act 2006

*The Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community.

The Trust has complied with its obligations under the *Disability Act 2006* to prepare a Disability Action Plan for the purpose of: reducing barriers to access goods, services and facilities, reducing barriers to person with a disability obtaining and maintaining employment, promoting inclusion and participation in community and achieving tangible changes in attitudes and practices that discriminate against people with a disability.

### **Arts Centre Melbourne's Disability Action Plan is focused on:**

1. Reducing barriers to access goods, services and facilities,
2. Reducing barriers to person with a disability obtaining and maintaining employment,
3. Promoting inclusion and participation in community and,
4. Achieving tangible changes in attitudes and practices that discriminate against people with a disability.

Arts Centre Melbourne is committed to contributing to change both inside and outside our walls. Equity & Inclusion is not about changing the core function of Arts Centre Melbourne but changing the way that we interact with those around us and in doing so, embody the principle of 'nothing about us without us'. Our commitment is to provide a welcoming, safe gathering place where all Victorians can feel a sense of belonging in any capacity both on and off our stages, as outlined below:

#### **Reducing barriers to accessing goods, services and facilities**

In collaboration with Victorian Opera, Arts Centre Melbourne delivered relaxed performances of *The Selfish Giant*, designed for anyone who would benefit from a more relaxed environment, including people with autism, sensory sensitivities, Tourette's syndrome, learning disabilities or dementia, as well as people living with anxiety or people who have experienced trauma. Further relaxed performances were also delivered as part of MSO's *The Carnival of the Animals*.

As part of our Reimagining Arts Centre Melbourne project, we continued consulting with Arts Access Victoria on standards and the proposed upgrades to our State Theatre, which will expand accessibility options across all ticketing levels.

#### **Reducing barriers to persons with a disability obtaining and maintaining employment**

The introduction of Equity as an organisational value reflected Arts Centre Melbourne's commitment to fairness and justice as we work towards systemic and cultural change across our ways of working.

#### **During the reporting period Arts Centre**

Melbourne worked to embed its Ways of Working Policy, which significantly increased flexibility and accessibility, as team members continue to be supported in the new hybrid way of working.

An Inclusive Leadership Model was also introduced in F2022. This ensured training for our People leaders to lead with humility, curiosity, effective collaboration, cultural intelligence, flexibility and agility, and with visible commitment to Equity and Inclusion.

#### **Promoting inclusion and participation in the community**

As part of our commitment to greater awareness and education, Arts Centre Melbourne has also been developing a Disability Awareness module for all team members. This module will form part of the Arts Centre Melbourne's compulsory Onboarding and Induction program once launched.

#### **Achieving tangible changes in attitudes and practices that discriminate against people with a disability**

Earlier in the year Arts Centre Melbourne was delighted to announce that Arts Access Victoria CEO and Artistic Director, Caroline Bowditch, as the Creative Lead for the inaugural Alter State festival. Alter State is a major arts and disability festival engaging artists and audiences from Australia and Aotearoa (New Zealand). The inaugural festival, in partnership with Arts Access Victoria, will be held across September and October in 2022 as a disability-led hybrid offering. This will allow for live performances across Arts Centre Melbourne's theatres and spaces as well as digital content online.

As required by the *Disability Act 2006*, the Trust reports annually on the implementation of its Disability Action Plan in its annual report.

## OFFICE BASED ENVIRONMENTAL PERFORMANCE

| Key Measures                         |             | F2022      | F2021     | F2020     |
|--------------------------------------|-------------|------------|-----------|-----------|
| Electricity Total Consumption        | kWh         | 7,629,875  | 6,083,923 | 8,807,984 |
| Electricity Consumption per Visitor  | kWh / V     | 6.00       | 7.90      | 3.22      |
| Natural Gas Total Consumption        | Gj          | 20,602     | 18,929    | 18,831    |
| Natural Gas Consumption per Visitor  | Gj / V      | 16.19      | 24.6      | 6.88      |
| Water Total Consumption              | K/L         | 30,481.16  | 25,490    | 49,795    |
| Water Consumption per Visitor        | L / V       | 24         | 33.1      | 18.19     |
| Waste to Land Fill                   | Tonne       | 110        | 68        | 206       |
| Greenhouse Gas Emissions             | KG/CO2-e /V | 10,177,658 | 13,097    | 12,114.41 |
| Greenhouse Gas Emissions per Visitor | KG/CO2-e /V | 8.0        | 17.0      | 4.43      |

## Notes:

The above figures include services supplied to Arts Centre Melbourne only and exclude any National Gallery of Victoria and Tenant usage data.

Total visitation figures used to derive per-visitor consumption exclude off-site activities such as Betty Amsden Participation Program attendance and all online activity.

Prior year water and gas figures have been updated in accordance with final accounts where required.

## BUDGET PAPER 3 OUTPUT REPORTING

|  | F2022     | F2021     | F2020     | F2019     | F2018     |
|--|-----------|-----------|-----------|-----------|-----------|
| Access – visitors/users <sup>1</sup>                   | 1,272,493 | 685,220   | 2,551,608 | 3,115,240 | 3,489,047 |
| Access – online visitors to website                    | 3,062,307 | 1,601,888 | 3,463,376 | 3,948,728 | 4,035,418 |
| Number of members and friends                          | 1,342     | 1,422     | 1,413     | 1,422     | 1,442     |
| Number of volunteer hours                              | 298       | 297       | 2,043     | 1,754     | 1,528     |
| Number of students participating in education programs | 3,345     | 14,341    | 32,796    | 54,949    | 49,231    |
| % of collections stored to industry standard           | 78        | 73        | 73        | 73        | 73        |
| % of visitors satisfied with visit overall             | 90        | 93        | 94        | 96        | 96        |

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

## Financial and Other Information Retained by the Accountable Officer

The following additional information is retained by the Trust for the period covered by the Annual Report and can be accessed subject to a request in accordance with the provisions of the *Freedom of Information Act 1982*, to Arts Centre Melbourne's Freedom of Information Officer as detailed above.

- A statement that Declarations of pecuniary interests have been duly completed by all relevant officers of the Trust.
- Details of shares held by a senior officer as nominee or held beneficially in a statutory authority.
- Details of publications produced by Arts Centre Melbourne about Arts Centre Melbourne and how these can be obtained.
- Details of any major external reviews carried out on Arts Centre Melbourne.
- Details of major research and development activities undertaken by Arts Centre Melbourne.
- Details of changes in prices, fees, charges, rates and levies charged by Arts Centre Melbourne.
- Details of overseas visits undertaken, including a summary of objectives and outcomes of each visit.
- Details of major promotional, public relations and marketing activities undertaken by Arts Centre Melbourne to develop community awareness of Arts Centre Melbourne and its services.
- Details of assessments and measures undertaken to improve the occupational health and safety of employees.
- A general statement of industrial relations within Arts Centre Melbourne and details of lost time lost through industrial accidents and disputes.

- Details of Trust committees, the purposes of each committee and the extent to which the purposes have been achieved.
- Details of all consultancies and contractors including:
  - consultants/contractors engaged
  - services provided
  - expenditure committed to for each engagement.

## Subsequent Events

Early works on the Reimagining Arts Centre Melbourne project commenced in July 2022, the first step in delivering the Melbourne Arts Precinct Transformation. There will be interruptions to ACM's day to day operations in FY2023 and beyond as a result of these works, and funding has been secured from the Victorian Government to mitigate the impact of the disruption to ACM.

## Attestation for financial management compliance with Standing Direction 5.1.4

### Victorian Arts Centre Trust Financial Management Compliance Attestation Statement

I, Ian Carson AM, on behalf of the Responsible Body, certify that the Victorian Arts Centre Trust has no material compliance deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

## **Asset Management Accountability Framework (AMAF) Maturity Assessment**

I further certify that Arts Centre Melbourne has materially complied with the Ministerial Standing Direction 4.2.3 – Asset Management Accountability Framework system and processes including a required 3-yearly Maturity Self-Assessment. The Risk Management and Audit Committee has reviewed the Attestation and is satisfied with the process.

This Attestation relates specifically to the Asset Management Accountability Framework mandatory requirements and does not in any way represent that the current condition of the Victorian Arts Centre Trust's assets is adequate to meet the service delivery objectives of Arts Centre Melbourne

The Trust has assessed that it complies with 41 out of the of the 41 requirements and there are no identified material deficiencies.

### **Leadership and accountability**

The Trust complies and is optimising its target maturity level in this category.

### **Planning**

The Trust complies and is optimising its target maturity level in this category.

### **Acquisition**

The Trust complies and is optimising its target maturity level in this category.

### **Operation**

The Trust complies and is optimising its target maturity level in this category.

### **Disposal**

The Trust complies and is optimising its target maturity level in this category.

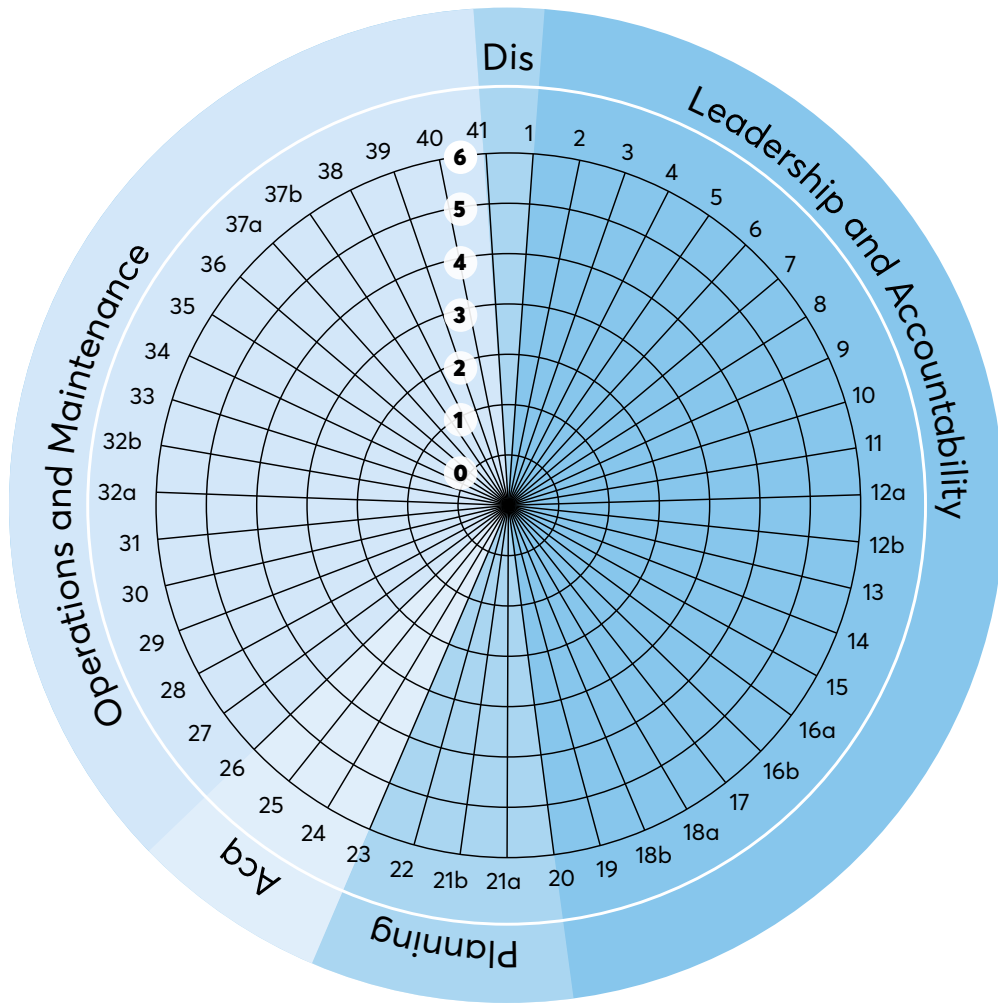


Figure 1: AMAF maturity against the 41 mandatory requirements for 30 June 2022 (black line)

As demonstrated in the radar chart above, the Trust complies with all mandatory requirements and continues to mature its Asset Management practices.

**OVERALL SCALE**

|                |   |
|----------------|---|
| Innocent       | 1 |
| Developing     | 2 |
| Applying       | 3 |
| Competent      | 4 |
| Leader         | 5 |
| Not Applicable | 6 |

**Ian Carson AM**  
 President  
 Victorian Arts Centre Trust

## Disclosure Index

The Annual Report of the Victorian Arts Centre Trust is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the organisation's compliance with statutory disclosure requirements.

### MINISTERIAL DIRECTIONS

|   | LEGISLATION    | REQUIREMENT   | PAGE     |
|---|----------------|---|----------|
| <b>REPORT OF OPERATIONS AND ADMINISTRATIVE REPORTING REQUIREMENTS</b> |                |   |          |
| <b>Charter and purpose</b>  | <b>FRD 22*</b> | Manner of establishment and the relevant Ministers                              | 58-59    |
|   | <b>FRD 22</b>  | Purpose, functions, powers and duties   | 58       |
|   | <b>FRD 22</b>  | Key initiatives and projects  | 14-23    |
|   | <b>FRD 22</b>  | Nature and range of services provided   | 24-45    |
| <b>Management and structure</b>                                       | <b>FRD 22</b>  | Organisational structure  | 58-67    |
| <b>Financial and other information</b>                                | <b>FRD 10</b>  | Disclosure index  | 169-171  |
|   | <b>FRD 22</b>  | Operational and budgetary objectives and performance against objectives         | 5-57     |
|   | <b>FRD 22</b>  | Employment and conduct principles   | 154      |
|   | <b>FRD 22</b>  | Occupational health and safety policy   | 154      |
|   | <b>FRD 22</b>  | Summary of the financial results for the year                                   | 72-73    |
|   | <b>FRD 22</b>  | Significant changes in financial position during the year                       | 68-71    |
|   | <b>FRD 22</b>  | Major changes or factors affecting performance                                  | 68-73    |
|   | <b>FRD 22</b>  | Subsequent events   | 149, 166 |
|   | <b>FRD 22</b>  | Application and operation of <i>Freedom of Information Act 1982</i>             | 161      |
|   | <b>FRD 22</b>  | Compliance with building and maintenance provisions of <i>Building Act 1993</i> | 162      |

|   |                 |  |     |
|---|-----------------|--|-----|
|   | <b>FRD 22</b>   | Statement on National Competition Policy                                     | 162 |
|   | <b>FRD 22</b>   | Application and operation of the <i>Public Interest Disclosures Act 2012</i> | 163 |
|   | <b>FRD 22</b>   | Application and operation of the <i>Carers Recognition Act 2012</i>          | 163 |
|   | <b>FRD 22</b>   | Details of consultancies over \$10,000                                       | 159 |
|   | <b>FRD 22</b>   | Details of consultancies under \$10,000                                      | 159 |
|   | <b>FRD 22</b>   | Details of government advertising expenditure                                | 159 |
|   | <b>FRD 22</b>   | Details of ICT expenditure   | 160 |
|   | <b>FRD 22</b>   | Statement of availability of other information                               | 163 |
|   | <b>FRD 24</b>   | Reporting of office-based environmental impacts                              | 165 |
|   | <b>FRD 25</b>   | Local Jobs First   | 158 |
|   | <b>FRD 29</b>   | Workforce Data disclosures   | 155 |
| <b>Compliance attestation and declaration</b> | <b>SD 5.4.1</b> | Attestation of compliance with Ministerial Standing Direction                | 167 |
|   | <b>SD 5.2.3</b> | Declaration in report of operations  | 2   |

\* 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.

| <b>FINANCIAL STATEMENTS</b>   |   |  |         |
|---|---|--|---------|
| <b>Declaration</b>  | <b>SD 5.2.2</b>   | Declaration in Financial Statements  | 76      |
| <b>Other requirements under Standing Direction 5.2</b>                            | <b>SD 5.2.1(a)</b>  | Compliance with Australian accounting standards and other authoritative pronouncements | 85      |
|   | <b>SD 5.2.1(a)</b>  | Compliance with Standing Directions  | 76      |
| <b>Other disclosures as required by FRDs in notes to the financial statements</b> | <b>FRD 110</b>  | Cash flow statement  | 83      |
|   | <b>FRD 11</b>   | Disclosure of ex-gratia payments   | N/A     |
|   | <b>FRD 21</b>   | Responsible person and executive officer disclosures                                   | 144-146 |
|   | <b>FRD 102</b>  | Inventories  | 114     |
|   | <b>FRD 103</b>  | Non-current physical assets  | 102-107 |
|   | <b>FRD 106</b>  | Impairment of assets   | 106     |
|   | <b>FRD 107</b>  | Investment properties  | N/A     |
|   | <b>FRD 109</b>  | Intangible assets  | 109     |
|   | <b>FRD 110</b>  | Cash flow statement  | 83      |
|   | <b>FRD 112</b>  | Defined benefit superannuation obligations   | 96-100  |
|   | <b>FRD 113</b>  | Investments in subsidiaries, jointly controlled entities and associates                | N/A     |
| <b>FRD 114</b>  | Financial Instruments – General government entities and public non-financial corporations | 121-123  |         |
| <b>FRD 119</b>  | Transfers through Contributed Capital   | N/A  |         |
| <b>LEGISLATION</b>  |   |  |         |
|   |   | <b>Freedom of Information Act 1982</b>   | 161     |
|   |   | <b>Building Act 1993</b>   | 162     |
|   |   | <b>Public Interest Disclosures Act 2012</b>  | 163     |
|   |   | <b>Carers Recognition Act 2012</b>   | 163     |
|   |   | <b>Disability Act 2006</b>   | 163-164 |
|   |   | <b>Local Jobs First Act 2003</b>   | 158     |
|   |   | <b>Financial Management Act 1994</b>   | 76      |
|   |   | <b>Audit Act 1994</b>  | 77-79   |
|   |   | <b>Australian Charities and Not-for-profits Commission Act 2012</b>                    | 76-78   |





