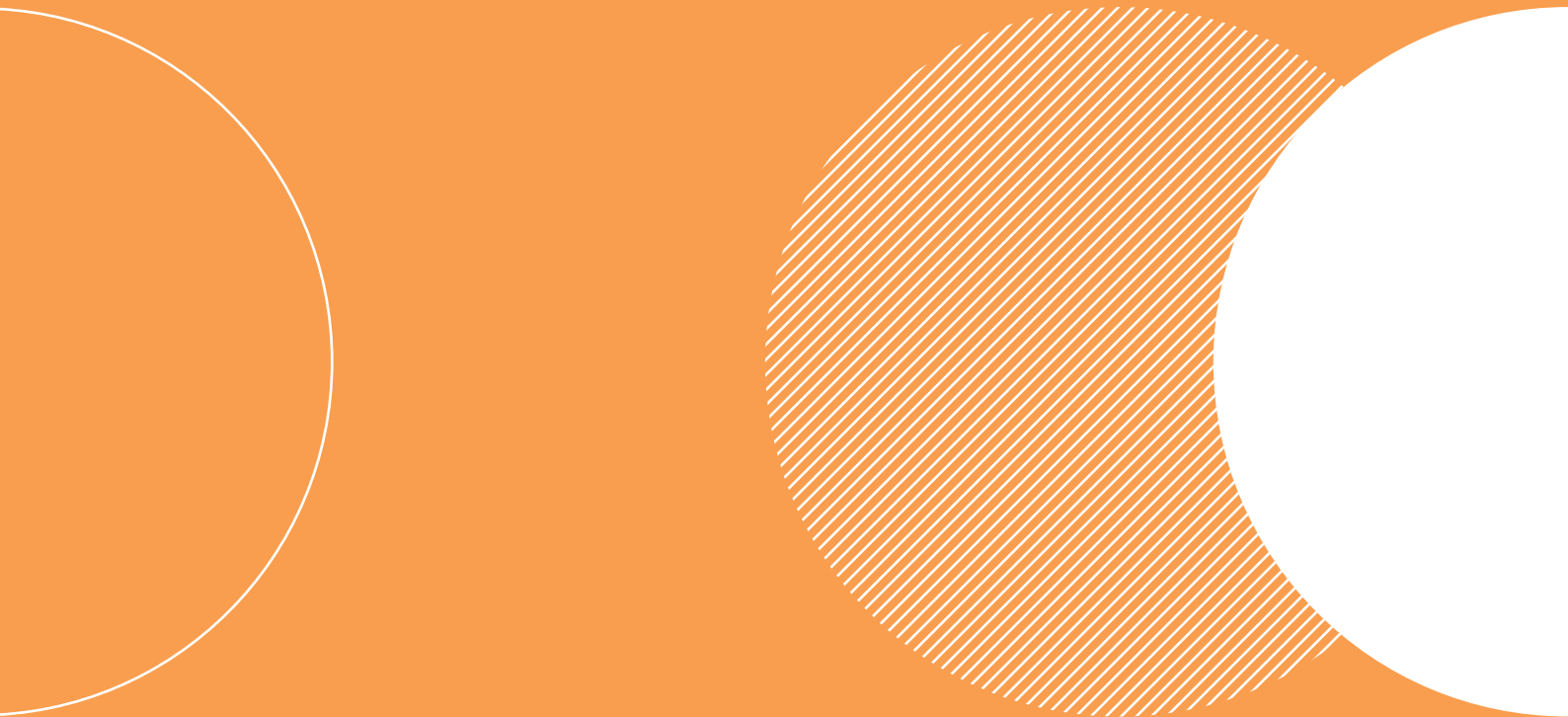


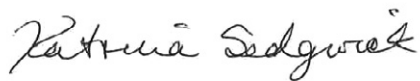
Australian Centre for the Moving Image

Annual Report
2015–16



Accountable Officer's Declaration

In accordance with the Financial Management Act 1994, I am pleased to present the Australian Centre for the Moving Image's Annual Report for the year ending 30 June 2016.

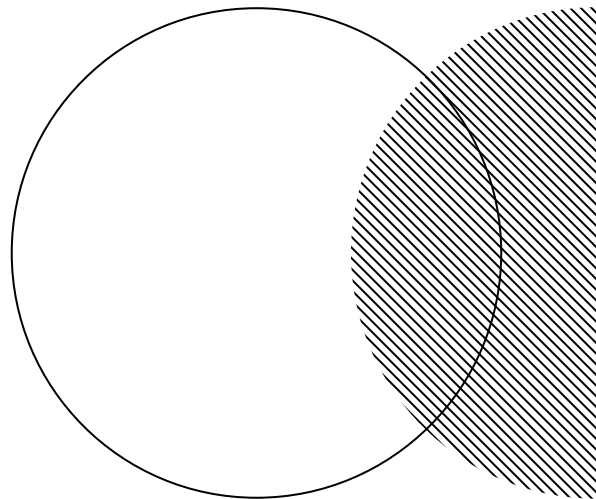
A handwritten signature in black ink, reading 'Katrina Sedgwick'.

Katrina Sedgwick
Director & CEO
Australian Centre for the Moving Image
1 September 2016

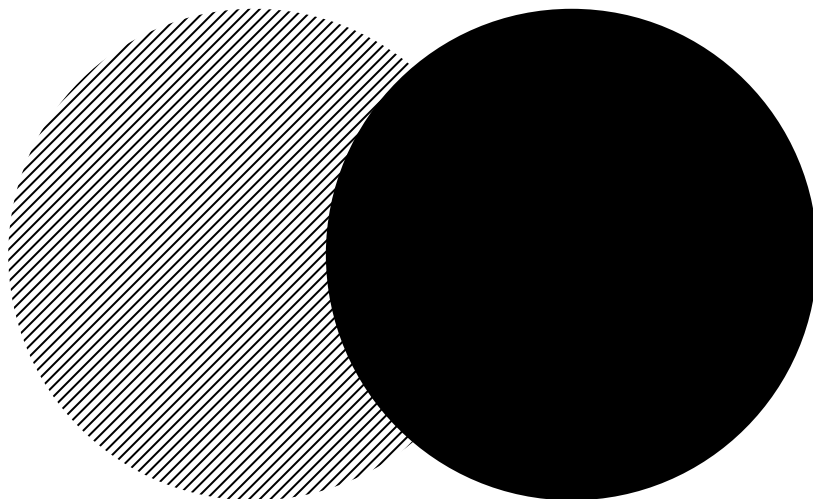
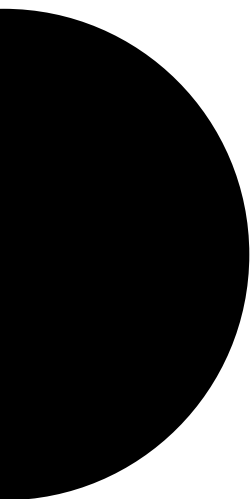
In accordance with the Victorian Government's FRD30B Standard Requirements for the Design and Production of agency Annual Reports, this publication has been designed and produced to minimise environmental impacts.

Australian Centre for the Moving Image

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Introduction



With over 1.45 million visitors annually, we are the world's most visited moving image museum.

From the heart of Melbourne's cultural district, we give Australian and international audiences unsurpassed ways to engage with the moving image.

On the big screen and in the pocket, in person and online, we celebrate, explore and promote the moving image in all its forms - film, television, gaming, interaction design and digital culture.

We support innovation through collaboration with practitioners and industry, helping make creative ideas a reality and bringing them to the attention of audiences.

We engage the public and practitioners in screen culture through a vibrant calendar of exhibitions, films, festivals, live events, creative workshops, talks, education programs, conferences and more.

There is no place like ACMI.

Our Mission

**To enrich our lives
and foster our
creative industries
by illuminating the
moving images
and technologies
that define our age.**

Our Vision

To be the leading global museum of the moving image across art, film and TV, games, digital culture and emerging forms

To connect makers, thinkers, viewers and players in a vibrant space — both physical and digital — that embraces the future, understands the past and unlocks new types of creativity

To enable dynamic access to our collections, resources and stories, fostering participation and collaboration for the creative industries and the public at large

To empower our community to become creative and critical consumers and producers of the moving image

Our Values

We believe —

the moving image is accessible to all

we invite and welcome visitors and colleagues from all walks of life to contribute to and feel ownership of our institution

innovation requires experimentation and risk taking

we enable a culture that embraces creative risk taking, supporting bold ideas and new voices with energy and commitment

collaboration enables real accomplishment

we foster and value partnerships working collegially with our colleagues inside and outside the organisation with openness, honesty and transparency

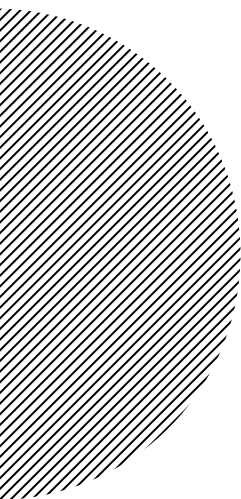
creative expression takes diverse forms

we support freedom of expression and embrace diversity by being inclusive, fair and respectful

in working together with integrity and respect

we are fair and trustworthy in all of our dealings, we are honest and clear with compassion and empathy, and we respect diversity and difference

From the Board President



On behalf of the Board, it is my pleasure to present to you the 2015-16 Annual Report.

ACMI continues to support the State of Victoria's vision as a dynamic hub for innovation, screen literacy and creative excellence through a diverse range of local, international and virtual experiences. This year we have seen record attendances with over 1.45 million patrons to our Federation Square museum. This is the result of world class programming, commissions and initiatives, as well as an increasing brand presence and rapidly cumulative global footprint.

The successes of 2015-16 would not have been possible without the support of the Victorian Government, through Creative Victoria and the Victorian Major Events Company, as well as the many individual and organisational supporters whose generosity directly contribute to our achievements.

The launch of the *Creative State* strategy by our Minister for Creative Industries, Martin Foley, in April this year offers exciting opportunities for ACMI. With the incredible reach and accessibility of the moving image expanding right across the creative industries, ACMI has a unique opportunity to deliver across many of the *Creative State* goals.

Under the dynamic leadership of Katrina Sedgwick and our Executive Team, ACMI is an institution that is evolving and innovating at a rapid pace. We are attracting industry leaders, refreshing our spaces for optimum performance, and constantly experimenting with ideas – the result of a culture shift that has driven our best year on record.

We have successfully diversified our revenue streams, increased our commercial opportunities and expanded our philanthropy program to ensure we are able to sustain our plans with the challenge set by static core funding levels.

In April, with the support of Creative Victoria, we opened an ambitious co-working initiative, ACMI X, a 60-seat co-working studio for the creative industries, just one of a series of bold strategic moves designed to leverage our resources to benefit both audiences and industry.

Together with the National Film and Sound Archive we signed an agreement establishing a new era of collaboration between our two agencies, maximising the riches of our respective collections by committing to a bold digital strategy over the next three years.

This year we consolidated ACMI's strong leadership by welcoming new members to the Board; award-winning actor and director, Rachel Griffiths; business and technology consultant, Karen Corry; philanthropist, Dr Terry Wu; arts leader, Esther Anatolitis; and Assistant National Secretary of the Australian Services Union, Linda White, all of whom bring significant expertise, industry insights and passion. During the year, we bid farewell to retiring members Annette Allison OAM, Sebastian Costello and Andrew Ranger, whose service contributed greatly to our recent accomplishments. I must make particular mention of long-serving outgoing Board members Ricci Swart and Joel Pearlman who have been a vital part of ACMI's development over many years.

Ambitious plans are afoot for a renewal of ACMI's physical and virtual spaces, transforming our visitor experience, integrating new technologies, bringing our collection to the fore and expanding our reach, ensuring we meet and exceed visitor expectations of a 21st century museum. Watch this space.

Peter Lewinsky,
Board President

From the Director and CEO



It is astonishing to me that I have now been at the helm of ACMI for the span of a full financial year – so much has happened and yet it still feels so excitingly new.

Over the past 12 months the Board and staff of ACMI have undertaken a major planning process that has seen us deliver a new corporate strategy, brand articulation, and bold vision that will see us become one of the leading museums of the 21st century in the world.

Our strategy is informed by and aligns with the visionary *Creative State* strategy of the Victorian Government, and this year we have worked closely with Creative Victoria to ensure ACMI will support the delivery of this ambitious vision for our State.

Central to our vision is taking a holistic approach to ACMI as a museum and finding ways to connect the breadth of our content across our building and to the city beyond. On-site changes are visible and having significant impact. The reopening of the Flinders Street doors, for example, has increased our visitation by more than 200,000 patrons this year. We've created an audience experience department, headed up by Chief Experience Officer, Seb Chan, who is leading a series of interventions and experiments to improve the audience journey through ACMI – both physically and virtually. We are committed to developing a truly responsive and evolving internal culture across everything we do.

We want to connect with the creative industries, not only by exhibiting their work, but illuminating the process of creating it and engaging our audiences in this process. We have relocated our Oliver Lane offices to establish ACMI X in the heart of Melbourne's arts precinct. Designed by Six Degrees Architects, we now have a creative hub for 80 of our staff, the Melbourne office of the National Film and Sound Archive and a 60 desk co-working space for the creative industries.

In a year where we have attracted record audiences our programs have continued to delight crowds. From *David Bowie is* to the second Ian Potter Moving Image Commission, *Phantom Ride* by the prodigiously talented Daniel Crooks; from hosting the launch of *Street Fighter V* to the Walker Art Center's *Cat Video Festival* for White Night; from Claymation workshops to *Games Net*, a program that teaches children to collaboratively write code and produce video games in a virtual space; to commissions as varied as Julian Rosefeldt's extraordinary *Manifesto* to an adaptation of a live Sydney Dance Company work into a virtual reality film – ACMI illuminates and showcases the moving image across its myriad forms.

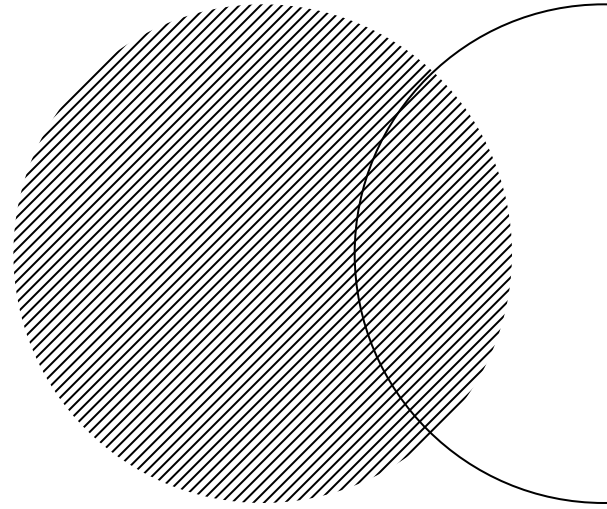
Our international touring program goes from strength to strength attracting 543,000 visitors this year alone at venues in Germany, Singapore, Korea, New Zealand and the United States – bringing in revenue while vitally building our brand and reputation around the globe.

The last decade has brought with it an unprecedented shift in the way we use technology. Most of us carry powerful media creation and consumption devices in our pockets that have changed the way that we think about the moving image forever. We want to reshape our institution to meet 21st century visitor needs and expectations.

We have a visionary Board, a dynamic Executive Team and an enormously talented staff. I would like to thank them all for what has been a stellar year – not only of delivery but of reimagining and strategising our truly exciting future.

Katrina Sedgwick
Director and CEO

**1.45 million +
visitors were
welcomed to ACMI's
Federation Square
museum alone this
year, making 2015–16
our highest attended
year on record.**



27%

increased visitation
in 2015

22%

of our visitors are
international tourists

123%

increase in
shop revenue

41%

increase in active
memberships

79,000+

students and
teachers welcomed
to ACMI

33,000

at White Night

34,000

at Bowie Late Nights

18

festivals
hosted
at ACMI

543,000 visitors attended
our 4 touring exhibitions in
6 international locations and
5 regional Australian centres.

Our Curated Film Programs

50,344

patrons to screenings
curated by us

79

foreign language
films

38

nations represented
in film programs

39

films directed
by women were
championed

Web and Social Media

\$2.8m

in revenue generated
through our websites

\$1.4m

in revenue delivered
through social media
channels

1.7m+

website visits

4.8m

page views

95,000

followers across
our social media

167%

increase in
blog visitation

52,000

e-news subscribers

Australian Mediatheque

22,000

visitors

33,000

individual titles
were viewed

160,000

pieces in
our collection



45,000+

followers

471,360

people engaged
with our content

500,000+

video views

23m

impressions



36%

increase in followers
to over 41,000



6,489

followers



193,168

minutes watched

Corporate Goals Think Holistically

- Deliver world class audience experiences, interweaving multiple layers of programming and interactions – both physical and virtual**
- Be responsive, active, transparent and audience facing in our daily practice**
- Animate and energise the whole of our building to redefine ACMI as a singular destination**
- Leverage our resources into the creative industries to support experimentation, production and distribution**
- Evolve our organisational structure and systems to be more efficient and agile**

Best in Show

We deliver world class audience experiences, weaving layers of programming and interactions that celebrate screen culture. As we continue to grow, we are engaging with our audiences in new and exciting ways.

In this financial year, over 1.45 million visitors have walked through ACMI's doors to experience our programs, education and events. By using our unique spaces, resources, knowledge and cutting edge technology to create full experiences, we have retained the mantle of being the most visited film museum in the world.

Alive with Activity

For White Night Melbourne, we animated the entire building with programming as diverse as the Minnesota Walker Art Center's infamous *Internet Cat Video Festival*, a marathon competitive gaming event, and film screenings and exhibitions, attracting 33,000 revelers to ACMI.

We developed the ACMI Kids' Trail, a 30-minute self-guided tour signposted by our series of bespoke animated characters. The trail has been designed to encourage interaction with a range of experiences facilitating learning about the evolution of the moving image.

We also officially reopened our Flinders Street entrance, reanimating it with a revolving door and an information desk ensuring easy access options for our patrons.

The Full Package

Through regular screening programs, Seniors' Cinema and Kids' Flicks, we continue to build loyal audiences who experience ACMI in many complementary ways – including our commercial offers at the ACMI Shop and ACMI Cafe & Bar. Themed menus at the café are designed to complete the experience, where parents feed budding animators, visitors to *SCORSESE* dine on Italian meatballs and New York cheesecake, and festival goers enjoy themed cocktails at pop-up bars.

Friends with Benefits

ACMI Members are our most loyal audience. In 2015-16 our renewal rate increased by 8% and we welcomed over 700 new members across our membership levels. Member benefits such as advance screenings and exclusive previews are increasing in uptake with over 2,500 attendees to 16 events over the year.

TV Talk

As part of our commitment to championing television, we partnered with broadcasters and industry groups such as the ABC, Foxtel, the Australian Directors Guild and the Directors Guild of America to present a range screening events celebrating television productions and culture. We presented the premieres of hit ABC TV series' *Cleverman* and *The Divorce*. In June, we premiered Foxtel Showcase's Australian drama *The Kettering Incident* followed by a Q&A with the co-creators and producers Victoria Madden (*The Bill*, *Halifax FP*) and Vincent Sheehan (*Jasper Jones*, *Animal Kingdom*) along with cast members.

Game Play

ACMI presented the official release of Devolver's *Enter the Gungeon* featuring a conversation with the US developers, alongside a preview of the forthcoming game by Melbourne's Voxel Agents. Much to the excitement of game developers and enthusiasts everywhere, ACMI also presented the launch of long running AAA game *DOOM* accompanied by a Q&A with US Executive Producer, Marty Stratton.

Industry Hub

When the Victorian Government through Film Victoria secured the hosting rights for the 2016 Australian International Documentary Conference (AIDC), ACMI became the annual event's natural home. As a key event in the Asia-Pacific region for the factual screen sector, the AIDC attracts over 500 Australian and international delegates with a program of masterclasses, pitching opportunities, panel discussions and guest speakers.

To enrich the delegate experience, ACMI presented a screening and discussion program, which included the critically acclaimed documentary, *The Hunting Ground* (2015).

Close Up— David Bowie is



David Bowie is
16 July—1 November 2015

As part of Melbourne Winter Masterpieces, ACMI presented the exclusive Australasian season of *David Bowie is*, an exhibition curated by London's prestigious Victoria and Albert Museum.

Drawing upon unprecedented access to objects from the David Bowie Archive, the exhibition charts the extraordinary career of the boy from London who became an iconic artist and cultural innovator. *David Bowie is* featured over 50 legendary costumes, original stage set designs, handwritten lyric sheets, album artwork, rare film, video and photographs, and interviews with key collaborators. The exhibition's multi-media design incorporated Sennheiser's advanced sound technology alongside theatrical scene-setting, original animations and video installations to create an immersive journey through Bowie's life and work.

As part of our commitment to creating a holistic experience, ACMI curated an extensive public program that included a two-day symposium, *The Stardom and Celebrity of David Bowie*, which attracted speakers from the UK, USA, Europe, Canada and New Zealand; a themed talks series, *Strange Fascinations*; Intermix workshops for 15 to 25 year olds with topics ranging alien-inspired 3D art and gender rebellion, and much more.

A film program presented his memorable on screen appearances (*The Man Who Fell to Earth*, *The Hunger*, *Twin Peaks*) alongside films featuring Bowie's idols and influences (Andy Warhol, Marlene Dietrich) and reinterpretations of Bowie channeled by the likes of Tilda Swinton and Seu Jorge. We also brought Bowie to a new generation through Kids' Flicks screenings of Jim Henson's 1986 classic *Labyrinth* and a wide selection of education programs.

Anticipating the program's popularity, we extended our hours on Thursdays and Fridays to expand visitor options and provide live entertainment. *Bowie Late Nights* saw us donning lycra and lightning bolts on Fridays as a roster of Bowie-inspired performers graced the Lightwell stage. The line-up featured vocalists such as Geraldine Quinn and Jen Cloher, big band party tunes by Total Giovanni and The Bombay Royale, acoustic trio The Thin White Ukes, and psychedelic DJ sounds playing into the evening.

Eye-popping show
—*Herald Sun*

**This is one exhibition
Melbourne will be talking
about for years to come**
—*Design Matters*

We were relentless in our quest for the ultimate visitor experience, creating complementary content for the Bowie Channel, which featured photo galleries, social media fan activity, blogs, podcasts and videos, as well as stocking bespoke merchandise that contributed to our most successful retail result ever.

From the very first day, fans flocked to ACMI from around the world, many in costume and tour t-shirts. An absorbing opening week of live events culminated in an all-day ABC Double J live broadcast hosted by Myf Warhurst at ACMI with fans queuing to take advantage of numerous photo opportunities and *Aladdin Sane*-inspired face paint.

Throughout the season, we continued to present live events including; *Total Bowie*, an entire weekend of events featuring Merri Creek Primary School's Tiny Starmen singers; the Melbourne Symphony Orchestra stopped by for not one, but two of their popular *Secret Symphony* pop-up performances; and spoken word group Liner Notes brought our attention back to the lyrics.

With the sad passing of David Bowie in January 2016, we opened our Lightwell to fans wishing to honour their idol via a condolence book and helped fans hold a tribute night.

Vale David Bowie (1947-2016)

Images opposite page; Left— Courtesy of The David Bowie Archive, Image © Victoria and Albert Museum. Right— Photograph by Terry O'Neill, Image © Victoria and Albert Museum. Image Left —Photograph by Masayoshi Sukita, © Sukita / The David Bowie Archive.



Golden Year

199,636

Total visitation

160,679

Exhibition attendance

38,957

Associated programming

30.5%

Interstate and international visitation

45%

First time visitors to ACMI

Close Up— Australians in the Spotlight

This year we presented numerous exhibitions devoted to highlighting Australian screen industry talent. We championed the work of the great costume designer Orry-Kelly; artist Del Kathryn Barton and her collaboration with filmmaker, Brendan Fletcher; video artist, Daniel Crooks; and Cate Blanchett for her starring role in Julian Rosefeldt's *Manifesto*.

Orry-Kelly —Dressing Hollywood

18 August 2015—17 January 2016

Orry-Kelly: Dressing Hollywood was the first exhibition to celebrate the work of three-time Academy Award® winner, Orry-Kelly (1897–1964), an Australian costume designer whose creative legacy had all but faded from popular memory.

This free exhibition brought the self-described 'Kid from Kiama' out of the shadows of Hollywood history, and back to his rightful place in the spotlight. Through the display of more than 100 original objects, the exhibition charted the designer's journey from the sleepy seaside township of Kiama to the movie-making mecca of Hollywood. The exhibition demonstrated Orry's extraordinary talent for character development through costume, juxtaposing his acclaimed designs with personal ephemera.

The exhibition opened to coincide with Gillian Armstrong's documentary *Women He Undressed*, which screened at ACMI. The popularity of our screenings prompted us to schedule additional sessions.

Orry-Kelly: Dressing Hollywood was the most successful Gallery 2 exhibition in ACMI's history, receiving more than 88,000 visitors during its five-month run.

Image Left— Orry-Kelly campaign poster.

Image Right— Orry-Kelly and Tony Curtis, behind the scenes in *Some Like it Hot* (1959), credit United Artists-Photofest.





Del Kathryn Barton —The Nightingale and the Rose

21 June—11 September 2016

Born of an extraordinary collaboration between two-time Archibald Prize winner Del Kathryn Barton and acclaimed filmmaker Brendan Fletcher, *Del Kathryn Barton: The Nightingale and the Rose* traces the remarkable adaptation of Oscar Wilde's 19th century classic from text to canvas and book, then into a hauntingly beautiful animated film.

Featuring a selection of Barton's evocative paintings alongside a screening of the film, stunning never-before-seen handmade props, and material from the production archives, the exhibition reveals the extraordinary workings behind this captivating animated picture.

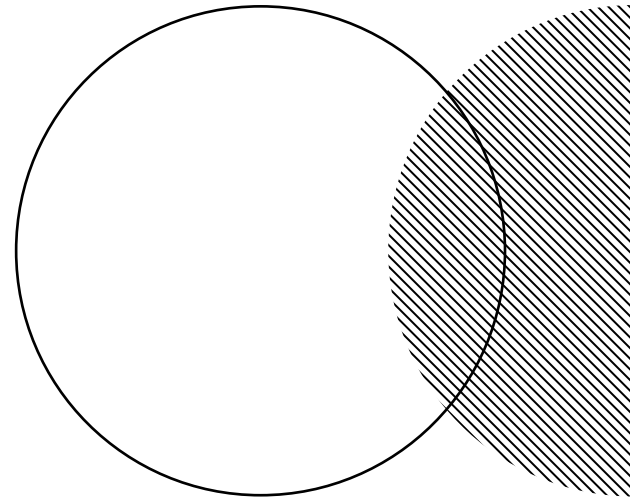
The 14 minute animation is voiced by some of Australia's most celebrated actors, including Mia Wasikowska, David Wenham and Geoffrey Rush, and layered with a stirring score by Australian singer-songwriter Sarah Blasko.

Image Top— Oscar Wilde's *The Nightingale and the Rose*, Dirs. Del Kathryn Barton and Brendan Fletcher. Prod. Aquarius Films, 2015.

Image Bottom— And the tears were not yet dry in his beautiful eyes. Del Kathryn Barton, 2011-12. Acrylic, gouache, watercolour and ink on polyester canvas. Courtesy of Michael W.



Corporate Goals Build Our Brand, Extend Our Reach



- Define ACMI's brand and voice**
- Enrich and extend conversations with our audience through ground breaking digital strategies**
- Develop collaborations and partnerships in Australia and around the globe**
- Create highly visible projects and programs, highlighting our curatorial distinctiveness**
- Strengthen our engagement with Indigenous and culturally diverse artists and audiences**



Our brand is that intangible thing that audiences think and feel when they engage with ACMI at any touch point

Character Building

This year, we realigned our Marketing, Communications and Design teams into a brand studio under the leadership of accomplished film marketer, Emma Levy, who joined ACMI in July 2015.

With the assistance of globally renowned research consultancy, Morris Hargreaves McIntyre, we conducted a detailed audience analysis and profiling exercise that included observational and field studies to provide us with important insights into the needs and motivations of the ACMI audience. Shortly after, we embarked upon a 360 degree brand review to deliver ACMI's first comprehensive set of brand guidelines and a refined logo and visual identity.

This approach informed our award winning-work for *Julian Rosefeldt: Manifesto* as well as our marketing effort for the *SCORSESE* exhibition.

Zooming in on Digital

We embedded a data-driven, audience-centric approach to our digital content strategies, to ensure that we continue to develop holistic marketing campaigns to meet our revenue and visitation targets. We place content for audience engagement at the centre of our digital marketing approach, shifting away from online display advertising, and instead creating bespoke content that effectively converts to online sales.

This approach has been highly successful for our *SCORSESE* exhibition campaign which attracted 40,000 page views during an initial three-week period (up 82%) as well as reaching over 100,000 consumers with our bespoke *SCORSESE* online trailer.

Mobilising Our Messages

We brokered a number of strategic media partnerships aligning our programs to our target audiences. This year Schwartz Media, Herald Sun, APN Outdoor and Yarra Trams allowed us to mobilise key messages. For *SCORSESE* alone, we estimate we secured approximately \$700,000 in in-kind promotion, which allowed us to mobilise program marketing otherwise prohibited by budgets.

Close Up— Partners and Collaborators

**This year we strengthened
existing partnerships and
built new ones.**

Everybody Needs Good Neighbours

ACMI and the National Film and Sound Archive (NFSA) share a commitment to preserving and sharing screen culture history. Partners in the Australian Mediatheque - a centre at ACMI promoting access to the collections of both organisations—we became neighbours this year when the NFSA integrated their Melbourne office into ACMI X.

In June, we signed a Memorandum of Understanding establishing a new era of collaboration between the two agencies promoting expanded opportunities for the exhibition and digitisation of our respective collections.

Image below— Miranda July, photographer Todd Cole.



Together Is Better

With MPavilion we co-presented numerous programs, most notably an evening with the Victoria and Albert Museum Director, Martin Roth. At the Wheeler Centre, we co-presented the autobiographical talk Miranda July's *LOST CHILD!* at the Melbourne Town Hall to a packed audience.

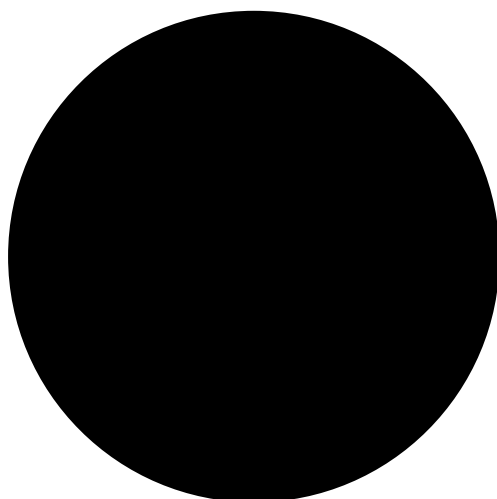
As part of the Next Wave Festival, ACMI co-presented two performance programs that received rave reviews. The first was an ambitious durational performance and cinema experiment by Nat Randall and the second was a video—operatic presentation by Daniel Jenatsch supported by a cast of musicians and performers, including the Letter String Quartet and contemporary choreographer, Atlanta Eke.

In Good Company

Many of our curatorial projects rely on peer collaboration. This year, ACMI curated programs that drew diverse content from the most prestigious global film institutions and collections including The Film Foundation, UCLA, Library of Congress, the Academy of Motion Picture Arts and Sciences and Cineteca di Bologna. Our programmers also shared curatorial products and ideas with institutions such as the British Film Institute, TIFF Bell Lightbox, the Film Society of Lincoln Center and the film department at MoMA.

We also enjoy the financial backing and critical endorsement of peak cultural bodies such as the British Council (*David Bowie on Film*) and the Hong Kong Economic and Trade Office (*Hong Kong on Film*) to make excellent curatorial ideas a reality.

Image below— Hong Kong on Film, *Sparrow*.



Close Up— Collaborative Commissions

We co-commissioned several moving image works in 2015-16, including *Manifesto* (2015), *Phantom Ride* (2016) and *Stuck in the Middle With You* (2016).



Julian Rosefeldt —Manifesto

9 December 2015—14 March 2016

Manifesto was commissioned by a consortium of international partners, including ACMI, the Art Gallery of New South Wales, Hamburger Bahnhof – Museum für Gegenwart, Berlin, and Sprengel Museum, Hanover, allowing us to benefit from combined resources and experience while expanding our collaborative peer network.

Berlin-based artist Julian Rosefeldt came to prominence on the cusp of the 21st century, renowned for his visually opulent and meticulously choreographed moving image artworks that transport viewers into unsettling theatrical realms. Rosefeldt's most recent work, *Manifesto*, sat at the heart of this survey exhibition, which was the first major presentation of his work in Australia. Paying homage to the traditions of the artist's manifesto, Rosefeldt created a series of striking monologues performed by Cate Blanchett.

Over 58,000 visitors enjoyed *Manifesto* and its associated programs. Among the suite of public programs to complement the exhibition, we partnered with ABC Radio National's *Big Ideas* program for a panel discussion exploring the relevance of manifestos in contemporary society, extending our reach and offering an audience experience via national airwaves.

Image Left— © Julian Rosefeldt, *Manifesto* (2015), courtesy of the artist.



Daniel Crooks —Phantom Ride

16 February—29 May 2016

Australian artist Daniel Crooks' newest work, *Phantom Ride*, was commissioned by ACMI in collaboration with the Ian Potter Cultural Trust as part of the Ian Potter Moving Image Commission, a joint initiative supporting a mid-career artist in the creation of moving image for exhibition.

Phantom Ride was inspired by a history of cinema and, in particular, the way in which trains have been employed as an extension of the camera. Taking as a starting point the Lumiere Brother's 1896 film, *Leaving Jerusalem by Railway* (regarded today as cinema's first ever tracking shot), Crooks' work references the 'phantom rides' of early cinema, a genre of film popular in Britain and the United States in the early 1900s. Pre-dating narrative features, these short films showed the progress of a vehicle, usually a train, moving forward by mounting a camera on its front. *Phantom Ride* is now part of the ACMI Collection.

Over 52,000 visitors enjoyed *Phantom Ride* and its associated programming.

Image— Daniel Crooks, *Phantom Ride* (2015).



Stuck in the Middle With You

In March, we presented our first virtual reality (VR) commission, created by Closer Productions and the Sydney Dance Company, *Stuck in the Middle With You*.

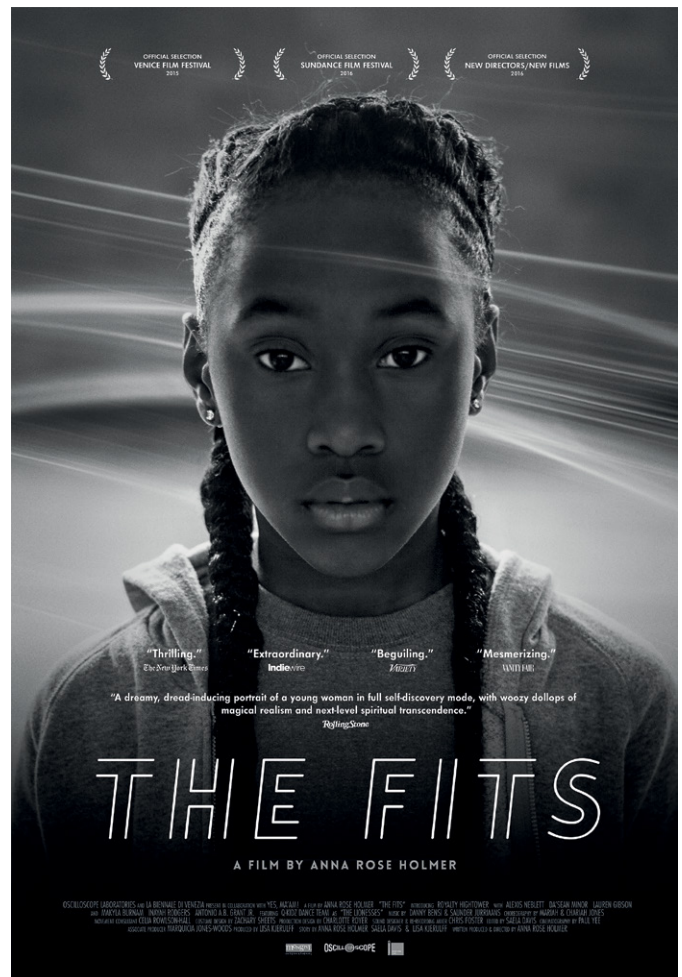
Jointly directed by award-winning filmmaker Matthew Bate and internationally acclaimed director/choreographer Gideon Obarzanek, *Stuck in the Middle With You* is an experience in which the viewer becomes part of the on-stage performance of a live dance work originally choreographed for the Sydney Dance Company ensemble. Fusing choreography, performance, documentary and drama, this landmark moving image work was an entertaining and surprising investigation of what it means to be a performer.

Stuck in the Middle With You will become a part of our permanent exhibition in 2016-17.

Image— *Stuck in the Middle With You* (2015), credit: Peter Greig.

Close Up— Cinephile City

In 2015—16, we have
proven once again that
no one does film and
film culture like ACMI.



Image— *The Fits*, campaign poster.

Uniquely ACMI Films

In 2015-16, our film program spectrum included challenging, high-concept award-winners such as *The Fits*, *The Tribe* and *Cemetery of Splendour*, alongside youthful fan culture-focused seasons such as the highly successful *Essential Anime*. Classic Hollywood (*Niagara*) and important contemporary foreign language titles (*Tehran Taxi*) screened alongside the best in new documentary cinema (*Peggy Guggenheim: Art Addict*).

Our weekly Australian Perspectives film program continued to offer access to classic and contemporary works as well as live events featuring industry professionals. In June, Palme d'Or winning director Glendyn Ivin (*Last Ride*) presented a 40th anniversary screening of the Australian children's classic *Storm Boy*.

Long-running programs such as Fashion on Film, presented in collaboration with the Virgin Melbourne Fashion Festival (March) and the City of Melbourne's Spring Fashion Week (September), remain popular with lovers of style and design.

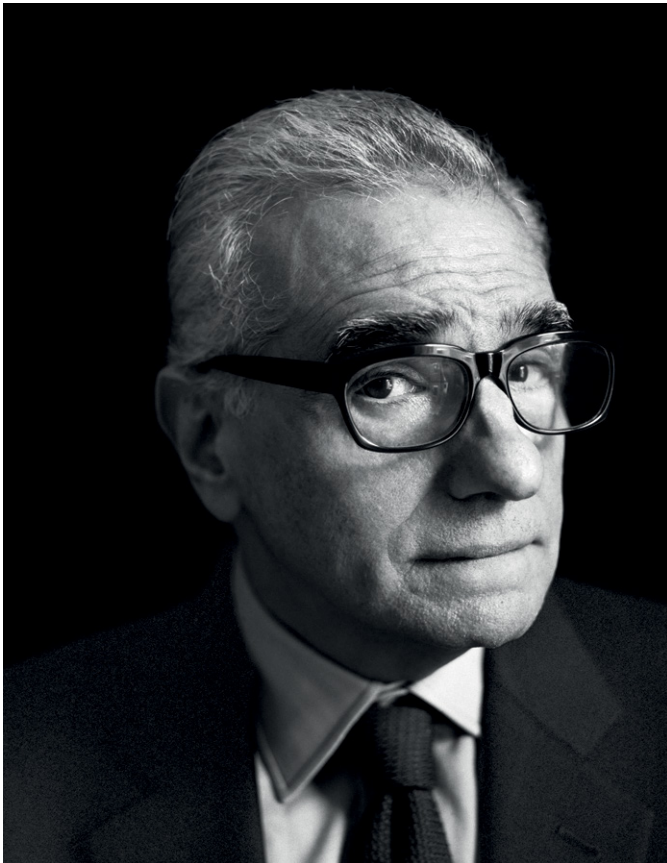
In September, we presented a season commemorating 25 years since Jim Henson's passing - *Muppets™*, *Music and Magic: Jim Henson's Legacy*. Direct from the Henson Foundation's vaults, the season explored the seminal puppeteer's experimental films, TV commercials, and animations, as well as his work on arguably the most famous and influential of all children's television programs, *Sesame Street*. Guest speaker Emmy® Award-winner Martin Baker (UK) from the Jim Henson Foundation took part in a public talk.



Image Top— *Storm Boy*, 1976.

Image Bottom— © Disney © Henson All rights reserved.

Close Up— Reel Voices



Image— © Brigitte Lacombe.

SCORSESE

26 May—18 September 2016

Martin Scorsese is one of the most influential film directors in contemporary American cinema, with over 60 director credits in almost as many years.

SCORSESE is the first major exhibition of his work and is principally compiled from the director's private archive, as well as the collections of Robert De Niro and Paul Schrader. In addition to exploring Scorsese's sprawling catalogue of feature and documentary work, the exhibition pays tribute to his commitment to the preservation of international film heritage.

Working with the original curators at the Museum of Film and Television in Berlin, the exhibition was expanded and redesigned for its presentation at ACMI. Featuring clips, hand drawn storyboards, script annotations, behind the scenes photographs and costumes, the exhibition provides a comprehensive overview of the methods and creative collaborations that have produced one of cinema's most dynamic filmographies.

A free audio guide featuring Martin Scorsese and long-time editor Thelma Schoonmaker was created to guide our cinefile audience and curious public through the exhibition. A comprehensive screening and public events program accompanied the exhibition program.

Diversity in Storytelling

Alongside our diverse programming, which included 79 foreign language films from 38 countries, we screened international stories via our cinema program partners and festivals including the Melbourne Cinematheque, Melbourne Filmoteca, Melbourne International Film Festival and Melbourne International Animation Festival.

In addition, seven multicultural film festivals called ACMI home in 2015-16:

- Iranian Film Festival
- Indonesian Film Festival
- Czech and Slovak Film Festival
- Russian Resurrection Film Festival
- Japanese Film Festival
- Turkish Film Festival
- Korean Film Festival in Australia

We also showcased sexuality, politics and global issues with festivals such as the Human Rights Arts & Film Festival and the Melbourne Queer Film Festival.

Indigenous Storytelling

We presented the Melbourne premiere of *Spear*, in partnership with Bangarra Dance Theatre and Cinema Plus, with Director Stephen Page and his cast and crew on hand to take audience questions.

The first two episodes of ABC TV's home-grown Indigenous science fiction hit, *Cleverman*, premiered at ACMI, followed by a Q&A session with creator Ryan Griffen and stars Tamala Shelton and Adam Briggs.

In association with *David Bowie is*, the Koorie Heritage Trust (KHT) presented *Dead Tongue*, an exhibition of work by Melbourne based Indigenous artist, Dr Christian Thompson, in response to Bowie's seminal 1983 music video, *Let's Dance*. Highlighting the exhibition's association, KHT and ACMI co-presented the artist talk and forum *Let's Dance: In between the message and medium* bringing together Kutcha Edwards, Deborah Cheetham AO and Nikki Ashby to discuss Indigenous representation in non-Indigenous media.

In 2015-16, ACMI continued to develop its involvement with the Australian Research Council project, Aboriginal Young People in Victoria and Digital Storytelling. This unique project explores the use of mobile devices to facilitate new approaches to storytelling that would contribute to Aboriginal digital literacy as a way to assert culture and identity.

Corporate Goals Leverage Our Assets

- Value and invest in our staff and share their expertise**
- Be a world leader in moving image education**
- Embed a culture of experimentation that values iterative improvement, testing and learning, prioritises knowledge and repositions 'failure' as a learning opportunity**
- Rationalise, preserve and digitise our collection delivering an energetic interface to our archive and creating links to the global network of moving image collections**



ACMI X—Co-Working for the Creative Industries

In 2015-16, with the support of Creative Victoria, ACMI opened Australia's first collaborative working space for the creative industries set up by a major museum.

ACMI X combines the offices of ACMI's operational teams and the Melbourne office of the NFSA, with a 60-seat co-working studio of individuals and organisations working in the creative industries, creating a dynamic engine room for a museum of the 21st century. The 2000sqm state-of-the-art office space was designed by award winning architects, Six Degrees.

The ACMI X Studio has quickly developed into a creative ecosystem, actively fostering collaboration and experimentation, and providing professional development through its events program. Importantly, the concept leverages ACMI's resources back into the creative sector at a time when creative organisations are under pressure and addresses the critical needs of individuals and small organisations, including affordable accommodation (in some cases sponsored or subsidised), industry masterclasses, and opportunities for cross pollination.

ACMI X aligns to the *Creative State* strategy and marks a new era for ACMI as a collaborative museum.

Our Welcoming Committee

ACMI's staff and volunteers are undoubtedly our biggest asset and ensure the quality of the visitor experience to our Federation Square museum, our touring exhibitions and our online spaces.

Our Visitor Services Team keeps ACMI running around the clock, every day of the year besides Christmas Day, for the enjoyment of our visitors. *David Bowie* is prompted the largest recruitment of Visitor Services staff in ACMI's history with over 40 Visitor Services Officers coming on board to assist in ticketing, retail and galleries.

Our volunteer program continues to add to the diversity of experience among the ACMI team. In 2015-16, 173 volunteers contributed over 10,000 hours across administration, marketing, exhibitions and education. Volunteers have this year provided visitors with twice-daily *Screen Worlds* tours and have assisted during school holiday workshops, enabling a higher personnel -per-participant ratio and allowing staff to focus on delivering core components of the workshop.

62

Visitor
Services
Officers

173

Volunteers

10,000+

Volunteer hours



Big Ideas and The Big Screen

This year, ACMI appointed film industry specialist James Hewison as the new Head of Film Programs, heralding a new era for our cinemas, our screen industry partners and our audiences. With over two decades of experience in film programming, acquisition, distribution and marketing, James is a dynamic addition to the ACMI team.

It is essential that ACMI maximises its screens and public spaces to capitalise on our central location, tourists and local cinema-goers. This year we redistributed our screening times to make full use of our cinemas, and to capitalise on films which have proven successful with audiences.

Image— *Drunk Stoned Brilliant Dead, The Story of the National Lampoon* (2015).

Screen Worlds Revisited

Screen Worlds is our free entry, permanent exhibition that tells the story of the moving image through fascinating footage, objects and interactive displays. With the aid of a Creative Victoria Cultural Facilities Maintenance Fund, ACMI was able to enhance or replace exhibits to keep *Screen Worlds* current.

The first updates were to the Games Lab and Kids' Space, both redesigned with updated content and technology. The George Miller spotlight was revamped to include *Mad Max: Fury Road* and further improvements are underway.



Australian Mediatheque

Now in its seventh year of operation, the Australian Mediatheque has created new opportunities for public engagement with screen culture, while providing an invaluable research service.

With the NFSA and our content partners, we curated 15 view-on-demand programs to complement activities such as the *SCORSESE* exhibition, AIDC and the Channels Film Festival. Among the most popular items searched in 2015-16 were nostalgic moments in Australian TV and historic footage.

To share the treasures within our collection online – from the oddball to the oddly serious – we created a Tumblr site (mediathequegems.tumblr.com).

Visitors enjoy the photo booth in the Mediatheque created for the Czech & Slovak Film Festival. 'Selfie Budka', Ahmarnya Price. Image courtesy: Aglaia-B.



ACMI Collections

During the year, we finalised the Collection Development Strategy and the associated Acquisition, Deaccession and Digitisation policies, informing much of the work in the coming years. We also acquired high definition film scanners for the digitisation of a unique collection of content stored on redundant analogue media.

The Collection Team completed work on the Australian Research Council project, *Play It Again*, which aimed to collect, preserve and make accessible Australian and New Zealand computer games from the 1980s. This groundbreaking, internationally acclaimed project was a collaboration between cultural and academic institutions across the Tasman Sea. It resulted in the identification of over 900 games, the preservation of 100 games, an international conference and numerous academic papers. The project's website allows access to these games, and provides resources and hours of rich social history of the period.

[Victoria 1939- 1956] home movie, ACMI Collection. (Donor: S.Cohen)

Close Up— Head of the Class

ACMI remains a world leader in moving image education.

Our Expertise at Work for Teachers

ACMI Education is committed to offering teachers new opportunities, ideas and possibilities to educate young people for the future. The year saw over 220 teachers engage in professional development programs at ACMI. This included conference programs that explored the use of the moving image and digital culture to deliver innovative, curriculum-based programs, such as the annual Multi-Literacies Conference in partnership with the Australian Literacy Educators' Association, and the Education in Games Summit with the Victorian Department of Education and Training and Creative Victoria.

During 2015-16, ACMI Education partnered with the Australian Teachers of Media and RMIT University to program *Screen Futures*, an international conference for industry professionals, educators and academics interested in screen innovation.

Screen It

Over the last 12 years, ACMI's student moving image competition, *Screen It* has continued to build engagement with schools and connect with the national curriculum. Primary and secondary students nationwide created live action films, animations and videogames addressing the theme which in 2015 was *Change*. This year's red carpet Awards Ceremony, which is always a highlight of the ACMI calendar, featured ABC's *Good Game*'s Bajo and Hex as delightful first-time hosts.

502

Screen It entries

1,916

students across
Australia entered

Video Conferences

This year our video conference program for students included *Meet the Makers*, with illustrator and writer Peter Carnavas and a series of *Screen It* sessions designed to support teachers and emerging makers create films, games and animations.

I Belong

In partnership with RMIT, as part of the Schools Network Access Program (SNAP), ACMI co-hosted *I Belong in Marketing*. Drawing on the expertise of ACMI staff, participating senior secondary students developed and presented marketing campaigns for *David Bowie is* to an audience of peers.

Intermix

Intermix continues its commitment to equipping young people with the tools to explore the latest advancements in the moving image, technology and emerging forms, for enjoyment, digital literacy and to inspire career pathways. This year's sessions have woven in ACMI experiences such as *Fashion on Film*, *VJing* and film criticism. Program participants have reported that their experiences were transformational and have assisted in shaping their adult lives.

Games Net

Games Net is a Strategic Partnership Program supported by the Victorian Department of Education and Training. The program enables gifted students to collaborate with an online network of mentors and peers to create videogames.

The successful pilot year saw 33 students from nine schools across regional and urban Victoria participate. With 12 mentors, the students collaborated on 14 games and two animations. In December, the triumphant *Games Net* Showcase was a fitting conclusion to the inaugural year of this pioneering project.

| | | |
|------------------|---------------|--------------------|
| 33 | 12 | 2,700 |
| students | mentors | messages |
| 137 | 14 | 2 |
| virtual meetings | games created | animations created |

Corporate Goals Build Sustainability

- Ensure strong environmental performance**
- Strengthen business systems and capital infrastructure planning and investment**
- Nurture our stakeholder relationships to align strategies and maximise mutual benefit**



Development

The new financial year saw a fresh development strategy. The renewed approach combined a re-energised philanthropic giving strategy with corporate support.

The generous support of the Ian Potter Foundation continued with the second \$100,000 biennial Ian Potter Moving Image Commission realised this year with the exhibition *Daniel Crooks: Phantom Ride*.

Vital philanthropic support from the Naomi Milgrom Foundation continued to back our youth workshop program Intermix and 6a Foundation enabled us to grow our national student film competition *Screen It*. In addition, we enjoyed the continued support of long term accommodation partners Sofitel Melbourne on Collins and Accor Hotel Group.

This year, with the support of family, friends and colleagues of former ACMI Chair, Lorraine Elliott AM, we established a new fund to support young, disadvantaged women in engaging with ACMI Education workshops. The first scholarship recipients of the Lorraine Elliott AM Education Fund will participate in a *Young Coders* and *Make a Movie* workshops in the winter school holidays.

Toward the end of the financial year, we established our first annual giving program - the ACMI Advocates – a tiered annual giving initiative supporting commissions, curated programs and innovations.

Commercial Success

ACMI's Events Team, the ACMI Cafe & Bar, and the ACMI Shop with its new online retail facility cumulatively saw ACMI far exceed our commercial revenue targets for the year. These self-generated revenue streams are increasingly important to support our financial sustainability, and the impressive increases year on year reflect an emphasis on growth and acknowledges the key role these outlets play in supporting our brand awareness programs.

- ACMI Shop revenue increased by 123% to \$1.61 million in 2015-16
- Events revenue increased by 27% to \$623,000 in 2015-16
- ACMI royalty for the ACMI Cafe & Bar increased by 66% to \$180,000 in 2015-16
- We successfully hosted 18 festivals which attracted over 115,000 guests to ACMI.

Green Screen

Under the direction of the Environmental Impact Steering Group and our dedicated Green Team, we continued to take an active role in responsible environmental management supported by our staff, volunteers, stakeholders, partners, clients and suppliers.

We measure waste recycling, water and energy conservation, and our staff continue to engage in awareness raising activities such as sustainability workshops and community initiatives including Clean Up Australia's Business Clean Up Day. We also automate the power down of computer equipment in our offices and galleries. In fact, the ACMI X co-working space was designed with a range of sustainable materials and fittings in collaboration with Six Degrees Architects and the building owners.

Close Up— 360 Degree Experience

Our newly established Experience and Digital Team helps us to meet and exceed the expectations of visitors to a 21st century museum. Formed since the appointment of the internationally renowned Seb Chan to the executive position of Chief Experience Officer (CXO), the team of three has made enormous improvements to both internal operations and customer-facing experiences.

Working across the entire organisation, our Experience and Digital Team take a 360 degree approach to the continuous improvement of ACMI through the lens of user experience and human centred design principles. From pre-visit to on-site and post-visit experiences, from consumer pathways to internal systems upgrades, the team brings a rigorous and experimental approach to their work, always with the users' needs a first priority.

New Visitor Touch Points

The first undertaking of our new CXO was a Visitor Journey Mapping exercise assessing how visitors are experiencing ACMI at all touch points. With research and user testing at every stage of the project, the team develops products and solutions that audiences will find helpful and, at times, delightful.

In 2015, the team launched a public Github repository for hosting and sharing our code. The first code release was for the *Bowie Pixel Project*, a mosaic of visitor images repurposed as pixels to recreate David Bowie's iconic *Aladdin Sane* album cover. Since then, numerous code bases have been made public, and the team documents their project development via ACMI Labs, a blog designed to promote the global exchange of ideas. (labs.acmi.net.au)

For *SCORSESE*, the team created an audio guide as a web application running on users' own devices. In the exhibition's first weeks, over 50% of visitors used it – an extremely high take-up. Since the code base was released, museums and touring companies abroad have used our model.

To give our visitors a richer experience of *Del Kathryn Barton: The Nightingale and the Rose*, the team developed an animated online channel drawing on exhibition content, information about the artists, learning resources, merchandise, event information and public responses to create an online world which will live on beyond the world premiere season.

The team also piloted a robot in January, allowing virtual interaction between staff and visitors. The success of the pilot is expected to facilitate a new type of visitor experience including curator tours and special guest appearances both at ACMI and in the locations of our touring exhibitions. The pilot has given us a glimpse into a future where students, educators, researchers, journalists, those in remote locations or even in hospitals can 'visit' and interact with our experiences and people.

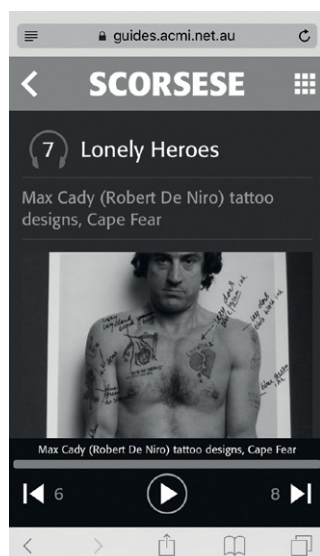
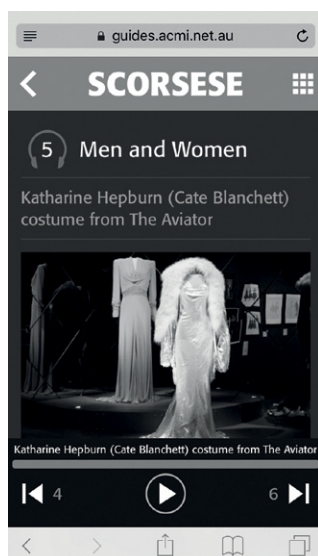
Additionally, our free public Wi-Fi networks were enhanced to support the latest high-speed devices and provide greater capacity for large events.

New Communication Channels

Our Experience and Digital Team worked to improve internal operations, too. To better assist Visitor Services with customer engagement, the team developed a dynamic What's On PDF generator, automatically pulling program information into fliers which Visitor Services staff can easily create and issue to visitors.

The team introduced Slack and Trello applications across the organisation to streamline communication, promote collaboration and enhance transparency, as well as reduce the time spent on email.

We also migrated our website to internal infrastructure, started hosting our own code and building our own deployments, thus reducing dependency on digital agencies for maintaining and extending our web projects and increasing our sustainability.



Knowledge Exchange

An internationally recognised leader in transforming the cultural experience for audiences, Seb Chan is regularly invited to speak at a range of events, including conferences and symposia in Australia and across the world.

In 2015-16, Seb shared his vast experience and research into visitor-centred practices at a range of international events including *Young Cultural Innovators* (Austria), *Earth, Design, Science, Technology* (Netherlands), *Museums and the Web* (United States), UCLA's *Cultural Analytics* (United States) and *Museums Australasia* (New Zealand).

By participating in regular dialogue with our international peers, researchers, public institutions and private enterprise, Seb is sharing ACMI's experiences while acquiring valuable intelligence for improving the visitor experience at ACMI and at cultural institutions around the country. Locally he has shared his knowledge with *Museums and the Web Asia* (hosted in Melbourne in 2015), Sydney's Museum of Applied Arts and Sciences conference *Objects on Display: Disrupting Tradition*, Pause Fest's *Digital Publics: Creative Intervention In Placemaking* (Melbourne), UX Australia Service Design 2016 (Melbourne), the National Gallery of Victoria's *Art and the Connected Future Symposium*, Open Knowledge (Melbourne), *Remix Sydney 2016*, and the State Library of Victoria's *Collection Directions* conference.

Seb led our first ACMI X industry talk, a conversation with Dan Hon, Director of Content at Code for America, which develops digital interventions to aid improvements in public services across the United States.

Close Up— Global Recognition

From Singapore to the United States, Sweden to Korea, Bundaberg to Maitland, ACMI is fast earning a reputation for world class exhibition experiences. Through our touring strategy we are broadening our audiences at home and abroad, raising brand awareness in new markets and further cementing our position as a major contributor to Melbourne's reputation as a city of creative innovation and excellence.

International Tours

2015-16 has seen our global footprint rapidly expand and demand for our touring products stretches well into the future.

In 2015-16 ACMI continued to tour *Game Masters* and *DreamWorks Animation: The Exhibition* internationally. These exhibitions were made possible thanks to the support of the Victorian Government via the Victorian Major Events Company; an investment that allowed ACMI to become the first cultural institution to tour locally-curated Melbourne Winter Masterpieces exhibitions on the world stage.

DreamWorks Animation: The Exhibition

In 2015-16, the exhibition toured to:

- ArtScience Museum, Singapore (13 June to 27 September 2015)
- Museum of New Zealand Te Papa Tongarewa, New Zealand (12 December 2015 to 28 March 2016)
- Seoul Museum of Art, South Korea (30 April to 15 August 2016)

With firm bookings into 2018 in Taiwan, Mexico and Canada, and new material added cyclically, the exhibition is set to continue to please audiences around the globe.

Game Masters

In 2015-16, our interactive videogame exhibition visited:

- Halmstad Arena, Halmstad, Sweden (28 May to 31 August 2015)
- Oregon Museum of Science and Industry, Portland, Oregon, USA (13 February to 8 May 2016)
- Centre of Science and Industry, Columbus, Ohio, USA (10 June to 5 September 2016)

Advances in technology and gaming have provided ACMI with an opportunity to refresh *Game Masters*. It is expected that with additional planning and investment, the exhibition can continue touring well into 2018 – two years and up to five venues beyond its forecasted touring lifespan.

Looking ahead to 2016-17, the Exhibitions Team will begin developing a new major exhibition to premiere at ACMI in 2018. With touring embedded into the team's future thinking, the exhibition will be developed with an international audience in mind and added to our suite of touring products.

Australian Tours

Shaun Tan's The Lost Thing: from Book to Film

Our exhibition spotlighting Academy Award®-winning Australian animator Shaun Tan continues to be immensely popular with regional venues, attracting new audiences to galleries and receiving excellent community feedback.

In 2015-16, the exhibition toured to:

- Bundaberg Regional Art Gallery, QLD
(14 August to 11 October 2015)
- Yarra Ranges Regional Museum, VIC
(28 November to 14 February 2016)
- Maitland Regional Art Gallery, NSW
(5 March to 24 April 2016)
- New England Regional Art Museum, NSW
(6 May to 24 July 2016)

The exhibition will continue to tour well into 2017 with two Queensland venues confirming their seasons, taking the total number of stops to 11 across regional Australia.

War Pictures: Australians at the Cinema 1914-1918

A collaboration between ACMI and the NFSA, *War Pictures* explores the role of Australian cinema culture during wartime. Premiering at ACMI to commemorate the Centenary of the First World War, the exhibition made its tour debut in April 2016 at Benalla Art Gallery (29 April to 16 June 2016) in regional Victoria.



John Oxley Library, State Library of Queensland, 1914.

**“Such a wonderful exhibition,
we don’t need to go to the city
— it’s here on our door step!”**

**“I will have to come back
again to do it justice! Just
delightful!”**

Comments on *Shaun Tan's The Lost Thing: from Book to Film* from the visitor book at the Yarra Ranges Regional Museum

543,000

visitors to our touring
exhibitions in 2015-16

Please Stay Seated for the Credits

**We gratefully acknowledge
the support of government,
our partners, philanthropic
trusts and donors, without
whom our vision would be
unachievable.**

Government Partners

Creative Victoria
Victorian Government Department of Education and Training

Exhibition Partners

David Bowie is

Victoria and Albert Museum
Victorian Major Events Company
Google Play
Naomi Milgrom Foundation
City of Melbourne
British Council
Sennheiser
Melbourne Airport
Yarra Trams
Broadsheet
ABC Arts

Daniel Crooks: Phantom Ride

Ian Potter Cultural Trust

Del Kathryn Barton: The Nightingale and the Rose

Artand Foundation

Orry-Kelly: Dressing Hollywood

United States Consulate General Melbourne
Foxtel Arts

Julian Rosefeldt: Manifesto

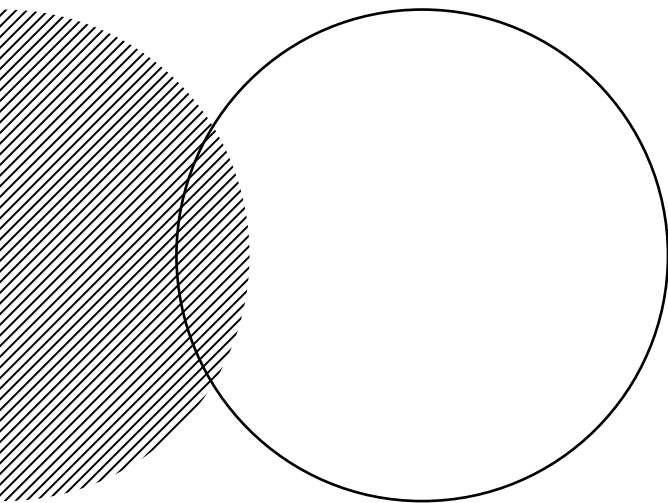
Goethe Institute

SCORSESE

Deutsche Kinemathek Museum Für Film Und Fernsehen
Melbourne Airport
APN Outdoor
Herald Sun
Yarra Trams
United States Consulate General Melbourne

Screen It

Crumpler
Canon
Sony PlayStation



6A Foundation
ABC TV's Good Game
Madman
Avant Card
SYN Media

Intermix

Naomi Milgrom Foundation

Touring Partners

DreamWorks Animation
Visions Australia - Australian
Government, Ministry for the Arts
Department of Veteran's Affairs
Autex

Tourism Partners

Sofitel Melbourne on Collins
ACCOR Hotels

Media Partner

The Saturday Paper

Opening Night Partners

Glenfiddich
Moët & Chandon
Hendrick's Gin
Peroni
Four Pillars Gin
CAPI

ACMI Corporate Club

Space Furniture
Glenfiddich
Bang & Olufsen

Donors—

ACMI Advocates

ACMI Directors' Circle

Ian Potter Cultural Trust
Naomi Milgrom Foundation

ACMI Leaders' Circle

6a Foundation
Jan Chapman AO
Debbie Dadon AM
Benjamin Pedley and Silke Marsh
Michael and Linda Wachtel

ACMI Partners' Circle

Laura Anderson
Annette Blonski and Martin Bartfeld
Milton and Penny Harris
HLA Management
John Kiely

Peter Lewinsky
William McInnes
Anne Miller
Lady Potter AC
Geoffrey Rush AC
Emile and Caroline Sherman
Deanne Weir
Linda White
Angela Wood
Dr Terry Wu and Dr Melinda Tee

Benefactors' Circle

Gillian Armstrong AM
Suzanne Davies
Peter de Rauch
Scott Dicker
Peter and Jill Dwyer
Caroline Elliott
Rosemary Forbes and Ian Hocking
Bill Forwood
Christina Herd
Linda Herd
Traudl Moon
Pauline Sedgwick
Pinky Watson
Anonymous (3)

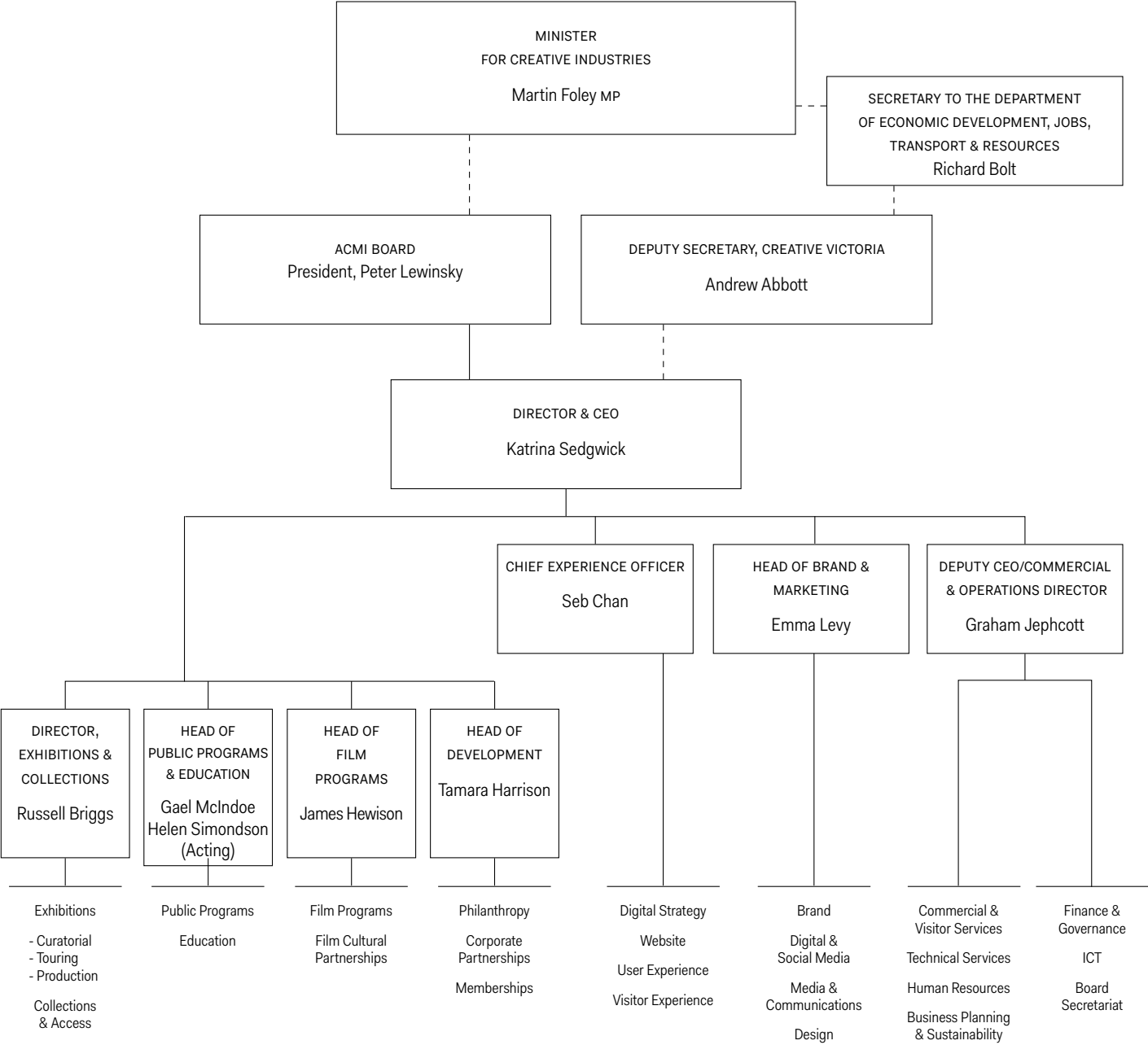
Friends' Circle

Annette Allison OAM
Esther Anatolitis
Arenamedia
Prof Donald Bates
Sue Beeton
Murray and Ina Bragge
Holly Brown
Nigel Buesst
Jane Carracher
Diana Cerini
Sebastian Chan
Elizabeth Chernov
Jodie Clydesdale
Chris and John Collingwood
Karen Corry
Tim Cox AO and Bryony Cox
Chris Egan
Andrew Evans
Belinda Friedman
Chris Gorley
Rosalind Hansen
Tamara Harrison and Daniel Caleo
William Harvey
Cecilia Hoffman
John Hughes

Graham Jephcott
Melody Ku
Junice and Charles Kuiper
Barbara Landau
Emma Levy
Sandra Lordanic
Maggie Maguire
Bernard Marin
Clare Mirabello
Phil McDonough
Donna McInerney
Sue McKeand Humphries
Kay McVey
Natalie Miller AO
Patricia Miller
Dr Warner Mooney OAM
and Dr Jenny Mooney
Jane Naughton
Peter Parkinson
Bernard Peasley
Miriam Potter
Cameron Robbins
Graham Sellars-Jones
Frederick Sim
Anita Simon
Leigh Small
Bernard Stahr
Andrew Stobart
Aleks Svetislav
Prof John Thwaites
Andrea Vasarab
Erica Wass
Elizabeth Watts
Miriam Weisz
Lydia Zhang
Richard Zimmerman
Anonymous (4)

Administrative Reporting Requirements

Organisational Structure as at 30 June 2016



Performance Summary

Summary of Financial Results

| | 30 June 2016 \$ | 30 June 2015 \$ | 30 June 2014 \$ |
|---|--------------------|--------------------|--------------------|
| Operating Result | | | |
| Government grants* | 20,685,024 | 20,323,000 | 20,750,000 |
| Self generated revenue | 11,558,510 | 6,803,209 | 8,522,944 |
| Total revenue | 32,243,534 | 27,126,209 | 29,272,944 |
| Total expenses from transactions | (29,810,386) | (26,955,610) | (27,283,030) |
| Operating surplus/(deficit) before depreciation & capital items ** | 2,433,148 | 170,599 | 1,989,914 |
| Less net depreciation & capital items | (1,840,906) | (3,258,813) | (2,934,201) |
| Result from operating activities after depreciation & capital items | 592,242 | (3,088,214) | (944,287) |
| Cash flow | | | |
| Cash flow from/(used in) operating activities | 4,899,020 | 1,492,602 | 2,305,740 |
| Cash flow used in investing activities | (3,605,372) | (735,954) | (1,501,238) |
| Net increase/(decrease) in cash and cash equivalents | 1,293,648 | 756,648 | 804,502 |
| Balance Sheet | | | |
| Total assets | 25,922,156 | 25,263,813 | 26,247,870 |
| Total liabilities | 5,137,306 | 4,959,709 | 2,855,550 |
| Total Equity | 20,784,850 | 20,304,104 | 23,392,320 |

*Government grants represents the Government funding, excluding capital, received from the Department of Economic Development, Jobs, Transport and Resources.

**In accordance with ACMI's Financial Sustainability Policy, our operating result before depreciation & capital items is balanced over a three year rolling period.

Notes (Summary of Financial Results)

The operating result before depreciation 2015-16 was \$2.43m (\$0.17m 2014-15). Factors contributing to the favourable operating result are outlined below:

- Government grants includes recurrent funding and other operating project funding from the Department of Economic Development, Jobs, Transport and Resources and the Department of Premier and Cabinet; and grant funding for Land Tax for the 2015 calendar year and six months January to June 2016.
- Self generated revenue increased compared to previous periods due to success and commercial leveraging of the Melbourne Winter Masterpieces exhibition, *David Bowie is*.
- Expenses from transactions were in line with budget expectations. Costs have been maintained at budgeted levels with a reduction in program costs due to the fact that only one Melbourne Winter Masterpieces exhibition was held in 2015-16.

Total assets have increased due to leasehold improvements with relocation to the Australian Ballet Centre. The leasehold improvements are depreciated over the term of the lease.

Total liabilities have increased slightly due to recognition of lease incentive across lease period.

Key Performance Indicators

| | 30 June 2016 | 30 June 2015 | 30 June 2014 |
|--------------------------------|--------------|--------------|--------------|
| Visitation (Federation Square) | 1,455,094 | 1,143,294 | 1,285,571 |
| Visitation (offsite) | 548,212 | 114,129 | 82,816 |
| Total Visitation | 2,003,306 | 1,257,423 | 1,368,387 |
| Online Visitation | 1,771,887 | 1,350,104 | 1,534,139 |

Notes (Key Performance Indicators)

Visitation: The reopening of ACMI Federation Square's Flinders Street entrance along with the popularity of major exhibition *David Bowie is* were major contributors to the rise in onsite visitation this year. Offsite visitation saw a large growth from the previous year due to successful touring programs for *DreamWorks Animation: The Exhibition*; *Game Masters: The Exhibition*, *Shaun Tan's The Lost Thing: From Book to Film* and *War Pictures: Australians at the Cinema 1914-18*.

Online Visitation: Strong performance online this year can be attributed to strengthening our digital strategy, innovation resulting in new online properties being developed and an increase in social media output driving people to the site, as well as successful exhibitions such as *David Bowie is*, *Orry-Kelly* and *SCORSESE*.

Outputs and Other Statistics

| | 30 June 2016 | 30 June 2015 | 30 June 2014 |
|--|--------------|--------------|--------------|
| Members and friends | 3,581 | 2,470 | 2,502 |
| Volunteer hours | 10,442 | 10,026 | 10,726 |
| Students participating in education programs | 62,732 | 66,828 | 65,030 |
| Quality | | | |
| Collection stores to industry standard | 63% | 63% | 63% |
| Visitor satisfied with visit overall | 96% | 96% | 95% |

Notes (Outputs and Other Statistics)

Members and friends: 2015-16 saw a healthy growth in acquisition through intelligent use of CRM, and increased engagement through a curated series of Member Events.

Student participation: A strong level of participation was seen again this financial year. In particular, this year has seen an increase in participation in our programs delivered via video conference.

Collection stores to industry standard: As a result of Creative Victoria standardisation of collection storage metrics across all agencies a new methodology was adopted in the 2013-14 financial year. The 63% is in line with these standardisation metrics and we will work towards increasing the target with improvements identified as part of an ongoing storage solution.

Visitors satisfied with visit overall: The 96% visitor satisfaction can be attributed to positive audience response during the *David Bowie is* exhibition and to our permanent exhibition *Screen Worlds*.

Establishment, Functions and Powers

In performing its functions and exercising its powers, ACMI is subject to the direction and control of the Minister for Creative Industries. During the period of this report, the Minister responsible was Martin Foley, MP, Minister for Creative Industries.

Film Act 2001

The Film Act 2001 established the Australian Centre for the Moving Image (ACMI) to feature and exhibit film, television and multimedia programs and to promote public education in relation to screen content and culture. The functions of ACMI are stated in section 23 of the Film Act:

- a. to promote and exhibit, whether in Victoria or elsewhere, the moving image to the public or to any sector of the public;
- b. to develop, control, manage, operate and promote ACMI and any facilities under the control of ACMI;
- c. to promote, whether in Victoria or elsewhere, ACMI as a national centre for the creation and exhibition of the moving image and promotion of events or activities including festivals, conferences, publications or exhibitions, where film or other screen-based programs are made, seen or discussed;
- d. to establish, maintain, conserve, develop, promote and exhibit, whether in Victoria or elsewhere, the collection of moving images;
- e. to make, whether in Victoria or elsewhere, any item from the collection of moving images available for study or loan to persons or institutions, subject to any conditions that ACMI determines;
- f. to promote, whether in Victoria or elsewhere, public education and discussion with reference to the moving image;
- g. to develop and create, whether in Victoria or elsewhere, exhibitions of the moving image;

- h. to develop and create, whether in Victoria or elsewhere, materials for educational or other programs conducted by ACMI;
- i. to conduct, whether in Victoria or elsewhere, research and development in relation to the moving image;
- j. to develop relationships or enter into partnerships with other organisations, including government bodies, whether in Victoria or elsewhere, to promote public education in relation to the moving image.

Section 24 of the Film Act outlines ACMI's powers:

- 1. ACMI has power to do all things necessary or convenient to be done for or in connection with, or as incidental to, the performance of its functions.
- 2. Without limiting sub-section (1), ACMI may, in connection with the performance of its functions:
 - a. enter into contracts, agreements or arrangements with any person or body and do everything, including the payment of money, that is necessary or expedient for carrying the contracts, agreements or arrangements into effect;
 - b. subject to this Act, acquire, hold and dispose of real or personal property;
 - c. be a member of a body corporate, association, partnership, trust or other body;
 - d. form, or participate in the formation of, a body corporate, association, partnership, trust or other body;
 - e. enter into a joint venture with another person or other persons;
 - f. do all things necessary or convenient to be done for, or in connection with, a joint venture in the performance of its functions;
 - g. accept gifts, grants, bequests and devises made to it and act as trustee of money or other property vested in it on trust;

- h. provide consultancy and project management services;
- i. acquire, or enter into agreements or arrangements with respect to the acquisition of, the copyright, or an interest in the copyright, in any film, television or multimedia program;
- j. make available for public use items from the collection of moving images.

ACMI's Board

Peter Lewinsky (Board President)

Annette Allison OAM (until 30 June 2016)

Esther Anatolitis (from 15 December 2015)

Jan Chapman AO

Desmond (Des) Clark (Chair of Audit Committee)

Karen Corry (from 22 March 2016)

Sebastian (Seb) Costello (until 30 September 2015)

Rachel Griffiths (from 22 March 2016)

Joel Pearlman (until 30 June 2016)

Andrew Ranger (until 30 September 2015)

Ricci Swart (until 23 October 2015)

Michael Wachtel

Linda White (from 28 July 2015)

Dr Terry Wu (from 15 December 2015)

Attendance

| Board Meetings | 23 Jul (104th) | 10 Sept (105th) | 3 Dec (106th) | 11 Feb (107th) | 24 Mar (108th) (inc. Planning Day) | 5 May (109th) | 23 Jun (110th) |
|----------------|----------------|-----------------|---------------|----------------|------------------------------------|---------------|----------------|
| Lewinsky | N | Y | Y | Y | Y | Y | Y |
| Allison | Y | Y | Y | Y | Y | N | Y |
| Anatolitis | N/A | N/A | N/A | Y | Y | N | Y |
| Chapman | Y | N | Y | Y | Y | Y | Y |
| Clark | Y | N | Y | Y | N | N | Y |
| Corry | N/A | N/A | N/A | N/A | Y | Y | Y |
| Costello | Y | N | N/A | N/A | N/A | N/A | N/A |
| Griffiths | N/A | N/A | N/A | N/A | Y | N | N |
| Pearlman | Y | Y | Y | N | Y | Y | Y |
| Ranger | Y | Y | N/A | N/A | N/A | N/A | N/A |
| Swart | Y | Y | N/A | N/A | N/A | N/A | N/A |
| Wachtel | Y | Y | Y | Y | Y | Y | N |
| White | N/A | Y | Y | Y | Y | Y | Y |
| Wu | N/A | N/A | N/A | Y | Y | Y | Y |

ACMI's Audit Committee

Desmond (Des) Clark (Chair of Audit Committee) (independent member)

Karen Corry (from 23 June 2016) (independent member)

Peter Lewinsky (Board President) (independent member)

Alison Parker (from 24 July 2015) (independent member)

Michael Wachtel (until 16 June 2016) (independent member)

Attendance

| Audit Committee Meetings | 17 Aug (57th) | 26 Nov (58th) | 3 Mar (59th) | 9 Jun (60th) |
|--------------------------|---------------|---------------|--------------|--------------|
| Clark | Y | Y | N | Y |
| Parker | Y | Y | Y | Y |
| Lewinsky | Y | Y | Y | Y |
| Wachtel | Y | Y | Y | Y |

Note: Karen Corry attended the June meeting as an observer prior to her appointment to the Audit Committee

Executive Team

Katrina Sedgwick, Director & CEO

Graham Jephcott, Deputy CEO/Commercial & Operations Director

Emma Levy, Head of Brand & Marketing from August 2015

Seb Chan, Chief Experience Officer from October 2015

Russell Briggs, Director, Exhibitions & Collections

Gael McIndoe, Head of Public Programs & Education

Helen Simondson, Acting Head of Public Programs & Education from April 2016 to November 2016

James Hewison, Head of Film Programs from April 2016

Tamara Harrison, Head of Development from August 2015

Human Resources Management and Occupational Health & Safety

ACMI continued to support training and development opportunities in 2015-16 providing staff with over 800 hours to attend externally facilitated training events. Whilst we continued to offer a wide range of development opportunities to all our staff, our focus remained on technical and individual role specific skills as we endeavour to keep abreast of the latest technological developments. This year we continued our delivery of a suite of online learning for all staff to refresh awareness of responsibilities in relation to manual handling and prevention of workplace bullying.

The ACMI Consultative Committee continued to meet throughout the period of this report. There were no days lost as a result of industrial disputes and there were no formal grievances lodged during the reporting period.

ACMI's Occupational Health and Safety (OH&S) strategy aims to ensure all our staff, volunteers and visitors enjoy a safe and healthy environment. During the 2015-16 financial year, we continued our program of OH&S training including training for managers on OH&S incident investigation, risk and hazard identification as well as training to assist managers to support their staff with positive mental wellness and resilience. Our Visitor Services teams received training on dealing with difficult and aggressive customers. Such training was in addition to first aid certifications and refreshers and OH&S representative training. We continued the development of our new Workplace Health & Safety manual through adopting the associated

guidelines on Safe Work Method Statements and Workplace Inspections to ensure we continue in our efforts to create a culture of safety in all areas of our organisation.

The OH&S Committee continued to meet throughout the year and actively engaged staff in strengthening knowledge and awareness of health and safety in the workplace.

Incident management

We continue to review all accidents, incidents and hazards and put in place control measures to eliminate or reduce risk. There were no high risk OH&S hazards or incidents reported during 2015-16.

Incidents across the organisation increased slightly in 2015-16. Incidents include injuries and other non-injury related incidents. In real terms, the increase equates to 7 additional reported incidents compared with the previous year i.e. 2015-16 (141) compared to 2014-15 (134).

The increase is partially explained by our continued staff training on our online reporting system and a resulting increased awareness of incident reporting among staff, which increased reporting across the entire organisation.

There was only one WorkCover claim lodged in 2015-16. Our WorkCover premium for 2015-16 decreased by approximately \$5,000. This was as a result of improved rateable remuneration reporting. We continue to perform better than average when benchmarked with similar organisations over the last three years.

| Measure | KPI | 2013-14 | 2014-15 | 2015-16 |
|-----------------|---|---------|----------|---------|
| Incidents | No. of Incidents | 20 | 32 | 33 |
| | Rate per 100 FTE | 13.3 | 23.9 | 22.7 |
| Claims | No. of Standard Claims | - | 2 | - |
| | Rate per 100 FTE | - | 1.5 | - |
| | No. of lost time claims | 1 | 3 | 1 |
| | Rate per 100 FTE | 0.7 | 2.2 | 0.7 |
| | No. of Claims exceeding 13 weeks | - | 1 | - |
| | Rate per 100 FTE | - | 0.7 | - |
| Fatalities | Fatality Claims | 0 | 0 | 0 |
| Claims Cost | Average Cost per Standard Claim (i) | \$ - | \$29,945 | \$5,615 |
| Return to Work | Percentage of claims with RTW plan <30 days | 100% | 33% | 100% |
| Policy Currency | OH&S Policy Current | Yes | Yes | Yes |

(i) Data sourced from Victorian WorkCover Authority (VWA)

Employment and conduct principles

ACMI is committed to applying merit and equity principles when appointing staff. The selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

Public administration values and employment principles

The Public Administration Act 2004 abolished the Office of Commissioner for Public Employment and established the State Services Authority. The Victorian Public Sector Commission was established on 1 April 2014 through an amendment to the Public Administration Act 2004 and replaced the State Services Authority. Notwithstanding, ACMI continues to implement the previous directions of the Commissioner for Public Employment with respect to upholding public sector conduct, managing and valuing diversity, managing underperformance, reviewing personal grievances, and selecting on merit.

As part of our regular and scheduled review of employment policies and procedures, we continue to review and update these accordingly.

Our induction program ensures new staff are educated on appropriate workplace behaviours and procedures to ensure understanding of equal opportunity, harassment and discrimination and our complaints process. This year we continued our roll-out to all employees of a schedule of on-line learning covering workplace bullying, sexual harassment and equal opportunity to reinforce these policies.

ACMI has applied the reissued Code of Conduct for Victorian Public Sector Employees to its staff. The Code provides guidance for addressing ethical issues such as conflict of interest.

In accordance with Section 8 of the Public Administration Act 2004, ACMI has established employment processes that ensure:

- Employment decisions are based on merit.
- Equal employment opportunity is provided.
- Human rights as set out in the Charter of Human Rights and Responsibilities are upheld.
- Employees have a reasonable avenue of redress against unfair or unreasonable treatment.

Workforce Data

Summary of employment levels in June 2015 and June 2016.

| | Ongoing Employees | | | | Fixed Term and Casual |
|-----------|-----------------------|-----------------------|-----------------------|-------|-----------------------|
| | Employees (Headcount) | Full Time (Headcount) | Part Time (Headcount) | FTE | FTE |
| June 2015 | 113 | 77 | 36 | 98.92 | 34.98 |
| June 2016 | 108 | 76 | 32 | 97.99 | 47.33 |

Details of employment levels in June 2015 and June 2016.

| | 2016 | | | 2015 | | |
|-----------------------|-----------------------|--------------|-----------------------|-----------------------|--------------|-----------------------|
| | Ongoing Employees | | Fixed Term and Casual | Ongoing Employees | | Fixed Term and Casual |
| | Employees (Headcount) | FTE | FTE | Employees (Headcount) | FTE | FTE |
| Gender | | | | | | |
| Male | 53 | 48.14 | 17.05 | 54 | 47.95 | 12.80 |
| Female | 55 | 49.85 | 30.28 | 59 | 50.97 | 22.18 |
| Total | 108 | 97.99 | 47.33 | 113 | 98.92 | 34.98 |
| Age | | | | | | |
| Under 25 | 0 | 0 | 3.30 | 0 | 0 | 1.52 |
| 25 – 34 | 24 | 22.98 | 19.49 | 23 | 21.39 | 17.44 |
| 35 – 44 | 39 | 34.94 | 18.07 | 45 | 38.41 | 14.55 |
| 45 – 54 | 24 | 22.53 | 6.47 | 31 | 27.85 | 1.23 |
| 55 – 64 | 18 | 15.46 | 0 | 13 | 10.47 | 0.24 |
| Over 64 | 3 | 2.08 | 0 | 1 | 0.8 | 1.52 |
| Total | 108 | 97.99 | 47.33 | 113 | 98.92 | 34.98 |
| Classification | | | | | | |
| Internship | 0 | 0 | 0 | 0 | 0 | 0 |
| Grade 2 | 25 | 19.44 | 26.74 | 30 | 22.01 | 15.98 |
| Grade 3 | 32 | 30.65 | 9.69 | 32 | 30.51 | 12.30 |
| Grade 4 | 32 | 29.20 | 4.40 | 29 | 24.4 | 3.70 |
| Grade 5 | 8 | 7.70 | 3.50 | 13 | 13.00 | 3.00 |
| Grade 6 | 7 | 7.00 | 3.00 | 6 | 6.00 | 0 |
| Executive | 4 | 4.00 | 0 | 3 | 3.00 | 0 |
| Total | 108 | 97.99 | 47.33 | 113 | 98.92 | 34.98 |

Notes:

FTE means full time equivalent staff.

All figures reflect employment levels during the last full pay period of June each year. All employees have been correctly classified in workforce data collections.

Excluded staff are those on leave without pay, external contractors/consultants and temporary staff employed by employment agencies. Included are staff engaged to undertake projects for which ACMI has received external funding and staff to cover extended leave.

The increase of Fixed Term and Casual FTE is as a result of increased project and exhibition touring based activities.

Additionally there was an increase in casual hours to support the current Gallery 1 exhibition: *SCORSESE*. The 2015 Melbourne Winter Masterpiece, *David Bowie* is started in July 2015, and as such did not affect the 2014-15 reporting period.

The increase of 5.5 FTE, Grade 4 was as a result of four roles being reclassified to Grade 4 and an increase in staffing at this level to support the changes in the Development Team.

The decrease of 4.8 FTE, Grade 5 was a result of four Grade 5 employees leaving the organisation which were replaced with Grade 4 roles and minor adjustments to part time hours. Additionally, two roles were reclassified to Grade 6 and one new Executive Officer joined the Executive team during the financial year.

Executive Staff (Ongoing) and Executive Vacancies

| EO Level | 30-Jun-16 | | | | | 30-Jun-15 | | | | |
|--------------|-----------|----------|----------|----------|-------------|-----------|----------|----------|----------|-------------|
| | Male | Female | Vacant | Total | AEE* | Male | Female | Vacant | Total | AEE |
| EO2 | - | 1 | - | 1 | 1 | - | 1 | - | 1 | 0.33 |
| EO3 | 2 | 1 | - | 3 | 2.66 | 2 | - | 1 | 3 | 2 |
| Total | 2 | 2 | - | 4 | 3.66 | 2 | 1 | 1 | 4 | 2.33 |

*Annualised employee equivalent

Reconciliation of Executive Officers

| | | 2016 | 2015 |
|------|---|----------|----------|
| | Executives with total remuneration over \$100,000 (Financial Statement Note 18) | 3 | 2 |
| Add | Vacancies | 0 | 0 |
| | Executives employed with total remuneration below \$100,000 | 0 | 0 |
| | Accountable Officer | 1 | 1 |
| Less | Separations | 0 | 0 |
| | Total Executive numbers at 30 June 2016 | 4 | 3 |

Other Disclosures

Implementation of the Victorian Industry Participation Policy

The Victorian Industry Participation Policy Act 2003 requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy (VIPPP). The Act applies to tenders above \$3 million in metropolitan Melbourne and \$1 million in regional areas. For the 12 months ending 30 June 2016 ACMI did not commence or complete any contracts to which the VIPPP applies.

Disclosure of Major Contracts

ACMI did not enter into any contracts greater than \$10 million in 2015-16.

Advertising and communications disclosure (for media buys of \$100,000 or more)

| Name of campaign | Campaign summary | Start/End date | Advertising (media) expenditure 2015-16 (excluding GST) | Creative and campaign development expenditure 2015-16 (excluding GST) | Research and evaluation expenditure 2015-16 (excluding GST) | Print and collateral expenditure 2015-16 (excluding GST) | Other campaign expenditure 2015-16 (excluding GST) |
|-----------------------|---|---------------------|---|---|---|--|--|
| <i>David Bowie is</i> | A fully integrated marketing campaign to promote ACMI's Melbourne Winter Masterpiece exhibition | Jul 2015 - Nov 2015 | \$293,093 | n/a (completed in house) | \$6,000 | \$19,333 | \$137,690 |
| <i>SCORSESE</i> | A fully integrated marketing campaign to promote ACMI's <i>SCORSESE</i> exhibition | Apr 2016 - Sep 2016 | \$81,159 | n/a (completed in house) | \$5,600 | \$5,127 | \$63,356 |

Details of consultancies over \$10,000

| Name | Purpose of consultancy | Start date | End date | Total approved project fee (excluding GST) | Expenditure 2015-16 (excluding GST) | Future expenditure (excluding GST) |
|-------------------------------------|--|------------|----------|--|-------------------------------------|------------------------------------|
| SGS Economic & Planning | Business case for redevelopment of content delivery spaces at ACMI | Oct-15 | Aug-16 | \$122,380 | \$114,679 | \$7,701 |
| Meld Studios | Research and analysis of service delivery data for service improvement | Oct-15 | Nov-15 | \$73,600 | \$66,909 | - |
| Morris Hargreaves McIntyre | Market appraisal for redevelopment project | Aug-15 | Nov-15 | \$62,500 | \$62,650 | - |
| Brookfield Johnson Controls Pty Ltd | Re-negotiation of existing office lease and/or search and negotiation for the acquisition of new leased premises | Jan-15 | Jul-15 | \$23,500 | \$23,500 | - |
| Total | | | | \$281,980 | \$267,738 | \$7,701 |

Details of consultancies under \$10,000

ACMI did not engage in any consultancies under \$10,000.

Details of Information and Communication Technology (ICT) expenditure

| BAU ICT Expenditure | Non-BAU ICT expenditure | Operational expenditure | Capital expenditure |
|---------------------|-------------------------|-------------------------|---------------------|
| Total | Total = A + B | A | B |
| \$1,642,120 | \$79,800 | \$79,800 | \$ - |

Environmental Performance

| | 2015-16 | 2014-15 | 2013-14 |
|---|-----------|-----------|-----------|
| Electricity (kWh) | 1,512,834 | 1,585,737 | 1,736,124 |
| Natural Gas (GJ) | 946.7 | 708.2 | 836.7 |
| Greenhouse Gas Emissions (tCO ₂ e) | 3,238.5 | 3,017 | 3,267.9 |
| Landfill Waste (kg)* | 21,450 | 21,204 | 21,550 |
| Recycled Waste (kg)* | 19,728 | 19,772 | 16,510 |
| Paper (Reams) | 833 | 781 | 993 |
| Water (KL) | 2,438 | 2,250 | 4,119 |

Increase of Greenhouse Gas Emissions can be largely attributed to new office furniture purchased for ACMI X and air freight for larger exhibitions.

*April-June 2016 data for ACMI X waste is based on average monthly waste data from Oliver Lane. Waste data from the new office space was not available during this period.

Compliance with the Carers Recognition Act 2012

ACMI is taking practical measures to comply with its obligations under the Carers Recognition Act 2012. These include:

- A planned program to ensure our staff have an awareness and understanding of the care relationship principles set out in the Act, as well as;
- Considering the carer relationships principles set out in the Act when setting our policies and in providing our services. We reviewed and updated our employment policies such as flexible working arrangements and leave provisions to ensure that these comply with the statement of principles in the Act.

Compliance with Disability Act 2006

ACMI has a history of providing access to people with disabilities. In 2009 the ACMI Board approved the Disability Action Plan (DAP), which is based upon the principle of Universal Access. Universal Access is based on social inclusion. It is applied holistically to our planning, build elements and service provision. Through the development and implementation of its DAP, ACMI reinforces its commitment to people of all abilities to have equal and independent access to its programs and services. ACMI has extensively reviewed this plan and developed an updated Disability Action Plan 2015-18 for continuing deployment over the following years.

Compliance with the Protected Disclosure Act 2012 (formerly the Whistleblowers Protection Act 2001)

The Protected Disclosure Act 2012 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.

ACMI does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

ACMI will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure.

Reporting procedures

ACMI is no longer considered a public body which can receive disclosures. Disclosures of improper conduct or detrimental action relating to ACMI should be made to the Independent Broad-based Anti-corruption Commission (IBAC). Further information about making disclosures to IBAC can be found at www.ibac.vic.gov.au. As required by s.58(5) of the Act, ACMI makes available on its website procedures for protecting those people who make protected disclosures from detrimental action by ACMI or its staff, at the following link: https://www.acmi.net.au/media/447615/ACMI_Protected_Disclosure_Guidelines_Procedures.pdf.

The ACMI Protected Disclosure Guidelines and Procedures 2013 were approved by the ACMI Executive Team on 24 September 2013.

Building Act 1993

ACMI does not own or control any government buildings and consequently is exempt from notifying its compliance with the building and maintenance provisions of the Building Act 1993.

National Competition Policy

ACMI is committed to competitive neutrality principles, which are taken into account in all activities.

Freedom of Information

The Freedom of Information Act 1982 allows the public a right of access to documents held by ACMI. For the 12 months ending 30 June 2016, ACMI received no applications.

Making a request

Access to documents may be obtained through a written request to the Freedom of Information (FOI) Officer, as detailed in section 17 of the Freedom of Information Act 1982.

In summary, the requirements for making a request are:

- It must be in writing;

- It must identify as clearly as possible which document is being requested; and
- It must be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

The FOI Officer can provide assistance in determining the categories of documents relevant to a request. It should be noted that certain documents are destroyed or transferred to the Public Records Office in accordance with the Public Records Act 1973.

An applicant may request photocopies of documents and/or inspect specific documents at ACMI by arrangement, or by other appropriate access arrangements.

Requests for documents in the possession of ACMI should be addressed to:

Freedom of Information Officer
Australian Centre for the Moving Image
Phone (03) 8663 2200 Fax: (03) 8663 2275
Street Address:
Alfred Deakin Building, Federation Square
Corner Flinders and Swanston Streets
MELBOURNE VIC 3000

Postal Address:
PO Box 14
Flinders Lane VIC 8009

Requests can also be lodged online at www.foi.vic.gov.au.

Access charges may also apply once documents have been processed and a decision on access is made; for example photocopying and search and retrieval charges.

Further information regarding Freedom of Information can be found at www.foi.vic.gov.au

Principal Officer:
Katrina Sedgwick, Director & Chief Executive Officer
Freedom of Information Officers:
David Jefferies, Head of Human Resources
Graham Jephcott, Deputy CEO/Commercial & Operations Director

Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details of the items listed below have been retained by ACMI and are available to the relevant ministers, Members of Parliament and the public on request (subject to the Freedom of Information requirements, if applicable):

Subject to the provisions of the FOI Act, information that must be retained by the Accountable Officer should include:

- a. a statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- b. details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;

- c. details of publications produced by the entity about itself, and how these can be obtained;
- d. details of changes in prices, fees, charges, rates and levies charged by the entity;
- e. details of any major external reviews carried out on the entity;
- f. details of major research and development activities undertaken by the entity;
- g. details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- h. details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- i. details of assessments and measures undertaken to improve the occupational health and safety of employees;
- j. a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- k. a list of major committees sponsored by the entity, the purposes of each committee and the extent to which the purposes have been achieved; and
- l. details of all consultancies and contractors including:
 - (i) consultants/contractors engaged;
 - (ii) services provided; and
 - (iii) expenditure committed to for each engagement.

There were no major external reviews carried out on the entity in the 12 months ending 30 June 2016.

The information is available on request from:
 Deputy CEO/Commercial & Operations Director
 Phone: (03) 8663 2200
 Email: Governance@acmi.net.au

Postal Address:
 PO Box 14
 Flinders Lane VIC 8009

Attestation for compliance SD 4.5.5 – Risk Management Framework and Processes

I, Peter Lewinsky, President, certify that the Australian Centre for the Moving Image has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes. ACMI's Audit Committee has verified this.



Peter Lewinsky
 President
 Australian Centre for the Moving Image
 1 September 2016

Disclosure Index

The Annual Report of the Australian Centre for the Moving Image (ACMI) is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of ACMI's compliance with statutory disclosure requirements.

Ministerial Directions

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|--|---|----------------|
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| FRD 22G | Objectives, functions, powers and duties | 45 |
| FRD 22G | Nature and range of services provided | 45 |
| Management and structure | | |
| FRD 22G | Organisational structure | 42 |
| Financial and other information | | |
| FRD 10A | Disclosure index | 56-57 |
| FRD 12B | Disclosure of major contracts | 51 |
| FRD 22G | Employment and conduct principles | 49 |
| FRD 22G | Occupational health and safety policy | 48 |
| FRD 22G | Summary of the financial results for the year | 43 |
| FRD 22G | Significant changes in financial position during the year | 43 |
| FRD 22G | Major changes or factors affecting performance | 43 |
| FRD 22G | Subsequent events | 90 |
| FRD 22G | Application and operation of <i>Freedom of Information Act 1982</i> | 54 |
| FRD 22G | Compliance with building and maintenance provisions of <i>Building Act 1993</i> | 54 |
| FRD 22G | Statement on National Competition Policy | 54 |
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| FRD 25B | Victorian Industry Participation Policy disclosures | 51 |
| SD 4.5.5 | Risk management compliance attestation | 55 |
| SD 4.2(g) | Specific information requirements | 54-55 |
| SD 4.2(j) | Sign-off requirements | 55 |
| Financial Statements | | |
| Financial statements required under Part 7 of the <i>Financial Management Act (FMA)</i> | | |
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| Legislation | Requirement | Page Reference |
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| SD 4.2(b) | Cash Flow Statement | 63 |

Other requirements under Standing Directions 4.2

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| SD 4.2(c) | Compliance with Ministerial Directions | 64 |
| SD 4.2(d) | Rounding of amounts | 68 |
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| SD 4.2(f) | Compliance with Model Financial Report | 64 |
| SD 4.2(f) | Identification of Independent Audit Committee Members | 47 |

Other disclosures as required by FRDs in notes to the financial statements

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Financial Statements

Accountable Officer's and Chief Finance and Accounting Officer's Declaration

We certify that the attached financial statements for ACMI have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations and other mandatory professional reporting requirements.

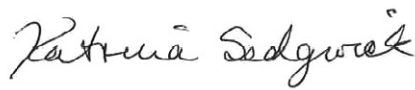
We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2016 and financial position of ACMI at 30 June 2016.

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 1 September 2016.



Peter Lewinsky
President



Katrina Sedgwick
Chief Executive Officer



Sandra Lordanic FCPA
Head of Finance & Governance

Melbourne
1st September 2016

INDEPENDENT AUDITOR'S REPORT

To the Board Members, Australian Centre for the Moving Image

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Australian Centre for the Moving Image which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officer's and chief finance and accounting officer's declaration.

The Board Members' Responsibility for the Financial Report

The Board Members of the Australian Centre for the Moving Image are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Independent Auditor's Report (continued)


Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates have complied with the applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Australian Centre for the Moving Image as at 30 June 2016 and its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE
2 September 2016


Dr. Peter Frost
Acting Auditor-General

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

| | Notes | 2016 \$ | 2015 \$ |
|--|-------|---------------------|---------------------|
| Income from transactions | | | |
| Government grants | 2(a) | 24,432,965 | 22,496,400 |
| Revenue | 2(b) | 9,217,971 | 4,788,107 |
| Sponsorship and grants | 2(c) | 1,858,026 | 1,842,757 |
| Other income | | 482,513 | 226,345 |
| Total income from transactions | | 35,991,475 | 29,353,609 |
| Expenses from transactions | | | |
| Employee expenses | 3(a) | (13,915,334) | (12,722,486) |
| Rental and associated outgoings | 3(b) | (5,607,567) | (5,636,610) |
| Depreciation and amortisation | 3(c) | (3,400,554) | (3,353,027) |
| Cost of goods sold | | (862,767) | (372,870) |
| Capital asset charge | 1(h) | (2,105,000) | (2,105,000) |
| Other operating expenses | 3(d) | (9,293,333) | (8,081,634) |
| Total expenses from transactions | | (35,184,555) | (32,271,626) |
| Net result from transactions (net operating balance) | | 806,920 | (2,918,017) |
| Other economic flows included in net result | | | |
| Net loss on financial instruments | 4(a) | (69,672) | (19,283) |
| Net loss on non-financial assets | 4(b) | (83,293) | (28,186) |
| Other gain/(loss) from other economic flows | 4(c) | (61,713) | (122,730) |
| Total other economic flows included in net result | | (214,678) | (170,199) |
| Net result | | 592,242 | (3,088,216) |
| Other economic flows - other comprehensive income | | | |
| Items that will not be reclassified to net result | | | |
| Changes in physical asset revaluation surplus | 16 | (111,496) | - |
| Items that may be reclassified subsequently to net result | | | |
| Total other economic flows - other comprehensive income | | (111,496) | - |
| Comprehensive result | | 480,746 | (3,088,216) |

The above Comprehensive Operating Statement should be read in conjunction with the notes to the financial statements.

BALANCE SHEET AS AT 30 JUNE 2016

| | Notes | 2016 \$ | 2015 \$ |
|--|-------|-------------------|-------------------|
| Assets | | | |
| Financial assets | | | |
| Cash and deposits | 15(a) | 6,753,222 | 5,459,574 |
| Receivables | 5 | 770,978 | 994,278 |
| Total financial assets | | 7,524,200 | 6,453,852 |
| Non-financial assets | | | |
| Prepayments | | 71,939 | 480,649 |
| Inventories | 6 | 168,907 | 182,229 |
| Property, plant & equipment and collections | 7 | 18,104,813 | 18,078,645 |
| Intangible assets | 8 | 52,297 | 68,437 |
| Total non-financial assets | | 18,397,956 | 18,809,960 |
| Total assets | | 25,922,156 | 25,263,813 |
| Liabilities | | | |
| Payables | 9 | 3,084,267 | 2,936,299 |
| Provisions | 10 | 2,053,039 | 2,023,410 |
| Total liabilities | | 5,137,306 | 4,959,709 |
| Net assets | | 20,784,850 | 20,304,104 |
| Equity | | | |
| Accumulated deficit | | (9,861,878) | (10,454,120) |
| Physical asset revaluation surplus | 16 | 2,405,543 | 2,517,039 |
| Contributed capital | | 28,241,185 | 28,241,185 |
| Net worth | | 20,784,850 | 20,304,104 |
| Commitments for expenditure | 12 | | |
| Contingent assets and contingent liabilities | 13 | | |

The above Balance Sheet should be read in conjunction with the notes to the financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

| | Notes | Physical asset revaluation surplus \$ | Accumulated deficit \$ | Contributions by owner \$ | Total \$ |
|---|-------|--|------------------------------|---------------------------------|-------------|
| Balance at 1 July 2014 | | 2,517,039 | (7,365,904) | 28,241,185 | 23,392,320 |
| Net result for the year | | - | (3,088,216) | - | (3,088,216) |
| Balance at 30 June 2015 | | 2,517,039 | (10,454,120) | 28,241,185 | 20,304,104 |
| Net result for the year | | - | 592,242 | - | 592,242 |
| Other comprehensive income for the year | 16 | (111,496) | - | - | (111,496) |
| Balance at 30 June 2016 | | 2,405,543 | (9,861,878) | 28,241,185 | 20,784,850 |

The above Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

| | Notes | 2016 \$ | 2015 \$ |
|---|--------------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Receipts from Government | | 22,416,568 | 20,162,134 |
| Goods and Services Tax recovered from the ATO | | 596,682 | 698,267 |
| Interest received | | 175,898 | 188,829 |
| Other receipts | | 11,101,303 | 5,735,930 |
| Total receipts | | 34,290,451 | 26,785,160 |
| Payments | | | |
| Payments to suppliers and employees | | (29,391,431) | (25,292,558) |
| Total payments | | (29,391,431) | (25,292,558) |
| Net cash flows from/(used in) operating activities | 15(b) | 4,899,020 | 1,492,602 |
| Cash flows from investing activities | | | |
| Purchases of non-financial assets | | (3,605,372) | (735,954) |
| Net cash flows used in investing activities | | (3,605,372) | (735,954) |
| Net increase/(decrease) in cash and cash equivalents | | 1,293,648 | 756,648 |
| Cash and cash equivalents at the beginning of the financial year | | 5,459,574 | 4,702,926 |
| Cash and cash equivalents at the end of the financial year | 15(a) | 6,753,222 | 5,459,574 |

The above Cash Flow Statement should be read in conjunction with the notes to the financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial statements represent the audited general purpose financial statements for the Australian Centre for the Moving Image (ACMI). The purpose of the report is to provide users with information about ACMI's stewardship of resources entrusted to it.

To gain a better understanding of the terminology used in this report, a glossary of terms can be found in Note 22.

(a) Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, including interpretations (AASs). AASs include Australian equivalents to International Financial Reporting Standards. In particular, they are presented in a manner consistent with the requirements of the AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

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

The annual financial statements were authorised for issue by the President of ACMI on 1 September 2016.

(b) Basis of accounting preparation and measurement

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.

These financial statements are presented in Australian dollars, the functional and presentation currency of ACMI.

In the application of AASs, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. 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. Judgments and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, plant and equipment and Collections (refer to Note 1 (k)).

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for:

- non-financial physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value.
- derivative financial instruments (forward exchange contracts).

Consistent with AASB 13 *Fair Value Measurement* (refer Note 1 (k)), ACMI determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, Collections and leasehold improvements and for non-recurring fair value measurements, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

For the purpose of fair value disclosures, ACMI has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. In addition, ACMI determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to hierarchy by re-assessing 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.

(c) Reporting entity

The financial statements cover the Australian Centre for the Moving Image (ACMI) as an individual reporting entity. ACMI is a statutory authority of the State of Victoria, established under the *Film Act 2001*.

Its principal address is:

Australian Centre for the Moving Image
Federation Square
Flinders Street, Melbourne VIC 3000

In performing its functions and duties and exercising its powers under the *Film Act 2001*, ACMI represents the Crown.

ACMI has no controlled entities.

A description of the nature of ACMI's operations and its principal activities is included in the Report of Operations on pages 1-57 which does not form part of these financial statements.

(d) Objectives and funding

ACMI's objectives are to promote, educate and exhibit the moving image in all its forms, and is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs. Appropriations are received by the Department of Economic Development, Jobs, Transport and Resources who provide them to ACMI in the form of grants.

(e) Scope and presentation of financial statements

Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions' (or termed as 'net operating balance'), 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASs. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets. Current and non-current assets and liabilities (non-current being those assets or liabilities expected to be recovered or settled more than 12 months after the reporting periods) are disclosed in the notes, where relevant.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating, investing or financing activities. This classification is consistent with requirements under AASB 107 *Statement of Cash Flows*.

Statement of changes in equity

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result'.

(f) Changes in accounting policies

No changes in accounting policies.

(g) Income from transactions

Income is recognised to the extent that it is probable that the economic benefit will flow to the entity and the income can be reliably measured at fair value.

Grants and other income transfers

Grants from Government and other sources are recognised as income when ACMI gains control of the underlying assets. For non-reciprocal grants, ACMI is deemed to have assumed control when the grant is received or receivable. Expenditure from such grants is recognised when incurred.

Interest income

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.

Income

Income from the supply of services

Income from the supply of services for programming – box office receipts (cinema screenings, exhibition programs and public programs), membership, and venue hire is recognised when the service is delivered.

Income from the sale of goods

Income from the sale of goods is recognised by ACMI when:

- the significant risks and rewards of ownership of the goods have transferred to the buyer;
- ACMI retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of income, and the costs incurred or to be incurred in respect of the transaction can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to ACMI.

Sponsorship

Sponsorship revenue is recognised when services are delivered.

In-kind revenue

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

(h) Expenses from transactions

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Employee expenses

Refer to the section in Note 1(l) regarding employee benefits.

These expenses include all costs related to employment (other than superannuation which is accounted for separately) including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

Superannuation

The amount recognised in the comprehensive operating statement is the employer contributions for defined contribution superannuation plans that are paid or payable during the reporting period.

Rental and outgoings

Rental and outgoings and other expenses are recognised as an expense in the financial year to which they relate.

Depreciation and amortisation

Depreciation is provided on property, plant and equipment excluding collections that do not have limited useful lives. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Collection assets are deemed to have an unlimited useful life, therefore are excluded from being depreciated.

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. Note 7 provides details on the estimated useful lives that are used in the calculation of depreciation on property, plant & equipment. Intangible assets with finite useful lives are amortised as an expense from transactions on a straight-line basis over the asset's useful life. 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. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each annual reporting period. In addition, an assessment is made at each reporting date to determine whether there are indicators that the intangible asset concerned is impaired. If so, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount.

Capital asset charge

The capital asset charge is imposed by the Department of Treasury and Finance and represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs.

The capital asset charge is calculated on the budgeted carrying amount of applicable non-current physical assets.

Other operating expenses

Other operating expenses generally represent the day-to-day running costs incurred in the normal operations of ACMI and include:

Supplies and services

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

Bad and doubtful debts

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Those written off unilaterally and the allowance for doubtful debts, are classified as other economic flows (refer to Note 1 (j) Financial assets - Impairment of financial assets).

In-kind expense

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

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.

(i) Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. These include:

Net gain/(loss) on financial instruments
Net gain/(loss) on financial instruments includes gain/(loss) on foreign currency transactions.

Net gain/(loss) on non-financial assets
Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Disposal of non-financial assets

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

Impairment of non-financial assets

Intangible assets with indefinite useful lives (and intangible assets not yet available for use) are tested annually for impairment (i.e. as to whether their carrying value exceeds their recoverable amount, and so require write-downs) and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for inventories.

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

It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Other gains/(losses) from other economic flows
Other gains/(losses) from other economic flows include the gains or losses from:

- transfer of amounts from reserves and/or accumulated surplus to net result due to disposal or derecognition or reclassification; and
- the revaluation of the present value of the long service liability due to change in the bond interest rates.

(j) Financial assets

Cash and deposits

Cash and deposits recognised on the balance sheet 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 with an insignificant risk of changes in value.

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as borrowings on the balance sheet.

Receivables

Receivables consist predominantly of amounts owing from debtors in relation to goods and services, the Victorian Government, accrued investment income and GST input tax credits recoverable. Receivables that are contractual are classified as financial instruments. Amounts owing from the Victorian Government, taxes and other statutory receivables are not classified as financial instruments.

Receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less an allowance for impairment.

A provision for doubtful debts is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified (refer to Note 1(j) Impairment of financial assets).

Derivative financial instruments

Derivative financial instruments consist of forward exchange contracts to hedge foreign currency risk exposures. Derivatives are exclusively used for hedging purposes i.e. not as trading or other speculative instruments. ACMI designates these derivatives as hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge).

Fair value hedge

Changes in the fair value of derivatives are recorded through profit and loss, together with any changes in the fair value of hedged assets and liabilities that are attributable to hedge risk.

Impairment of financial assets

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

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts

considered as written off by mutual consent are classified as a transaction expense. The bad debts not written off by mutual consent and allowance for doubtful receivables are classified as 'other economic flows'.

In assessing impairment of statutory (non-contractual) financial assets which are not financial instruments, ACMI applied professional judgment in assessing materiality and using estimates, averages and computational shortcuts in accordance with AASB 136 *Impairment of assets*.

(k) Non-financial assets

Prepayments

Prepayments 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.

Inventories

Inventories include goods and other property held either for sale or for distribution at zero or nominal cost, or for consumption in the ordinary course of business operations. It excludes depreciable assets.

Inventories are measured at the lower of cost and net realisable value.

ACMI does not have high value, low volume inventory items, therefore measurement is based on the "weighted average cost" method.

Property, plant & equipment and collections

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The ACMI collections include the Film, Object, Lending and Exhibition collections. These assets do not have limited useful lives and are therefore not subject to depreciation. The assets are assessed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment, in addition to the assessment of impairment.

The fair value of plant and equipment is normally determined by reference to the asset's depreciated replacement cost. For plant and equipment, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

Leasehold improvements

The cost of a leasehold improvement is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvement, whichever is shorter.

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value in accordance with FRD 103F issued by the Minister for Finance. A full revaluation normally occurs every five years, based upon the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim revaluations are determined in accordance with the requirements of the Financial Reporting Directions. A full revaluation took place as at 30 June 2016.

Collection assets of Film, Object, Lending and Exhibition Collections are measured at fair value, and in accordance with FRD 103F, revalued as at 30 June 2016 based on a valuation by Dr Vincent O'Donnell, independent valuer approved under the Federal Government's Cultural Gifts Program, by reference to the amounts for which assets could be exchanged based on depreciated replacement cost or market value.

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'other economic flows - other comprehensive income' and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant & equipment and collections previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as other economic flows in the net result, except that the net revaluation decrease is recognised in 'other economic flows - other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant & equipment and collections. The net revaluation decrease recognised in 'other economic flows - other comprehensive income' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant & equipment and collections are offset against one another within that class but are not offset in respect of assets in different classes. Any asset revaluation surplus is not normally transferred to accumulated funds on de-recognition of the relevant asset.

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance. ACMI currently has two types of intangible assets, namely, software and exhibition rights.

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses, and are amortised on a straight-line basis over their useful lives. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to ACMI.

Computer software has a finite useful life and is amortised over its useful life as follows (2015: no change):

| | |
|-------------------|-----------|
| Computer software | 2.5 years |
|-------------------|-----------|

Exhibition rights relate to the Screen Worlds Exhibition, which also have a finite useful life and are amortised over their useful life as follows (2015: no change):

| | |
|-------------------|----------|
| Exhibition rights | 10 years |
|-------------------|----------|

Impairment of non-financial assets

Refer to Note 1 (i) Other economic flows included in net result.

(I) Liabilities

Payables

Payables consist of:

- contractual payables, such as accounts payable, and unearned/prepaid income; and
- statutory payables, such as goods and services tax and fringe benefits tax payables.

Payables are initially recognised at fair value, being the cost of the goods and services, and subsequently measured at amortised cost.

Provisions

Provisions are recognised when ACMI has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(i) Wages & salaries, annual leave and sick leave

Liabilities for wages and salaries, including annual leave, are all recognised in the provision for employee benefits as 'current liabilities', because ACMI does not have an unconditional right to defer settlement of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries and annual leave are measured at:

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

(ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the notes to the financial statements as a current liability even where ACMI 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 ACMI expects to wholly settle within 12 months; or
- present value - if ACMI 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 liability 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 (refer to Note 1 (i)).

On-costs

Provision for on-costs such as payroll tax and workers compensation are recognised separately from the provision for employee benefits.

Enterprise Bargaining Provision

Provision for the 1.75% salary increase from 1 January 2016 as per the VPS Agreement and ACMI's inclusion as a Nexus agency.

(m) Leases

Operating leases

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

All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that the lease incentives are received to enter into operating leases, the aggregate costs of incentives are 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.

(n) Equity

Contributed Capital

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 or distributions have also been designated as contributions by owners.

(o) Commitments

Commitments are disclosed at their nominal value and inclusive of the goods and services tax (GST) payable.

(p) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note (refer Note 13 Contingent Assets and Contingent Liabilities) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(q) Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(r) Events after the reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between ACMI and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period and which may have a material impact on the results of subsequent years.

(s) 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. 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 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 period in which they arise.

(t) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest dollar, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

(u) AASs issued that are not yet effective

ACMI has adopted all of the new and revised Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for reporting from 1 July 2015.

As at 30 June 2016, the following AASs have been issued by the AASB but are not yet effective.

| Standard/Interpretation | Summary | Applicable for annual reporting periods beginning on | Management Assessment impact on ACMI |
|---|--|--|---|
| AASB 9 Financial Instruments | The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred. | 1-Jan-18 | While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed. |
| AASB 15 Revenue from Contracts with Customers | The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. | 1-Jan-18 | <p>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.</p> <p>A potential impact will be the upfront recognition of revenue from agreements that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding.</p> |
| AASB 16 Leases | The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet. | 1-Jan-19 | <p>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</p> <p>The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement.</p> |
| AASB 124 Related Parties | The Amendments extend the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. | 1-Jul-16 | The amending standard will result in extended disclosures on the entity's key management personnel, and the related party transactions. |

NOTE 2: INCOME FROM TRANSACTIONS

| | 2016 \$ | 2015 \$ |
|--|-------------------|-------------------|
| (a) Government grants - Department of Premier and Cabinet | | |
| Operating funding | 20,406,379 | 19,847,000 |
| Other funding | 278,645 | 422,000 |
| Capital asset charge | 2,105,000 | 2,105,000 |
| Capital funding | 1,642,941 | 122,400 |
| Total government grants | 24,432,965 | 22,496,400 |
| (b) Revenue | | |
| Interest | 183,879 | 190,197 |
| Memberships | 90,024 | 63,325 |
| Venue hire & exhibition touring | 2,234,870 | 1,251,104 |
| Programming - Box office receipts | 4,833,022 | 2,372,717 |
| Commercial operations | 1,876,176 | 910,765 |
| Total revenue | 9,217,971 | 4,788,107 |
| (c) Sponsorship and grants | | |
| Sponsorship | 171,122 | 36,640 |
| In-kind revenue | 1,349,968 | 1,170,671 |
| Other grants from Victorian Government entities | 302,629 | 264,213 |
| Other grants | 34,307 | 371,232 |
| Total sponsorship and grants | 1,858,026 | 1,842,757 |

NOTE 3: EXPENSES FROM TRANSACTIONS

| | 2016 \$ | 2015 \$ |
|--|---------------------|---------------------|
| (a) Employee expenses | | |
| Post employment benefits: | | |
| - Defined contribution superannuation expense | (1,058,927) | (977,747) |
| - Defined benefit superannuation expense | (20,537) | (19,255) |
| Termination benefits | (252,022) | - |
| Salaries, wages, annual and long service leave | (12,583,848) | (11,725,484) |
| Total employee benefits | (13,915,334) | (12,722,486) |
| (b) Rental and associated outgoings | | |
| Facilities rental payments | (2,915,094) | (2,955,775) |
| Rental outgoings | (1,966,258) | (1,879,144) |
| Equipment rental | (726,215) | (801,691) |
| Total rental and associated outgoings | (5,607,567) | (5,636,610) |
| (c) Depreciation and amortisation | | |
| Depreciation | | |
| Plant and equipment | (1,381,105) | (1,257,570) |
| Leasehold improvements | (2,003,309) | (2,079,372) |
| Total depreciation | (3,384,414) | (3,336,942) |
| Amortisation | | |
| Screen Worlds exhibition rights | (16,140) | (16,085) |
| Total amortisation | (16,140) | (16,085) |
| Total depreciation and amortisation | (3,400,554) | (3,353,027) |
| (d) Other operating expenses | | |
| Programming and marketing | (3,538,631) | (3,461,840) |
| Facilities and technology | (2,978,689) | (2,236,303) |
| Commercial | (355,564) | (37,874) |
| Sponsorship in-kind | (1,357,364) | (1,175,578) |
| Administration costs | (1,063,085) | (1,170,039) |
| Total other operating expenses | (9,293,333) | (8,081,634) |

NOTE 4: OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

| | 2016 \$ | 2015 \$ |
|--|------------------|------------------|
| (a) Net loss on financial instruments | | |
| Net FX loss arising from financial instruments | (69,672) | (19,283) |
| (b) Net loss on non-financial assets | | |
| Net loss on disposal of property, plant and equipment and collections | (83,293) | (28,186) |
| (c) Other gain/(loss) from other economic flows | | |
| Net gain/(loss) arising from revaluation of long service leave liability | (61,713) | (120,430) |
| Net gain/(loss) movement in allowance for doubtful debts | - | (2,300) |
| Total other gain/(loss) from other economic flows | (61,713) | (122,730) |
| Total other economic flows included in net result | (214,678) | (170,199) |

Notes:

- (a) Net loss on financial instruments include realised and unrealised gains/(losses) from settlement and revaluations of financial instruments. The financial instruments relate to forward rate contracts for hedging future foreign currency payments. Realised/unrealised losses result from the spot rate at settlement/revaluation of the contract being higher than the contracted forward rate.
- (b) Net loss on non-financial assets include realised losses from the disposal of non-current physical assets.
- (c) Revaluation loss due to changes in bond rates along with movement in allowance for doubtful debts.

NOTE 5: RECEIVABLES

| | 2016 \$ | 2015 \$ |
|--|----------------|----------------|
| Current receivables | | |
| Contractual | | |
| Trade debtors (i) | 362,382 | 721,019 |
| Allowance for doubtful debts (i) | - | (2,300) |
| Interest receivable | 12,398 | 4,418 |
| Accrued revenue | 44,184 | 61,338 |
| Other receivables | 22,594 | 29,517 |
| | 441,558 | 813,992 |
| Statutory | | |
| Amount owing from Victorian Government | 169,588 | 56,228 |
| GST input tax credit recoverable | 159,832 | 124,058 |
| | 329,420 | 180,286 |
| Total receivables | 770,978 | 994,278 |

Note:

- (i) The average credit period on sales of goods and services is 30 days. A provision has been made for estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

(a) Ageing analysis of contractual receivables

Please refer to Table 14.3 in Note 14 for ageing analysis of contractual receivables.

(b) Nature and extent of risk arising from contractual receivables

Please refer to Note 14 for the nature and extent of risks arising from contractual receivables.

NOTE 6: INVENTORIES

| | 2016 \$ | 2015 \$ |
|-----------------------------|----------------|----------------|
| Current inventories | | |
| Supplies and consumables: | | |
| At cost | 125,595 | 143,235 |
| Publications held for sale: | | |
| At cost | 43,312 | 38,994 |
| Total inventories | 168,907 | 182,229 |

NOTE 7: PROPERTY, PLANT & EQUIPMENT AND COLLECTIONS

Gross carrying amount and accumulated depreciation

| | 2016 \$ | 2015 \$ |
|--|-------------------|-------------------|
| <i>Sub-classification by Nature</i> | | |
| Leasehold improvements | | |
| Leasehold improvements - fair value | 20,378,159 | 20,759,291 |
| Less: accumulated depreciation | (16,746,462) | (16,499,516) |
| Total leasehold improvements | 3,631,697 | 4,259,775 |
| Plant and equipment | | |
| Plant and equipment - fair value | 25,899,891 | 24,590,615 |
| Less: accumulated depreciation | (21,363,826) | (20,454,920) |
| Total plant and equipment | 4,536,065 | 4,135,695 |
| Work in progress | | |
| Works in progress - at cost | 523,417 | 158,045 |
| Total works in progress | 523,417 | 158,045 |
| Collections | | |
| Collections - at fair value | 9,413,634 | 9,525,130 |
| Less: accumulated depreciation | - | - |
| Total collections | 9,413,634 | 9,525,130 |
| Total property, plant & equipment and collections | 18,104,813 | 18,078,645 |

All assets are held for the purpose of Public Administration.

Movements in carrying amounts

| | Leasehold improvements at fair value \$ | | Plant and equipment at fair value \$ | | Works in progress at cost \$ | | Collections at fair value \$ | | Total \$ | |
|---------------------------|---|------------------|--|------------------|------------------------------------|----------------|------------------------------------|------------------|-------------------|-------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Opening balance | 4,259,775 | 6,339,147 | 4,135,695 | 4,786,845 | 158,045 | 96,696 | 9,525,130 | 9,485,130 | 18,078,645 | 20,707,818 |
| Additions | 1,396,883 | - | 1,685,070 | 572,910 | 523,417 | 158,045 | - | 5,000 | 3,605,370 | 735,955 |
| Transfers between classes | - | - | 158,045 | 61,696 | (158,045) | (96,696) | - | 35,000 | - | - |
| Revaluation of PPE | - | - | - | - | - | - | (111,496) | - | (111,496) | - |
| Disposals | (21,652) | - | (61,640) | (28,186) | - | - | - | - | (83,292) | (28,186) |
| Depreciation expense | (2,003,309) | (2,079,372) | (1,381,105) | (1,257,570) | - | - | - | - | (3,384,414) | (3,336,942) |
| Closing balance | 3,631,697 | 4,259,775 | 4,536,065 | 4,135,695 | 523,417 | 158,045 | 9,413,634 | 9,525,130 | 18,104,813 | 18,078,645 |

NOTE 7: PROPERTY, PLANT & EQUIPMENT AND COLLECTIONS (CONTINUED)

The following useful lives of assets are used in the calculation of depreciation for current and prior years:

| | |
|------------------------|------------------------|
| Leasehold improvements | 2.2 - 10 years |
| Plant and equipment | 3 - 10 years |
| Collections | Indefinite useful life |

Collections carried at fair value

In accordance with Department of Treasury and Finance's Financial Reporting Direction FRD 103F, an independent valuation of ACMI's Collections was performed as at 30 June 2016 to determine the fair value of the Collections. The last valuation of the Collection was in 2011. As set out in Note 1 (k), the valuation, which conforms to Australian Valuation Standards, was based on market value or depreciated replacement cost and undertaken by Dr Vincent O'Donnell. Dr O'Donnell is an approved independent valuer under the Federal Government's Cultural Gifts Program since 2006. A statistical approach was used to determine the sample size of each Collection item class for the valuation. The Collection was valued on a stratified random sampling basis by dividing the Collection into classes, which reduces the variability of the sampling outcome. There are 115,486 Collections items valued within 47 classes (2011: 114,936 Collection items within 47 classes). Installation pieces, 3D objects and Moving Image Artwork purchased or commissioned are valued on an individual basis. Samples were reviewed to establish a fair value measurement hierarchy using either the market value (Level 2) or the depreciated replacement cost (Level 3) of each specific item class. The fair value measurement is based on the current market demand for each class of item via the domestic and international collectors market where possible. The overall fair value valuation for the Collection is \$9,413,634 with a 95% confidence interval. This approach is consistent with valuation methodologies and processes undertaken in the 2011 valuation. The value of the Collection could change in future financial years as a result of changes in the significant and unobservable valuation inputs that have been adopted to determine the value.

The next valuation will be performed on 30 June 2021.

Fair value measurement hierarchy for assets as at 30 June 2016

| | Carrying amount as at | Fair value measurement at end of reporting period using | | |
|--|--------------------------|--|------------------|-------------------|
| | 30 June 2016 | Level 1 | Level 2 | Level 3 |
| | \$ | \$ | \$ | \$ |
| Leasehold improvements at fair value | 3,631,697 | - | - | 3,631,697 |
| Plant and equipment at fair value | 4,536,065 | - | - | 4,536,065 |
| Collections at fair value | 9,413,634 | - | 6,499,887 | 2,913,747 |
| Total property, plant & equipment and collections | 17,581,396 | - | 6,499,887 | 11,081,509 |

Fair value measurement hierarchy for assets as at 30 June 2015

| | Carrying amount as at | Fair value measurement at end of reporting period using | | |
|--|--------------------------|--|----------|-------------------|
| | 30 June 2015 | Level 1 | Level 2 | Level 3 |
| | \$ | \$ | \$ | \$ |
| Leasehold improvements at fair value | 4,259,775 | - | - | 4,259,775 |
| Plant and equipment at fair value | 4,135,695 | - | - | 4,135,695 |
| Collections at fair value | 9,525,130 | - | - | 9,525,130 |
| Total property, plant & equipment and collections | 17,920,600 | - | - | 17,920,600 |

There were transfers between Collection Asset Levels this year following the current valuation report.

NOTE 7: PROPERTY, PLANT & EQUIPMENT AND COLLECTIONS (CONTINUED)**Leasehold improvements**

New leasehold improvements are held at fair value. When leasehold improvements are specialised in use, such that they are rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

Plant and equipment

New plant 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.

Collections carried at fair value

The last valuation was performed 30 June 2016. The next valuation will occur 30 June 2021. There were no changes in valuation techniques arising from the 30 June 2016 valuation. For all assets measured at fair value, the current use is considered the highest and best use.

Reconciliation of Level 3 fair value

| | Leasehold improvements at fair value \$ | Plant and equipment at fair value \$ | Collections at fair value \$ |
|--|---|--|------------------------------------|
| Opening balance 1 July 2015 | 4,259,775 | 4,135,695 | 9,525,130 |
| Purchases | 1,396,883 | 1,685,070 | - |
| Transfers between classes | - | 158,045 | (6,719,411) |
| Gains or losses recognised in net result | | | |
| Depreciation | (2,003,309) | (1,381,105) | - |
| Loss on disposal | (21,652) | (61,640) | - |
| Subtotal gains or losses recognised in net result | (2,024,961) | (1,442,745) | - |
| Gain or losses recognised in other economic flows - other comprehensive income | - | - | - |
| Revaluation | - | - | 108,027 |
| Subtotal | - | - | 108,027 |
| Closing balance 30 June 2016 | 3,631,697 | 4,536,065 | 2,913,746 |

Reconciliation of Level 3 fair value

| | Leasehold improvements at fair value \$ | Plant and equipment at fair value \$ | Collections at fair value \$ |
|--|---|--|------------------------------------|
| Opening balance 1 July 2014 | 6,339,147 | 4,786,845 | 9,485,130 |
| Purchases | - | 634,606 | 40,000 |
| Transfers between classes | - | - | - |
| Gains or losses recognised in net result | | | |
| Depreciation | (2,079,372) | (1,257,570) | - |
| Loss on disposal | - | (28,186) | - |
| Subtotal gains or losses recognised in net result | (2,079,372) | (1,285,756) | - |
| Gain or losses recognised in other economic flows - other comprehensive income | - | - | - |
| Revaluation | - | - | - |
| Subtotal | - | - | - |
| Closing balance 30 June 2015 | 4,259,775 | 4,135,695 | 9,525,130 |

NOTE 7: PROPERTY, PLANT & EQUIPMENT AND COLLECTIONS (CONTINUED)

Description of significant unobservable inputs to Level 3 valuations 2015-16

| | Valuation technique | Significant unobservable inputs |
|------------------------|------------------------------|--|
| Leasehold improvements | Depreciated replacement cost | Cost per unit Useful life of leasehold improvements |
| Plant and equipment | Depreciated replacement cost | Cost per unit Useful life of plant and equipment |
| Collections | Depreciated replacement cost | Cost per unit |

No change from 2014-15.

NOTE 8: INTANGIBLE ASSETS

| | Computer software at cost \$ | | Screen Worlds exhibition rights at cost \$ | | Total at cost \$ | |
|---|------------------------------------|-----------|---|----------|------------------------|-----------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| <i>Gross carrying amount</i> | | | | | | |
| Opening balance | 689,918 | 689,918 | 160,918 | 160,918 | 850,836 | 850,836 |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| Closing balance | 689,918 | 689,918 | 160,918 | 160,918 | 850,836 | 850,836 |
| <i>Accumulated amortisation and impairment</i> | | | | | | |
| Opening balance | (689,918) | (689,918) | (92,481) | (76,396) | (782,399) | (766,314) |
| Amortisation expense | - | - | (16,140) | (16,085) | (16,140) | (16,085) |
| Closing balance | (689,918) | (689,918) | (108,621) | (92,481) | (798,539) | (782,399) |
| Net book value at the end of the financial year | - | - | 52,297 | 68,437 | 52,297 | 68,437 |

NOTE 9: PAYABLES

| | 2016 \$ | 2015 \$ |
|-----------------------------------|------------------|------------------|
| Current payables | | |
| Contractual | | |
| Trade creditors (i) | 602,023 | 1,168,027 |
| Accrued expenses | 634,075 | 644,693 |
| Customer deposits | 823,379 | 904,822 |
| Sundry liabilities | 66,600 | 79,324 |
| Lease incentive liability | 93,000 | - |
| | 2,219,077 | 2,796,866 |
| Statutory | | |
| Taxes payable | 51,440 | 139,433 |
| Total current payables | 51,440 | 139,433 |
| Non-Current payables | | |
| Contractual | | |
| Lease incentive liability | 813,750 | - |
| | 813,750 | - |
| Total non-current payables | 3,084,267 | 2,936,299 |

Note:

(i) The average credit period is 30 days. No interest is charged on the payables.

(a) Maturity analysis of contractual payables

Please refer to Table 14.4 from Note 14 for the ageing analysis of contractual payables.

(b) Nature and extent of risk arising from payables

Please refer to Note 14 for the nature and extent of risks arising from contractual payables.

NOTE 10: PROVISIONS

| | 2016 \$ | 2015 \$ |
|--|------------------|------------------|
| Current provisions | | |
| Employee benefits (Note 10(a)) - annual leave: | | |
| Unconditional and expected to be wholly settled within 12 months | 444,408 | 416,173 |
| Unconditional and expected to be wholly settled after 12 months | 44,187 | 40,492 |
| Employee benefits (Note 10(a)) - long service leave: | | |
| Unconditional and expected to be settled within 12 months | 88,368 | 75,295 |
| Unconditional and expected to be settled after 12 months | 965,513 | 981,302 |
| | 1,542,477 | 1,513,262 |
| Provisions related to employee benefit on-costs (Note 10(a)): | | |
| Unconditional and expected to be settled within 12 months | 29,866 | 71,403 |
| Unconditional and expected to be settled after 12 months | 53,921 | 153,233 |
| | 83,787 | 224,636 |
| Enterprise Bargaining Provision | 97,464 | - |
| Total current provisions | 1,723,727 | 1,737,898 |
| Non-current provisions | | |
| Employee benefits (Note 10(a)) | 309,558 | 241,930 |
| Provisions related to employee benefit on-costs (Note 10(a)) | 19,754 | 43,581 |
| Total non-current provisions | 329,312 | 285,511 |
| Total provisions | 2,053,039 | 2,023,410 |

NOTE 10: PROVISIONS (CONTINUED)**(a) Employee benefits and on-costs**

| | 2016 \$ | 2015 \$ |
|---|------------------|------------------|
| Current employee benefits | | |
| Annual leave entitlements | 488,596 | 456,665 |
| Long service leave | 1,053,881 | 1,056,597 |
| Enterprise Bargaining Provision | 97,464 | - |
| | 1,639,941 | 1,513,262 |
| Non-current employee benefits | | |
| Long service leave | 309,558 | 241,930 |
| | 309,558 | 241,930 |
| Total employee benefits | 1,949,499 | 1,755,192 |
| Employee benefit on-costs | | |
| Current on-costs | 83,787 | 224,636 |
| Non-current on-costs | 19,754 | 43,581 |
| Total on-costs | 103,540 | 268,218 |
| Total employee benefits and on-costs | 2,053,039 | 2,023,410 |

Employee benefits consist of annual leave and long service leave accrued by employees. On-costs such as payroll tax and workers' compensation insurance are not employee benefits and are recognised as a separate provision.

(b) Movement in provisions

| | On-costs 2016 \$ | Enterprise Bargaining 2016 \$ | Total 2016 \$ |
|----------------------------------|------------------------|-------------------------------------|---------------------|
| Opening balance | 268,218 | - | 268,218 |
| Additional provisions recognised | 29,236 | 97,464 | 126,700 |
| Reduction due to transfer out | (35,405) | - | (35,405) |
| Closing balance | 262,049 | 97,464 | 359,513 |
| Current | 211,819 | 97,464 | 309,283 |
| Non-current | 50,230 | - | 50,230 |
| | 262,049 | 97,464 | 359,513 |

NOTE 11: LEASES

Leasing arrangements

Operating leases relate to the rental of premises, computer equipment and storage with lease terms of between 3 to 10 years, with an option to extend. The Federation Square premises lease was extended by five years in August 2009 to 15 September 2017. The Australian Ballet Centre premises lease expires 31 March 2026. All operating lease contracts contain market review clauses in the event that ACMI exercises its option to renew. ACMI does not have an option to purchase leased assets at the expiry of the lease period.

| | 2016 \$ | 2015 \$ |
|---|------------|------------|
| Non-cancellable operating leases payable | | |
| Not longer than 1 year | 3,748,307 | 3,952,216 |
| Longer than 1 year and not longer than 5 years | 3,880,271 | 4,256,850 |
| Longer than 5 years | 2,668,608 | - |
| | 10,297,186 | 8,209,066 |

NOTE 12: COMMITMENTS FOR EXPENDITURE

The following commitments have not been recognised as liabilities in the financial statements:

Capital and other commitments predominantly relate to Federation Square building alterations and future contracted exhibitions.

| | 2016 \$ | 2015 \$ |
|--|------------------|------------------|
| (a) Capital expenditure commitments payable | | |
| Less than 1 year | 214,872 | - |
| | 214,872 | - |
| (b) Operation and maintenance commitments payable | | |
| Less than 1 year | 884,542 | 1,051,380 |
| Longer than 1 year and not longer than 5 years | 2,105,643 | 1,479,693 |
| Longer than 5 years | 48,943 | - |
| | 3,039,128 | 2,531,073 |
| Total commitments (inclusive of GST) | 3,254,000 | 2,531,073 |

NOTE 13: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent Assets

There are nil contingent assets (2015: nil).

Contingent Liabilities

There are no contingent liabilities (2015: \$409,703 in respect to Land Tax Assessment for the Federation Square tenancy which was under objection).

NOTE 14: FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

ACMI's principal financial instruments comprise of:

- cash and deposits;
- receivables (excluding statutory receivables);
- payables (excluding statutory payables); and
- derivative financial instruments (forward exchange contracts).

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 and financial liability above are disclosed in Note 1 to the financial statements.

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

The carrying amounts of ACMI's financial assets and financial liabilities by category are in Table 14.1 below.

Table 14.1: Categorisation of financial instruments

| | 2016 \$ | 2015 \$ |
|---|------------------|------------------|
| Contractual financial assets | | |
| Cash and deposits | 6,753,222 | 5,459,574 |
| Loans and other receivables (i) | 441,558 | 813,992 |
| Total contractual financial assets (ii) | 7,194,780 | 6,273,565 |
| Contractual financial liabilities | | |
| Payables (iii) | 3,032,828 | 2,796,866 |
| Total contractual financial liabilities (iv) | 3,032,828 | 2,796,866 |

Notes:

(i) Loans and other receivables include trade debtors, interest receivable and other receivables.

(ii) The total amount of financial assets disclosed here excludes statutory receivables (i.e. Amounts owing from Victorian Government and GST input tax credit recoverable).

(iii) Payables include trade creditors, accrued expenses, customer deposits and other payables.

(iv) The total amount of financial liabilities disclosed here excludes statutory payables (i.e. Taxes payable).

NOTE 14: FINANCIAL INSTRUMENTS (CONTINUED)**Table 14.2: Net holding loss on financial instruments by category**

| | 2016 \$ | 2015 \$ |
|---|-----------------|-----------------|
| Financial assets | | |
| Designated at fair value through profit or (loss) | (69,672) | (19,283) |
| | (69,672) | (19,283) |

(b) Credit risk

Credit risk arises from the financial assets of ACMI, which comprise cash and deposits, trade and other receivables. ACMI's exposure to credit risk arises from the potential default of counterparty on their contractual obligations resulting in financial loss to ACMI. Credit risk is measured at fair value and is monitored on a regular basis. ACMI has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. ACMI measures credit risk on a fair value basis.

ACMI does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Balance Sheet.

Credit risk associated with trade receivables is managed as follows by:

- advancing credit under payment terms of 30 days; and
- debt collection policies and procedures.

Provision of impairment for financial assets is calculated based on past experience, and current and expected changes in client credit ratings.

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

Financial assets that are either past due or impaired

Currently ACMI does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

As at the reporting date, there is no event to indicate that any of the financial assets were impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of financial assets that are past due:

NOTE 14: FINANCIAL INSTRUMENTS (CONTINUED)**Table 14.3: Ageing analysis of financial assets (i)**

| | Carrying amount \$ | Not past due & not impaired \$ | Past due but not impaired | | | | Impaired financial assets \$ |
|--|--------------------------|---|----------------------------|---------------------|----------------------------|-----------------|---------------------------------------|
| | | | Less than 1 month \$ | 1-3 months \$ | 3 months - 1 year \$ | 1-5 years \$ | |
| 2016 | | | | | | | |
| Cash and deposits | 6,753,222 | 6,753,222 | - | - | - | - | - |
| Receivables | | | | | | | |
| Trade debtors and allowance for doubtful debts | 362,382 | 326,821 | - | 13,126 | 22,435 | - | - |
| Interest receivable | 12,398 | 12,398 | - | - | - | - | - |
| Accrued revenue | 44,184 | 44,184 | - | - | - | - | - |
| Other receivables | 22,594 | 22,594 | - | - | - | - | - |
| Total contractual financial assets | 7,194,780 | 7,159,219 | - | 13,126 | 22,435 | - | - |
| 2015 | | | | | | | |
| Cash and deposits | 5,459,574 | 5,459,574 | - | - | - | - | - |
| Receivables | | | | | | | |
| Trade debtors and allowance for doubtful debts | 721,019 | 539,663 | - | 154,832 | 24,224 | - | 2,300 |
| Interest receivable | 4,418 | 4,418 | - | - | - | - | - |
| Accrued revenue | 61,338 | 61,338 | - | - | - | - | - |
| Other receivables | 29,517 | 29,517 | - | - | - | - | - |
| Total contractual financial assets | 6,275,866 | 6,094,510 | - | 154,832 | 24,224 | 0 | 2,300 |

Note:

- (i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. amounts owing from Victorian Government and GST input tax credit recoverable).

(c) Liquidity risk

Liquidity risk arises when ACMI is unable to meet its financial obligations as they fall due. ACMI operates under the Government fair payments policy of settling financial obligations within 30 days and, in the event of a dispute, make payments within 30 days from the date of resolution. Derivatives are paid in accordance with the forward exchange contracts settlement terms. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

ACMI's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from realisation of money market investments. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

NOTE 14: FINANCIAL INSTRUMENTS (CONTINUED)**Table 14.4: Maturity analysis of financial liabilities (i)**

| | Maturity dates (a) | | | | | |
|--------------------------------------|-----------------------|----------------------|----------------------------|---------------------|----------------------------|-----------------|
| | Carrying amount \$ | Nominal amount \$ | Less than 1 month \$ | 1-3 months \$ | 3 months - 1 year \$ | 1-5 years \$ |
| 2016 | | | | | | |
| Payables: | | | | | | |
| Trade creditors and accrued expenses | 1,236,098 | 1,236,098 | 1,236,098 | - | - | - |
| Other payables (ii) | 1,796,729 | 1,796,729 | 898,179 | 15,500 | 69,300 | 813,750 |
| Total payables | 3,032,827 | 3,032,827 | 2,134,277 | 15,500 | 69,300 | 813,750 |
| 2015 | | | | | | |
| Payables: | | | | | | |
| Trade creditors and accrued expenses | 1,812,720 | 1,812,720 | 1,812,720 | - | - | - |
| Other payables (ii) | 904,822 | 904,822 | 904,822 | - | - | - |
| Total payables | 2,717,542 | 2,717,542 | 2,717,542 | - | - | - |

Notes:

(i) The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

(ii) Other payables include customer deposits and sundry liabilities.

(d) Market risk

ACMI's exposures to market risk are primarily through interest rate risk and exposure to foreign currency risk, with only insignificant price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

Foreign currency risk

ACMI operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not ACMI's functional currency.

ACMI's treasury policy manages foreign exchange risk, preferring a certain outcome and minimising exposure to exchange rate movements. The policy requires management to hedge foreign exchange risk for future material payments such as exhibition hire fees, using forward exchange contracts transacted with the Treasury Corporation of Victoria.

At 30 June 2016, ACMI had no forward exchange contracts (2015: \$193,547).

Interest rate risk

ACMI's exposure to interest rate risk is insignificant.

NOTE 14: FINANCIAL INSTRUMENTS (CONTINUED)**Table 14.5: Interest rate exposure of financial instruments**

| | Weighted average effective interest rate \$ | Carrying amount \$ | Interest rate exposure | | |
|--|---|--------------------------|---------------------------------|------------------------------------|-----------------------------------|
| | | | Fixed interest rate \$ | Variable interest rate \$ | Non- interest bearing \$ |
| 2016 | | | | | |
| Cash and bank deposits | | | | | |
| Bank deposits | 2.16% | 6,734,622 | 4,000,000 | 2,581,765 | 152,857 |
| Cash on hand | | 18,600 | - | - | 18,600 |
| Receivables | | | | | |
| Trade debtors and allowance for doubtful debts | | 362,382 | - | - | 362,382 |
| Other receivables (i) | | 79,176 | - | - | 79,176 |
| | | 7,194,780 | 4,000,000 | 2,581,765 | 613,015 |
| | | | | | |
| Payables | | | | | |
| Trade creditors and accrued expenses | | 1,236,098 | - | - | 1,236,098 |
| Other payables (ii) | | 1,730,129 | - | - | 1,730,129 |
| | | 2,966,227 | - | - | 2,966,227 |
| | | | | | |
| 2015 | | | | | |
| Cash and bank deposits | | | | | |
| Bank deposits | 2.44% | 5,442,474 | 4,000,000 | 1,400,629 | 41,844 |
| Cash on hand | | 17,100 | - | - | 17,100 |
| Receivables | | | | | |
| Trade debtors and allowance for doubtful debts | | 718,719 | - | - | 718,719 |
| Other receivables (i) | | 95,273 | - | - | 95,273 |
| | | 6,273,565 | 4,000,000 | 1,400,629 | 872,937 |
| | | | | | |
| Payables | | | | | |
| Trade creditors and accrued expenses | | 1,812,720 | - | - | 1,812,720 |
| Other payables (ii) | | 984,146 | - | - | 984,146 |
| | | 2,796,866 | - | - | 2,796,866 |

Notes:

- (i) Other receivables include interest receivable.
(ii) Other payables include customer deposits.

(e) Fair value

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

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices.
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- The fair value of forward exchange contracts is determined using forward exchange market rates at the reporting date.

ACMI considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

NOTE 15: CASH FLOW INFORMATION

| | 2016 \$ | 2015 \$ |
|--|------------|-------------|
| (a) Reconciliation of cash and cash equivalents | | |
| Total cash and deposits disclosed in the balance sheet | 6,753,222 | 5,459,574 |
| Balance as per cash flow statement | 6,753,222 | 5,459,574 |
| (b) Reconciliation of net result for the period to net cash flows from/(used in) operating activities | | |
| Net result for the period | 592,242 | (3,088,216) |
| Non-cash movements: | | |
| Loss on sale or disposal of non-current assets | 83,293 | 28,186 |
| Depreciation and amortisation of non-current assets | 3,400,554 | 3,353,027 |
| Movements in assets and liabilities: | | |
| (Increase)/decrease in current receivables | 404,587 | (770,901) |
| (Increase)/decrease in current inventories | 13,322 | (66,472) |
| (Increase)/decrease in other current assets | 408,710 | (248,469) |
| (Decrease)/increase in current payables | (678,017) | 1,904,256 |
| (Decrease)/increase in unearned revenue | (169,052) | 260,831 |
| (Decrease)/increase in current provisions | (11,004) | 49,327 |
| (Decrease)/increase in non-current provisions | 854,384 | 71,034 |
| Net cash flows from operating activities | 4,899,020 | 1,492,602 |

NOTE 16: RESERVES

| | 2016 \$ | 2015 \$ |
|---|------------|------------|
| Physical asset revaluation surplus (a) | | |
| Balance at beginning of financial year | 2,517,039 | 2,517,039 |
| Revaluation increments/(decrements) | (111,496) | - |
| Balance at end of financial year | 2,405,543 | 2,517,039 |

Note:

(a) The physical asset revaluation surplus arises on the revaluation of non-current assets.

NOTE 17: EX-GRATIA PAYMENTS

ACMI had no ex-gratia payments (2015:Nil).

NOTE 18: RESPONSIBLE PERSONS

In accordance with the Ministerial directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Minister in the Department of Premier and Cabinet and the Accountable Officer are as follows:

| | |
|----------------------------------|---|
| Minister for Creative Industries | Martin Foley, MP |
| Accountable Officer | Katrina Sedgwick, Chief Executive Officer |

Governing Board

Peter Lewinsky, President
 Annette Allison OAM (until 30 June 2016)
 Esther Anatolitis (from 15 December 2015)
 Jan Chapman AO
 Desmond Clark
 Karen Corry (from 22 March 2016)
 Sebastian Costello (until 30 September 2015)
 Rachel Griffiths (from 22 March 2016)
 Joel Pearlman (until 30 June 2016)
 Andrew Ranger (until 30 September 2015)
 Ricci Swart (until 23 October 2015)
 Michael Wachtel
 Linda White (from 28 July 2015)

Remuneration

Governing Board

Members of the governing board do not receive remuneration for services provided to ACMI, although they are eligible to be reimbursed for out-of-pocket expenses. See related party transactions below.

Accountable Officer

Remuneration received or receivable by the Accountable Officer in connection with the management of ACMI during the reporting period was in the range:

| Total remuneration of responsible persons | Total Remuneration | | | | Base Remuneration | | | |
|---|--------------------|-------------|-------------|-------------|-------------------|-------------|-------------|-------------|
| | 2016 | | 2015 | | 2016 | | 2015 | |
| | No. | AEE | No. | AEE | No. | AEE | No. | AEE |
| Income band | | | | | | | | |
| \$250,000 - 259,999 | | | 1.00 | 0.25 | | | 1.00 | 0.25 |
| \$260,000 - 269,999 | | | 1.00 | 0.33 | 1.00 | 1.00 | 1.00 | 0.33 |
| \$290,000 - 299,999 | 1.00 | 1.00 | | | | | | |
| \$300,000 - 309,999 | | | | | | | 1.00 | 0.42 |
| \$330,000 - 339,999 | | | 1.00 | 0.42 | | | | |
| Total numbers | 1.00 | 1.00 | 3.00 | 1.00 | 1.00 | 1.00 | 3.00 | 1.00 |

There were no contractors with managerial responsibilities.

NOTE 18: RESPONSIBLE PERSONS (CONTINUED)**Receipts from related parties**

| Entity | 2016 \$ | 2015 \$ |
|---|----------------|----------------|
| Ricci Swart | | |
| 6A Foundation | 7,000 | 15,000 |
| Ricci Swart is Trustee of 6A Foundation which made a donation to ACMI toward Screen It during the year. | | |
| Melbourne International Film Festival | 136,398 | 129,419 |
| Joel Pearlman is an Honorary Director of the Melbourne International Film Festival, a not-for-profit organisation which hired ACMI facilities on normal commercial terms. | | |
| Total | 143,398 | 144,419 |

Payments to related parties

| Entity | 2016 \$ | 2015 \$ |
|---|---------------|---------------|
| Roadshow Films Pty Ltd | 8,628 | 3,351 |
| Joel Pearlman is Managing Director of Roadshow Films Pty Ltd which ACMI made purchases from on normal commercial terms. | | |
| Melbourne International Film Festival | 42,494 | 42,748 |
| Joel Pearlman is an Honorary Director of the Melbourne International Film Festival, a not-for-profit organisation which hired ACMI facilities on normal commercial terms. | | |
| Total | 51,122 | 46,099 |

Notes:

The above transactions with related parties were carried under normal commercial terms with full disclosure of any conflicts of interest following due process.

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

NOTE 19: REMUNERATION OF EXECUTIVES

The number of executive officers, other than Ministers and Accountable Officers, and their total remuneration during the reporting period are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments, long-service leave payments, redundancy payments and retirement benefits.

| Income band | Total Remuneration | | | | Base Remuneration | | | |
|----------------------|--------------------|-------------|------------------|----------|-------------------|-------------|------------------|----------|
| | 2016 | | 2015 | | 2016 | | 2015 | |
| | No. | AEE | No. | AEE | No. | AEE | No. | AEE |
| \$170,000 - 179,999 | 1 | 0.92 | | | 1 | 0.92 | | |
| \$190,000 - 199,999 | 1 | 0.75 | | | 1 | 0.75 | | |
| \$200,000 - 209,999 | | | 2 | 2 | | | 2 | 2 |
| \$210,000 - 219,999 | | | | | 1 | 1.00 | | |
| \$230,000 - 239,999 | 1 | 1.00 | | | | | | |
| Total numbers | 3 | 2.67 | 2 | 2 | 3 | 2.67 | 2 | 2 |
| Total amount | \$607,996 | | \$415,322 | | \$585,153 | | \$415,322 | |

(a) Annualised employee equivalent (AEE) is based on working 38 ordinary hours per week over the reporting period.

(b) Additional executive appointed which increased both base and total remuneration.

NOTE 20: REMUNERATION OF AUDITORS

| | 2016 \$ | 2015 \$ |
|---|---------------|---------------|
| Victorian Auditor General's Office | | |
| Audit of the financial statements | 29,800 | 29,100 |
| | 29,800 | 29,100 |

NOTE 21: SUBSEQUENT EVENTS

ACMI has no material or significant events occurring after the reporting date (2015: nil).

NOTE 22: GLOSSARY OF TERMS

Capital asset charge

The capital asset charge represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

Financial asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual or statutory 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
- (d) a contract that will or may be settled in the entity's own equity instruments and is: 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.

Financial instrument

A 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 assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

- (a) a contractual or statutory 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; or

- (b) a contract that will or may be settled in the entity's own equity instruments and is: a non-derivative for which the entity is or may be obliged to deliver 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. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts.

Ex-gratia expense

Ex-gratia expenses mean the voluntary payment of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

Financial statements

A complete set of financial statements comprises:

- (a) a statement of financial position as at the end of the period;
- (b) a statement of profit or loss and other comprehensive income for the period;
- (c) a statement of changes in equity for the period;
- (d) a statement of cash flows for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*; and
- (g) 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 paragraph 41 of AASB 101.

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature. While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason,

grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

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

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other economic flows - other comprehensive income'.

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is income 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.

Non-financial assets

Non financial assets are all assets that are not 'financial assets'.

Other economic flows included in 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. It includes gains and losses from disposals, revaluations and impairments of non-financial 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

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.

The components of other economic flows - other comprehensive income 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.

Receivables

Includes 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 revenue from the direct provision of goods and services and includes fees and charges for services rendered and sales of goods and services.

Supplies and services

Supplies and services generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of ACMI.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in-kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

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