

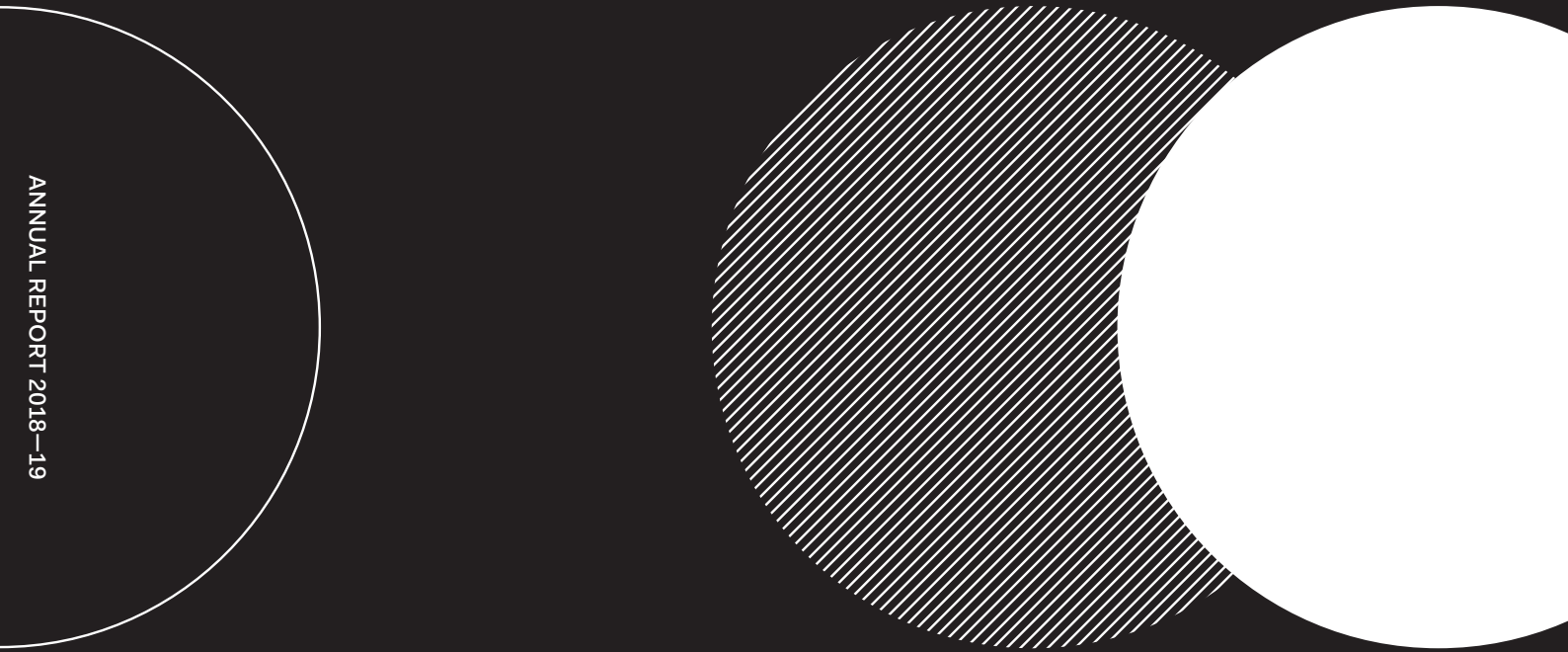
acmi

Australian Centre for the Moving Image

**Annual Report
2018—19**


AUSTRALIAN CENTRE FOR THE MOVING IMAGE

ANNUAL REPORT 2018—19



Responsible Body's declaration

In accordance with the *Financial Management Act 1994* (Vic), I am pleased to present the Australian Centre for the Moving Image's Annual Report for the year ending 30 June 2019.

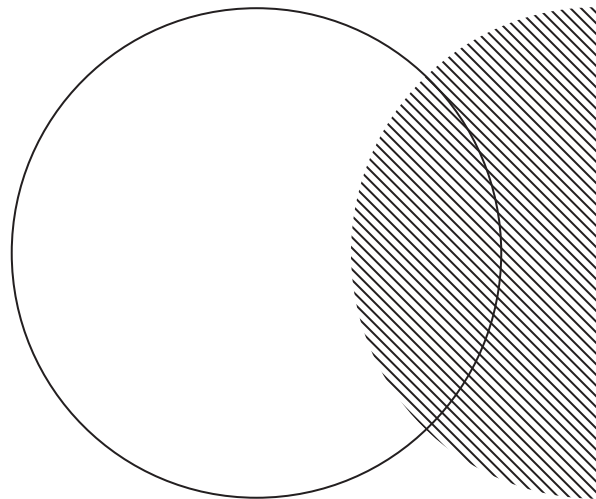
A handwritten signature in dark ink, appearing to read 'J. Matton', with a stylized, cursive script.

Janet Matton
President

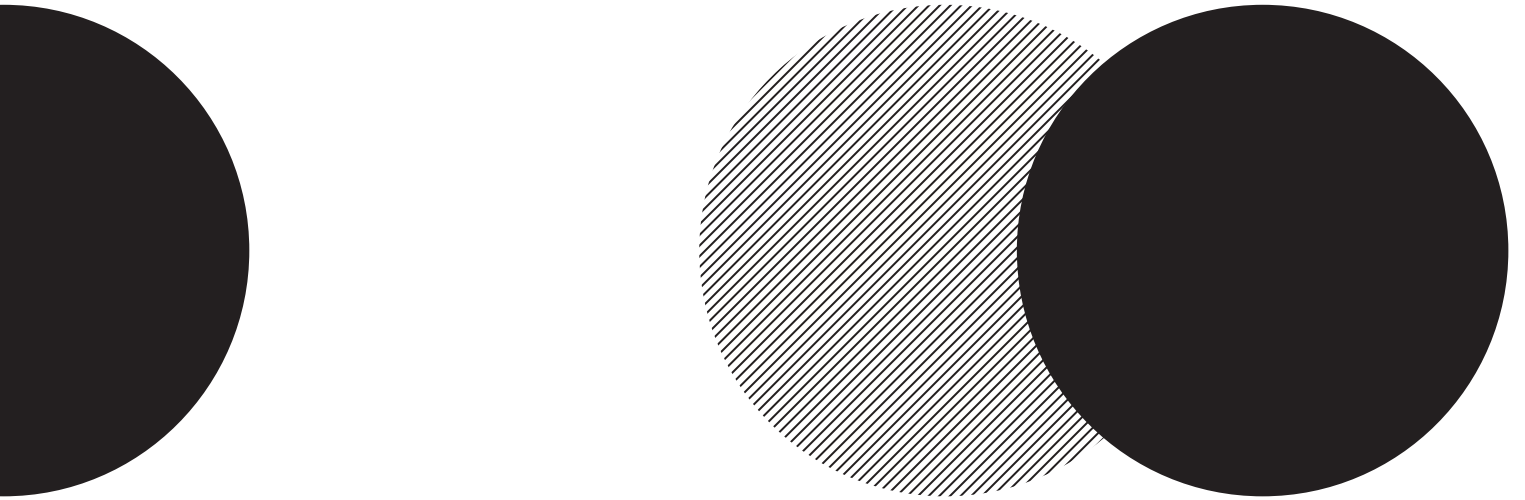
On behalf of the members (Board) of the
Australian Centre for the Moving Image
30 August 2019

Australian Centre for the Moving Image

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ACMI is...



**Australia's national
museum of film, TV,
video games, digital
culture and art**

Our Mission

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

Our Vision

**A connected community
of watchers, makers,
and players, celebrating
the wonder 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 introduce ACMI's 2018–19 Annual Report, as ACMI's newly appointed Board President. It has been another stellar year for ACMI and one of the most significant in its history. Alongside ACMI's ongoing programs, with the vital support of the Victorian Government and many generous partners, sponsors and donors, we are embarking on a visionary Renewal. This saw us begin to close the museum from April 2019 as we bade farewell to our much-loved *Screen Worlds* exhibition. We completely closed our doors to begin demolition in preparation for the museum's \$40 million Renewal project at the end of May. Construction is scheduled to run over the next year, with ACMI reopening in mid 2020. Despite the major Metro works around the Fed Square precinct, in 2018-19 ACMI welcomed nearly 1 million visitors to our vibrant programs, which will continue offsite during our closure period.

I would like to acknowledge the vision and support of the Andrews' Labor Government for investing \$36.6m in backing ACMI and the vital role it plays in Melbourne's cultural ecosystem. We thank the Minister for Creative Industries Martin Foley MP and his staff for their commitment to ACMI and our vision. Thank you to the Deputy Secretary, Creative, Sport and Visitor Economy Andrew Abbott, and all of the Creative Victoria team for their ongoing and tireless support. Not only is the museum supported year-round to deliver our programs, but the visionary investment in the ACMI Renewal will expand our reach, impact and public value, cementing our place among top tier museums around the world.

This immense undertaking has been made possible thanks not only to the Victorian Government's generous financial contribution, but also the visionary support of our philanthropic and corporate partners including Gandel Philanthropy, Swinburne University, Naomi Milgrom Foundation, Sidney Myer Fund and Blackmagic Design. Their collaborative input has been vital in helping us reach this pivotal stage in our museum's development.

Another major achievement in 2018-19 for ACMI is the record 1,462,280 visitors attending our exhibition touring program

across five exhibitions in Australia and across the globe. *Del Kathryn Barton: The Nightingale and the Rose* and *Code Breakers: Celebrating Women in Games* have continued to tour throughout regional Australia. Internationally *Wonderland* has begun its life in Singapore, *Game Masters* in the US, and *DreamWorks Animation: The Exhibition* attracted a record 660,000 visitors in 70 days in Rio de Janeiro, Brazil - a staggering achievement.

ACMI's dedicated Board have been tireless in their work and commitment to our organisation during this exciting phase in the institution's history. On behalf of the staff and Board of ACMI, I would like to acknowledge and thank outgoing Board President Peter Lewinsky. Peter has served on the ACMI Board since 2010 and as President since 2014. He has worked tirelessly and passionately for ACMI, and his contribution to building the vision and securing the funding for the ACMI Renewal has been crucial to the museum's success. I also want to acknowledge Jan Chapman AO and Michael Wachtel, whose tenure on the ACMI Board has also come to an end. Their nine years of service and unwavering commitment has been invaluable. We thank Peter, Jan and Michael and wish them all the very best.

I would also like to thank Katrina Sedgwick, our Director & CEO, the executive team and our dedicated and passionate staff for their hard work, which has enabled us to begin this once in a generation transformation of ACMI, as we continue to deliver our wonderful programs for our visitors. Since ACMI was established in 2002, it has evolved into the world's leading museum for the moving image. With the fantastic support of the State Government I am so excited about what the future holds.

On behalf of the ACMI Board, I am delighted to share this record of our achievements in our 2018-19 Annual Report.

Janet Matton
Board President

From the Director & CEO



What a year it has been. ACMI's team has been working tirelessly to turn our transformational vision into a reality, whilst simultaneously delivering our strategic goals – to think holistically, build our brand, leverage our assets and build our sustainability. With the generous support of the Victorian government and our partners and donors, and the energy and commitment of every staff member across the organisation, we have achieved so much this year. Of course none of this is possible without the vision and stewardship of our Board and I would like to acknowledge and thank our outgoing Board President Peter Lewinsky for his leadership, commitment and support. I would also like to thank our outgoing Board members Jan Chapman AO and Michael Wachtel. All three have served on the ACMI Board for nine years and been crucial to the blossoming of our museum over that time. Welcome to Janet Matton our new Board President and to our new Board directors Ian Forsyth and Darren Dale – we are excited to be working with our Board as we embark on this new era.

On 23 April 2019, we closed our much-loved free permanent exhibition *Screen Worlds*. From Cate Blanchett's Oscar and the *Mad Max* Interceptor car to pre-cinema illusions and Anthony McCall's beloved *You & I – Horizontal II*, for over nearly a decade *Screen Worlds* has told the story of the moving image, welcoming an extraordinary 4.6 million visitors to the exhibition. It is now time to renew our visitor experience across our museum to reflect the rapidly evolving world of the moving image that permeates our lives in ways we could not have imagined a decade ago.

After years of planning we are ready to bring our new museum to life. We have brought together a wonderful team of leading local and international specialists including experiential design studio Second Story, part of Publicis Sapient, and BKK Architects, to work alongside our own talented team of curatorial, design, technical and programming experts.

In a year of highlights outlined in the pages of this report, I want to mention two. ACMI's own homegrown Melbourne Winter Masterpieces exhibition *Wonderland* attracted crowds of over 179,000 and is currently in Singapore as part of its five-year world tour. A testament to the creative minds behind

this immersive and ground-breaking exhibition, *Wonderland* has received numerous industry awards including the 2019 Museums & Galleries National Awards (Best in Show), and the prestigious 2019 GLAMi's (Best in Show, Exhibition Media or Experience: Immersive Category).

Other highlights were the presentation of Christian Marclay's internationally renowned 24-hour video installation, *The Clock*, one of the most celebrated artworks of our time, and commissions by leading Australian artists Zanny Begg, Joan Ross and Dr Christian Thompson AO.

ACMI has led the way in developing the untapped potential of the creative industries, creating the museum-first ACMI Xcel accelerator in 2017, as well as growing collaborative and cross disciplinary relationships with our thriving ACMI X co-working cohort. In 2018-19, together with State Library Victoria and Creative Victoria, we launched Foundry658, an Australian-first intensive business program and accelerator designed specifically for creative industries, consisting of state wide bootcamps and a development program, \$20,000 seed funding to eight ready-to-scale business entrepreneurs along with a three month intensive acceleration program.

As this report demonstrates it has been a great year for ACMI and I want to thank our Board for their unwavering support and clear guidance. Thank you to our Minister for Creative Industries, Martin Foley MP, and to Deputy Secretary, Creative, Sport and Visitor Economy Andrew Abbott and Creative Victoria who have made so much of our vision possible.

We are very grateful to the many individual and organisational supporters whose generosity directly contributes to our achievements. And finally, but most vitally thank you to the ACMI staff – the passion and commitment of this talented group of people is rare and impressive.

Katrina Sedgwick
Director & CEO

ACMI by Numbers 2018–19*

Highlights

95%

visitor satisfaction

6

international, and
eight regional touring
locations

660k

visitors attended
*DreamWorks Animation:
The Exhibition* in Rio
in just 70 days

80%

of our curated cinema
screenings were
exclusive to ACMI

\$1.6m

online sales

\$1.8m

in project funding
secured for the
delivery of creative
industries initiatives

75

creative industry
events were facilitated
by ACMI X

770

individual public
programs held

179k

visitors experienced
our award-winning
Wonderland exhibition
and associated programs

2,470,137

visited ACMI programs and our touring exhibitions in 2018-19

*NB: ACMI's 2018-19 visitation figures reflect a significantly reduced operating period from 01 July 2018 – 24 April 2019, when we closed our permanent exhibition for renewal, and 21 May when we closed the doors of our institution to the visiting public completely. Visitation has also been impacted by major building works in the Fed Square precinct, including Metro Tunnel taking place on the corner of Flinders Street and St Kilda Road. Fed Square estimate this has reduced footfall into the precinct by approximately 1 million across 2018-19.

14.7m

visitors welcomed to our museum
since opening in 2002

4.6m

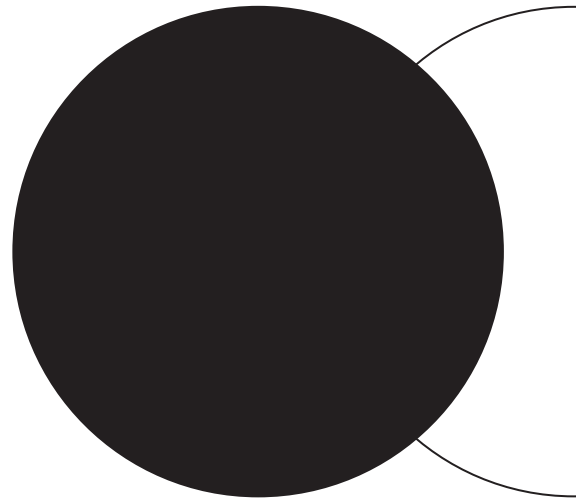
people have visited our *Screen Worlds*
exhibition over the last 10 years



Image — *Screen Worlds Timeslice*, credit Field Carr

Corporate Goal: Think Wholistically

- Animate, energise and connect the whole of our museum with unique experiences that define ACMI as a 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**



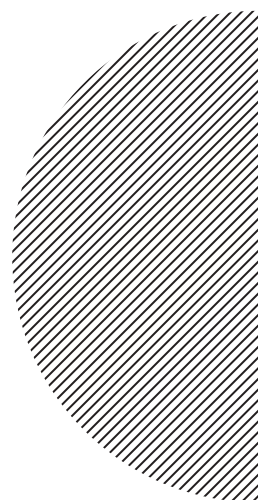
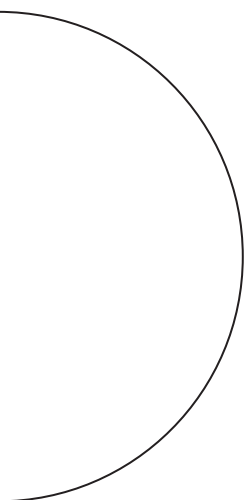
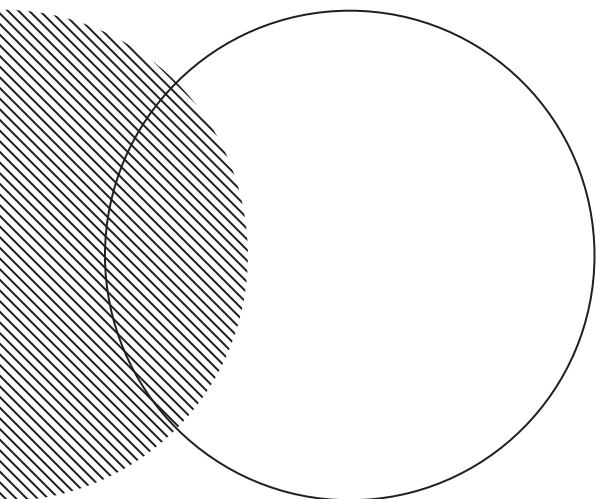


Image — ACMI, credit Renee Stamatis

Inspiring Audience Experiences

In 2018-19 ACMI inspired and delighted new audiences with the ACMI-conceived *Wonderland* and an exceptional look at Australia's first Indigenous superhero, *Cleverman*. Christian Marclay's masterpiece *The Clock* was ACMI's last temporary exhibition before closing for renovation, and ACMI premiered three exceptional VR works by leading contemporary artists.





Zanny Begg: The Beehive

GALLERY 2

31 July – 6 November 2018

The Beehive is the inaugural \$70,000 Artbank and ACMI Commission, a three-year program for artists working at the juncture of film and video art. Artist Zanny Begg created a non-linear experimental documentary exploring the 1975 unsolved murder of Sydney anti-development campaigner Juanita Nielsen. The work is randomly assembled via algorithm from a reservoir of scenes, including scripted fictions in which Juanita is played by multiple actors, interviews with people from her world and impressionistic sequences which offer different interpretations of her life and death. *The Beehive* subsequently featured in the 2019 Sydney Festival and is now in the Artbank and ACMI collections.

28,920 visitors saw *The Beehive* across associated programs and ancillary events.

Image — Zanny Begg: *The Beehive*, 2018; courtesy the artist and Engima Productions



Cleverman

GALLERY 2

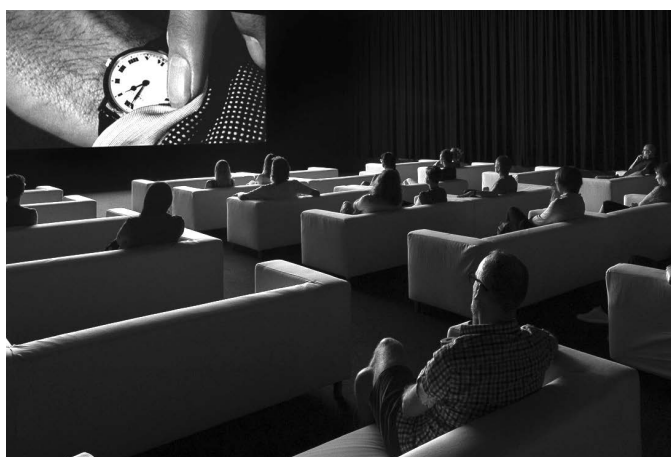
6 December 2018 – 22 April 2019

Co-curated by *Cleverman* concept creator Ryan Griffen and production designer Jacob Nash, *Cleverman* is an exhibition about the acclaimed ABC TV series of the same name. Exploring First Nations storytelling, language and creativity in production design, costumes and props, this free exhibition invited visitors to listen-first and immerse themselves in a powerful and contemporary expression of origin stories.

It included props, costumes and designs by WETA Workshop, as well as original artwork from the *Cleverman* comic book series and a digital interactive which mapped the characters within the *Cleverman* world. ACMI also partnered with Goalpost Pictures and the ABC to re-screen series 1&2 on iView for the exhibition's duration. The culmination of the three-year ARC partnership with Swinburne University of Technology supported both the exhibition and a new VR work in Screen Worlds, *Superheroes: Realities Collide*.

48,333 visitors saw *Cleverman* across associated programs and ancillary events.

Image — *Cleverman* courtesy of Goalpost Pictures & Pukeko Pictures Production



Christian Marclay: The Clock

GALLERY 1

23 January – 11 March 2019

The Clock (2010) is a 24-hour video installation created from thousands of clips of clocks, watches and other references to time taken from film and television. The result is an epic journey through cinematic history as well as a functioning timepiece. *The Clock* is one of the most celebrated artworks of our time, winning the Golden Lion at the 2011 Venice Biennale and attracting critical acclaim and enthusiastic audiences at gallery showings across the world. ACMI opened for 24 hours six times throughout the season, and thanks to the generous support of our donors the work screened for five continuous days and nights on the final long weekend to give visitors every chance to view the work in its entirety.

47,402 visitors saw *The Clock* including 10 x 24 hour sessions.

Image — Christian Marclay: *The Clock*, credit Mark Ashkanasy



Joan Ross: Did you ask the river?

FUTURE LAB

7 – 31 March 2019

Australian artist Joan Ross, known for her prints, paintings and video animations, received the second Mordant Family VR Commission. VR presented a welcome and enjoyable challenge for Ross. In the style of a first-person videogame, users are given free rein to explore an interactive, vibrant yet unsettling landscape. Unlike many VR experiences, users are placed in a body – that of an 18th century colonial woman – and are enabled to touch and move elements of the landscape using hand controllers. The more you explore, the more destruction you cause. Ross's darkly playful work proved really intriguing to our visitors, who staff noted were often keen to discuss it afterwards.

900 visitors saw *Did you ask the river?*

Image — *Did you ask the river*, credit Joan Ross



Lynette Wallworth: Awavena

FUTURE LAB
4 – 28 April 2019

Awavena was presented in ACMI's experimental Future Lab, a space to test new works and ideas. A two-part mixed reality artwork, *Awavena* offered visitors a 30-minute experience across three distinct spaces. Emmy-award winning artist Lynette Wallworth was invited by the Yawanawa, an Amazonian tribe, to create this stunning VR experience using cutting edge technology to mirror their vision states. The work depicts the tribe's Shamanistic ritual(s) as a virtual reality experience. Wallworth gave an inspiring keynote lecture as part of ACMI's presentation of *Awavena*, giving insight into the making of *Awavena* and her practice more broadly.

437 visitors saw *Awavena* in a fully booked season.

Image — *Awavena*, credit Lynette Wallworth



Dr Christian Thompson AO: Bayi Gardiya (Singing Desert)

FUTURE LAB
1 – 23 May 2019

Dr Christian Thompson AO is a multi-disciplinary artist whose practice spans photography, video, sculpture, performance and sound. The inaugural Mordant Family VR Commission, *Bayi Gardiya* was Thompson's first foray into VR and was presented in ACMI's Future Lab. *Bayi Gardiya* is an animated journey through Thompson's childhood country in far northern Queensland. The soundtrack of *Bayi Gardiya* is Thompson singing in his traditional Bidjara language of the same region in an electro-pop lullaby. The experience ran for seven minutes in total and there were two headsets playing the work concurrently. Thompson spoke about making the work in an in-conversation event with ACMI curator Amita Kirpalani during the exhibition.

1,890 visitors saw *Bayi Gardiya*.

Image — Christian Thompson, credit Michael Jalaru Torres

Down the Rabbit Hole



Wonderland

GALLERY 1

5 April – 7 October 2018

More than 179,000 visitors tumbled down the rabbit hole into ACMI's multi award-winning *Wonderland*. The critically acclaimed large-scale immersive exhibition celebrating Lewis Carroll's timeless tales and the screen history of his iconic titular character, *Wonderland* offered audiences a unique glimpse into the evolution of film-craft and special effects. Wholly ACMI conceived and developed, designed and built into a theatrical environment capturing the many settings of Alice's adventures, this Melbourne Winter Masterpieces exhibition was made by the team at ACMI in collaboration with some of Australia's leading creatives.

Presenting a remarkable selection of behind-the-scenes material alongside a series of imaginative and playful digital experiences, *Wonderland* follows Alice from page to screen revealing her relevance across times, cultures and media and reflecting the magic of film-craft in bringing Carroll's stories to life. Ambitious from conception through to delivery, *Wonderland* has been internationally recognised for its multidisciplinary, cross-team approach and innovative exhibition practice and design. Now touring internationally to huge acclaim, *Wonderland* delighted over 100,000 visitors in the first three months at Singapore's ArtScience Museum.

179,226 visitors saw *Wonderland* across associated programs and ancillary events.



Image — Above: *Wonderland* exhibition, credit Phoebe Powell

Image — Below: *Wonderland* brand identity, credit ACMI design team



We are proud to see the quality and impact of our *Wonderland* exhibition acknowledged through the following prestigious awards.

| | | | | |
|---|--|------|---------------------------|---------------------|
| Victorian Museum Awards | Museums Australia (Victoria) Award for Large Museums | 2018 | ACMI | Winner |
| Australian Production Design Guild Awards | Design on a Live Event | 2018 | Anna Tregloan for ACMI | Winner |
| Museums Shops Association of Australia & New Zealand Retail Recognition Awards | People's Choice Award | 2018 | ACMI | Winner |
| Museums Shops Association of Australia & New Zealand Retail Recognition Awards | Best Product or Range | 2018 | ACMI | Finalist |
| GLAMi Awards (Museums and the Web) | Exhibition Media or Experience: Immersive | 2019 | ACMI | Winner |
| GLAMi Awards (Museums and the Web) | Best in Show | 2019 | ACMI | Winner |
| Museums & Galleries National Awards (MAGNA) | Temporary or Travelling Exhibition (Level 4, >\$500k) | 2019 | ACMI | Winner |
| Museums & Galleries National Awards (MAGNA) | National Winner (Best in Show) | 2019 | ACMI | Winner |
| Museums Australasia Multimedia & Publication Design Awards (MAPDA) | Invitation | 2019 | ACMI | Winner |
| Museums Australasia Multimedia & Publication Design Awards (MAPDA) | Book Design | 2019 | ACMI | Highly Commended |
| Australian Interior Design Awards | Installation Design | 2019 | Anna Tregloan for ACMI | Commended |

Farewelling a Melbourne Icon

Since 2009, *Screen Worlds* has been a bright and inviting portal into the heart of ACMI.

ACMI's acclaimed free, permanent exhibition *Screen Worlds* welcomed over 4.6 million visitors in its 10 year history, presenting much-loved objects and experiences: the V8 interceptor from *Mad Max*, Cate Blanchett's Oscar from *The Aviator*, the Games Lab and perennial favourites like the 3D Zoetrope and Flip Book machine. *Screen Worlds*, which brought to life the magic of the moving image across film, television, videogames, digital culture and art, has played a vital role in Melbourne's cultural ecology.

The exhibition sat at the heart of ACMI's education programs, which engaged over 68,000 students and teachers this year in screen and STEM learning. *Screen Worlds* opened a decade ago, just at the advent of the smartphone, which ushered in a momentous and fundamental shift in the way we interact with the moving image. It is now time for us to renew the content and visitor experience within the exhibition, and across ACMI as a whole, to reflect the rapidly evolving technologies that impact our life in ways we could never have imagined.

445,911

Screen Worlds
2018-19 attendance

4.6m

visitors since opening

31,122

custom ACMI
flipbooks made for
patrons over the
duration of *Screen
Worlds*

20,000+

people participated
in tours of *Screen
Worlds*



Image — Above: *Screen Worlds*, credit Charlie Kinross

Image — Below: *Screen Worlds* deinstall, credit Phoebe Powell

A Bold New Future for ACMI

ACMI's Visionary Renewal

ACMI's Federation Square site closed to the public on 23 May 2019 to undergo a transformative Renewal, and will reopen mid-2020. The redeveloped ACMI will look and feel different, with new free exhibition spaces brimming with stories, immersive experiences and making moments to inspire and delight. With a global point of view, yet rooted in our culture and country, ACMI's ambitious Renewal will support Melbourne's innovative brand, essential to the city's global positioning. Through our new galleries, studios and labs we will provide a home to both the precious history of Australia's screen past and its exciting future.

The ACMI Renewal Project team is comprised of a specialist team of internal staff headed by ACMI's Director & CEO. It has two project partners – ACMI and Creative Victoria. A project governance structure has been established that includes a Project Steering Committee (PSC) and Communications Working Group (CWG). The PSC includes representatives from Creative Victoria, Department of Premier and Cabinet, Department of Treasury and Finance, and Board and staff members of ACMI. The CWG has representatives from the key project partners and Root Partnerships who were engaged as the Lead Project Managers on the ACMI Renewal project. Sue Harrop has been engaged as the Exhibition & Experience Project Manager.

ACMI has appointed BKK Architects, experience and exhibition designers Second Story, part of Publicis Sapient, wayfinding design studio Buro North and leading international graphic design studio North as the Renewal project consultant delivery team.

The ambitious project has been realised via a \$36.6m investment from the Andrew's Labor Government, alongside the generosity and support of commercial and philanthropic organisations. This financial year included partnerships with Gandel Philanthropy, the Naomi Milgrom Foundation, the Sidney Myer Fund, Swinburne University of Technology, Blackmagic Design, Yamaha and iGuzzini. Each of these organisations are playing a major role in helping ACMI realise our ambitious vision through partnerships founded in creativity, collaboration, innovation and co-creation.

ACMI will continue to bring its unique curatorial point of view and programming to audiences during the closure period at Treasury Theatre, The Capitol and various CBD and regional locations, alongside our ongoing national and international touring programs. Programs will include a vibrant calendar of film screenings and festival offerings, installations, and public and education programs.

14,783,191

visited ACMI's Federation Square museum from 2002-2019

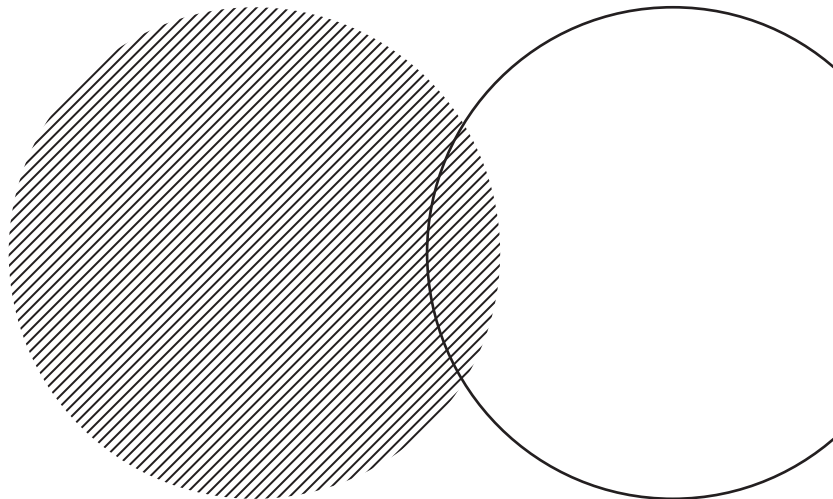


Image — Above: ACMI, Ground Level. Render credit BKK Architects.

Image — Below: Preservation and film digitisation at ACMI. Render credit Second Story.

A Place for Everyone

As part of ACMI's ongoing commitment to inclusion and accessibility we have deployed both strategic and public-facing programs to support audiences with additional needs, often in close consultation with partner organisations.



Image — Above: credit Renee Stamatidis

Image — Below: WNBGC, credit ACMI photographer

Low-sensory and Relaxed Program Offers

Working with AMAZE we delivered a series of low-sensory and relaxed visits for the *Wonderland* exhibition and *Screen Worlds*. For the first time, a series of custom Minecraft workshops for children with Autism Spectrum Disorder were also delivered as part of programming. Several of our panel discussions and *Wonderland Late Nights* were live-translated in Auslan for visitors with low hearing.

‘We would not have been able to attend if not for this low sensory visit – thank you.’

— **Anonymous visitor**, January 2019

Development of Disability Action Plan

ACMI developed our 2019-2022 Disability Action Plan which creates space and welcomes people with disabilities into our organisation. ACMI's redevelopment allows us to reconfigure our spaces to be more inclusive and welcoming for visitors.

An Inclusive Community

The ACMI Women and Non-Binary Gamers Club is a monthly forum that provides a safe and inclusive space for women and non-binary people to meet, play and discuss videogames. This initiative provides an opportunity to highlight and celebrate diverse voices, and provide regular and consistent videogame programming for engaged audiences. The program has received industry support, with over fourteen local and international developers supplying games and content. Public response has also been incredibly positive with over 186 people signing up to the club, with a mix of returning and new members.

Corporate Goal: Build Our Brand, Extend Our Reach

—Deliver unique and surprising audience experiences, interweaving multiple layers of programming and interactions – both physical and virtual

—Be responsive, active, transparent and audience facing in our daily practice

—Enrich and extend conversations with our audience through groundbreaking digital strategies

—Build our reputation for powerful collaborations and partnerships in Australia and around the globe

—Develop policies and programs that promote and celebrate the experiences of Australia's first nations people across ACMI's business through a process of meaningful engagement and consultation

—Highlight our curatorial distinctiveness.

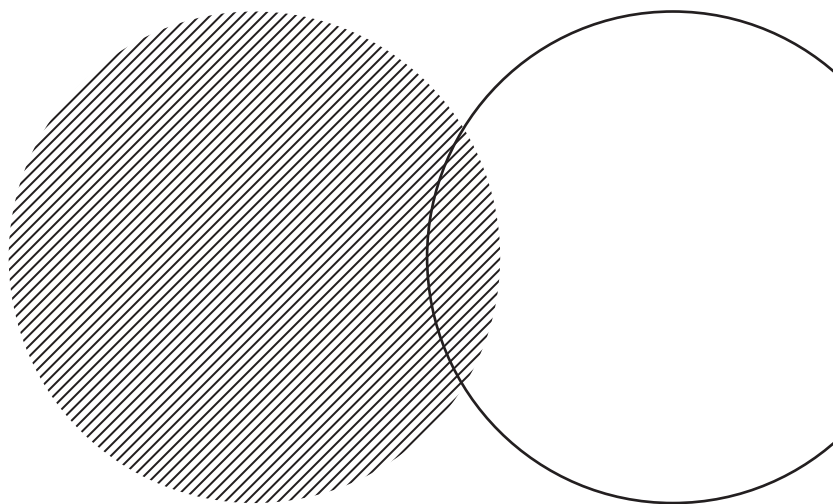


Image — credit Renee Stamatidis

Creative Collaborations that Surprise & Delight

A Modern Museum

As part of our longstanding and successful partnership with Open House Melbourne (OHM), ACMI presented Modernism at the Movies, a month-long curated season of films celebrating architecture and design. In March, ACMI participated in the city-wide festival Design Week working alongside the NGV to present the Australian premiere screening of *Rams* and partnering with NGV and Aesop to present the beguiling architectural documentary, *The Proposal*. In September ACMI partnered with Melbourne Spring Fashion Week to deliver another successful season of films and talk events celebrating the intersection of film and fashion.



Public Programs

ACMI's programming teams delivered another year of impactful programs that engaged diverse audiences with ACMI's exhibitions, commissions, partners and experts. Over 40,000 members of the public attended 770 events. Maintaining ACMI's reputation for experimentation and creativity we trialed new modes of programming including commissioning a performative response to Christian Marclay's *The Clock* in partnership with Lucy Guerin Inc. We worked with videogame makers ranging from RMIT game design students to independent game makers from Melbourne and The Arcade to deliver the Audience Lab pilot, allowing makers to live test their games with ACMI visitors as part of their product development.

Programs celebrating fan culture saw new audiences visit ACMI. Author and comedian Tim Ross mined our archive for all things AFL during Grand Final Week; loyal TV and film audiences joined us again to remember female hero shows *Buffy The Vampire Slayer*, *Daria* and *Veronica Mars*, and we celebrated 40 years of *Star Wars* with the launch of Dan Goldings book *Star Wars After Lucas: A critical guide to the future of the galaxy*.



Image — Above: Get The Vintage Look, credit ACMI photographer
Image — Below: Wonderland, credit Phoebe Powell

Partnerships that Matter

ACMI established a successful partnership with Panasonic for *Wonderland*, bringing to life the Mad Hatter's teaparty through full-room projection mapping. This immersive experience, co-designed with digital studio Grumpy Sailor, continues to impress international audiences as the exhibition tours globally. This partnership, which will extend to ACMI's Renewal, exemplifies the power of collaboration to deliver both exceptional audience experiences and engaging industry relationships.

Thinking Outside the Box

ACMI's capacity to deliver unique and surprising physical and digital experiences was highlighted by *The Lost Map*, co-designed with digital studio Sandpit, in our *Wonderland* exhibition. Our commissioning program pushed form by supporting the creation of audience experiences and experimental screen-based artworks by artists and filmmakers. The inaugural Artbank + ACMI Commission, Zanny Begg's *The Beehive* was an experimental documentary that used randomizing software, which meant that the work had 1,344 variations. The two Mordant Family VR Commissions, *Did you ask the river?* by Joan Ross explored the legacy of colonialism through VR, and *Bayi Gardiya* by Christian Thompson refuted the idea of extinct languages by singing in Bidjara in a VR rendition of his childhood landscape.

ACMI X Partnerships

RMIT became a Major Partner of ACMI X in 2016, leveraging the ACMI X co-working environment to provide a springboard for collaboration. Over the past three years this partnership resulted in new and innovative pathways for students and alumni into the creative industries, with institutional connections that continue to deepen as the partnership evolves. Testament to the strength of the partnership and the ability to maximise mutual benefit, ACMI and RMIT have extended the partnership for an additional four years through increased investment and scope for collaboration. The partnership will now see RMIT recognised as ACMI's Major Research Partner, with key areas for collaboration including ACMI X, a new Audience Lab program, research initiatives and student engagement.

The University of Melbourne, who also joined as Major Partner of ACMI X in 2016, will continue their partnership for another year, building upon recently successful collaborations with academics including Dr Natalia Grincheva, a research fellow based in the interdisciplinary Research Unit in Public Cultures. Natalia worked with ACMI CXO Seb Chan and Head of Collections Nick Richardson in a soft power mapping project for ACMI. The project accesses ACMI's marketing and touring data to create a case study as part of her international research project. This project was awarded a University of Melbourne Engagement Grant in 2018 and will form the basis on an ARC Linkage Project application.

Building a Global Museum Brand

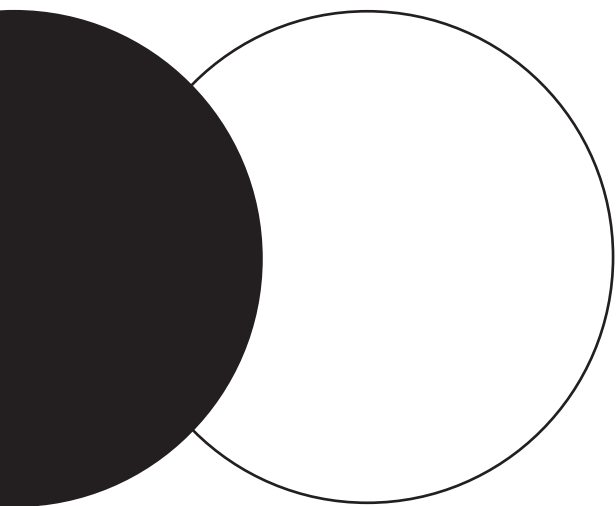


Image — Above: ACMI Re/new campaign on our Fed Square billboard, ACMI photographer
Image — Below: Rock posters for *The Clock*, ACMI photographer

Creative Campaigns

Continuing to push the envelope with our approach to campaign creative has been central to ACMI's marketing philosophy this year. Our design team has experimented with new approaches to marketing and advertising collateral, most notably demonstrated in our campaigns for Christian Marclay's seminal work *The Clock* and *Wonderland*. Both campaigns pushed the boundaries in terms of traditional exhibition led marketing campaigns, laying strong foundations from which to build when we reopen. We also launched a new seasonal strategy, reflected in our campaign collateral. Our Summer brochure was recognised at the prestigious MAPDA awards.

Re/new

Navigating the communications and marketing challenge that closing a major public institution entails has been a key focus for ACMI's Brand & Marketing team in 2018-19. Commencing in February 2019 with strategically placed media features in *The Age Spectrum Magazine* (and online nationally), alongside an in-depth interview with Katrina Sedgwick appearing in the *AFR Magazine*, ACMI's Renewal Project and closure was (re)announced to the public, supported by an advertising campaign designed to reach the broadest audience possible, clarifying ACMI's closure dates, but ensuring positive sentiment, engagement and connection to our project remained high. This campaign will underpin ACMI's public giving strategy and provide a platform for ongoing engagement and dialogue with audiences across our online and social media platforms throughout closure.

Social Studies

In collaboration with our partners RMIT, ACMI participated in an ethnographic research project undertaken by two of RMIT's PhD students in Media & Communication under the direction of Prof Larissa Hjorth, seeking to explore how ACMI visitors engage with and experience our museum through social media platforms. *Social Media, Digital Wayfinding and the Future of Museum Audiences* is a vital two part study in which ACMI's audience insights and social media staff played a key consultative role. As such it raises some interesting questions about what social media is actually used for by visitors, and some opportunities to understand more around audience behaviour.

True North

In early 2019, we commenced brand strategy work with highly respected international cultural branding consultants, North, to reimagine ACMI's visual identity in line with our Renewal Project. North has extensive experience in delivering visual identity and brand solutions for precinct-based cultural institutions including the Barbican, Southbank Centre and the West Kowloon precinct. Working to a brief that requests ACMI's voice, personality and position is visually defined in a way that highlights our role as a vital proof point for Melbourne as a city of innovation and culture, whilst also elevating our global reach and point of view, this work is in its nascent stage and will be realised and launched when our museum reopens in mid-2020.



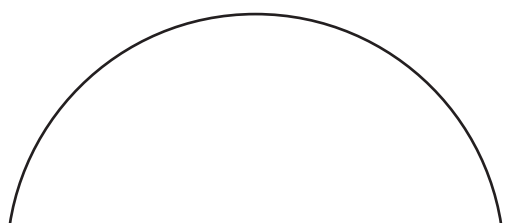
Industry, Ideas, Innovation

2018-19 was a strong year for ACMI industry partnerships, reflecting the continued growth of our reputation for innovation across creative industries, government and education.

Industry Connections

ACMI partnered with Creative Victoria to deliver \$1.8m worth of projects supporting co-working, bootcamp, accelerator and business programs for creative industries initiatives Foundry658 and the Bendigo Creative Industries Hub. Together with State Library Victoria, Foundry658 successfully delivered business development programs to over 30 creative businesses and practitioners at ACMI X, with Creative Victoria committing to fund a second year of the program in 2019-20. In the first year of the program over fifty teams transformed their ideas into scalable businesses, through bootcamps and an intensive 12-week business accelerator. Foundry658 was profiled in the 2019 Creative State Summit for delivering outcomes aligned with the Creative State Strategy. The Bendigo Creative Industries Hub will see ACMI and Creative Victoria working closely with the Bendigo community to design and deliver a local co-working space and program that leverages our networks and experience at ACMI X to build capacity in the local creative industries.

ACMI extended our deepening partnership with Film Victoria across a range of key programs, including signing a three year MOU to deliver Series Mania Melbourne and securing the Australian International Documentary Conference (AIDC) for Melbourne from 2021-23 through a major sponsorship. ACMI continues to inspire education and industry for its expertise in using videogames as learning environments for students and teachers. The 2018 Education in Games Summit extended our partnership with the Victorian Department of Education and Training (DET) to include the Games and Apps Challenge, and a partnership with Microsoft Education attracted a record number of delegates including international attendees. On the strength of the 2018 program, ACMI has secured increased funding from DET for the 2019 program.



Forging Alliances to Support our Film Program

A series of rewarding partnerships strengthened our engagement with industry and embassies alike. Our ongoing partnership with the National Film and Sound Archive enabled screenings of newly restored Australian classics. Our partnership with the AIDC produced the inaugural Non-Fiction documentary film festival, and we presented the second Series Mania Melbourne with Film Victoria.

Audience Testing

Following successful collaborations with game developers The Voxel Agents, ACMI sought to support creative industry experimentation and refinement through the audience lab pilot.

In October and November ACMI partnered with Melbourne International Games Week (MIGW), RMIT and The Arcade to pilot-test our new Audience Lab initiative, with a specific focus on videogames. Over three weekends, 18 independent studios and student game developers beta-tested their works-in-progress with over a thousand ACMI visitors. The activation drew significant media attention, including television news coverage.

This program provided a unique opportunity for audiences to engage with industry and delve into the processes of making, while offering a valuable forum for the local games industry to gain feedback and iterate work in a live test environment.

“It's great to see a museum engaging with its local creative community in such a proactive and constructive way.”

— Little Reaper Games, Nov 2018

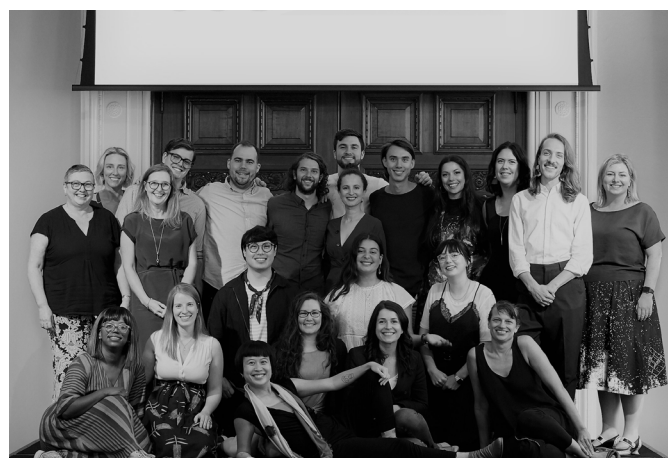


Image — Above: credit Charlie Kinross

Image — Below: Foundry658 teams, Daniel Mahon

Spotlight: Commissions

ACMI commissions support the creation of ambitious new work by providing artists with the time and resources to nurture and develop ideas, to pursue cross-disciplinary collaborations and to work at a scale that would not otherwise be possible. Through partnerships with philanthropic and cultural organisations, ACMI has developed a suite of commissions that are having a significant impact on contemporary Australian moving image practice.

The Mordant Family VR Commission

In 2016, ACMI brought together the City of Melbourne and Catriona and Simon Mordant AM to launch the Mordant Family VR Commission, a three-year \$240,000 commitment to mid-career and established Australian visual artists seeking to experiment with VR and associated technology. The first two commissions, Christian Thompson's *Bayi Gardiya (Singing Desert)* and Joan Ross's *Did you ask the river?* were both exhibited at ACMI in 2019 and drew wonderful responses from the public. The successful applicant for the third commission will have a year to make their work, which will be exhibited in 2020.

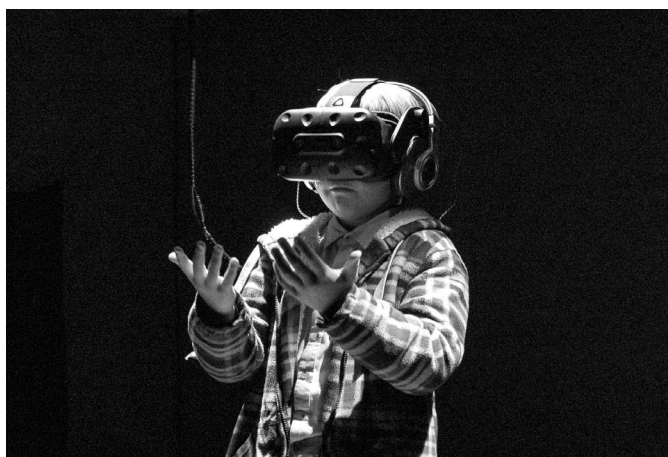


Image — *Bayi Gardiya* opening, credit Michael Jalaru Torres

The Artbank + ACMI Commission

In 2017 we launched the Artbank + ACMI Commission, a three year partnership that provides support for Australian artists and filmmakers to make a new, ambitious and experimental screen based work, and to explore new forms and methodologies in their practice. Each year one artist or filmmaker is awarded \$70,000 and an ACMI X industry membership. Zanny Begg was selected as the recipient of the inaugural \$70,000 Artbank + ACMI Commission and her video installation *The Beehive*, an experimental documentary about the life and death of Sydney activist Juanita Nielsen was exhibited at ACMI and went on to feature in the 2019 Sydney Festival. The second Artbank + ACMI commission will be awarded in August 2019 and shown at ACMI in 2020.

The Ian Potter Moving Image Commission

The Ian Potter Moving Image Commission is a biennial award designed to enable an artist to produce an ambitious new moving image work that demonstrates a major development or shift in their practice. The award provides two levels of support to the successful artist: \$100,000 from The Ian Potter Cultural Trust, as well as highly specialised curatorial, production and presentation expertise provided by ACMI. The 2020 IMPIC has been awarded to Gabriela Hirst for her proposal *Darling Darling* which ACMI will premiere in 2020. The timely work, currently in production, explores the tension between the careful conservation of WC Piguenit's painting *The Flood in the Darling 1890* (1895), and the environmental stresses on the river itself.

Preserving Our Past, Informing Our Future

First Nations at the Centre of Our Museum

ACMI has committed to embedding Indigenous expertise across our organisation through our Indigenous Advisory Group (IAG), ensuring we have Indigenous representation on our Board and investing in identified Indigenous roles. Led by ACMI Board Director Rachael Maza, the IAG has been fundamental in making sure that we have Indigenous voices and views at the forefront of everything we do, supporting our Indigenous curators as they work on the ACMI Renewal. To support this work, we partnered with the Koorie Heritage Trust to take our staff members through cultural competency training.

ACMI has partnered with Terri Janke and Company, an Indigenous owned law firm that empowers clients and partners to achieve success in business and innovation, to develop a framework for reconciliation action. This will be articulated in our Reconciliation Action Plan (RAP) which formally establishes how ACMI will build positive and reciprocal relationships with First Peoples, support reconciliation and achieve contemporary best practice through our exhibitions, governance, collections management and operations. We look forward to commencing work on the implementation phase of the plan in late 2019.

ACMI's new permanent exhibition will recognise and elevate First Nations stories at the heart of the exhibition, paying tribute to their impact and resonance throughout our film and TV history in Australia, curated by First Nations staff members, artists and activists.



Image — Above: *Preserving the Near Future Symposium*, credit Jan Müller

Image — Below: *Superheroes Beyond Conference, Identities Panel*, credit ACMI photographer


135

attendees at the
*Preserving the Near
Future Symposium*

71

attendees at the
*Superheroes Beyond
Conference*

Digital Preservation

In 2018-19 ACMI continued to build its reputation in moving image research and digital preservation with two symposia targeting tertiary, industry and general public audiences.

Preserving the Near Future Symposium on 28 July 2018 formed part of Creative Victoria's MEL&NYC creative exchange initiative and saw ACMI partner with University of Melbourne's Grimwade Centre for Cultural Materials Conservation and RMIT School of Design. The symposium focused on the challenges, practice and ethics of digital preservation, with two key international speakers, Ben Fino-Radin and Kelani Nichole. This inaugural event gathered a cross-sector community of preservation interests across galleries, libraries, archives and museums; positioned ACMI strategically in digital conservation; and deepened local, national and international partnerships, whilst foregrounding the establishment of the Media Preservation Lab in 2020.

The *Superheroes Beyond Conference* on 6–8 December 2018 was the second superheroes academic conference hosted and supported by ACMI, in partnership with the Superheroes & Me research team, the Australian Research Council (ARC) and Swinburne University. Programmed to coincide with the opening of ACMI's *Cleverman*, it critically explored superheroes, from comics to film, TV and videogames, and featured talks that examined the origins and myths of the *Cleverman* comic and TV show.

As Seen on Screen: Showcasing Australian and World Cinema

A Celebration of Global Film

Our program showcased exclusive presentations of critically-acclaimed works from around the world including *Transit* (Germany), *Zama* (Argentina) and *3 Faces* (Iran). Showcasing ACMI's commitment to foreign language cinema, in December 2018 ACMI presented a theatrical season of the Academy Award-winning film *Roma* by Alfonso Cuarón. ACMI welcomed Mexican film critic and cultural commentator César Albarrán-Torres to open the season with a special introduction, offering rich socio-political context for our audiences. With high critical acclaim, awards season buzz and strong word of mouth, *Roma* attracted a great diversity of audiences who enjoyed the film as it was meant to be seen – on the big screen – across summer.

ACMI is the home and presenting partner for a rich array of festivals that showcase works from across the globe including the Indonesian Film Festival, Czech and Slovak Film Festival, Iranian Film Festival, Japanese Film Festival, Korean Film Festival and the Russian Resurrection Film Festival. Festival partners such as the Environmental Film Festival Australia, Melbourne International Film Festival, Melbourne International Animation Festival, Human Rights Arts and Film Festival, Melbourne Writers Festival and the Melbourne Queer Film Festival also offer audiences access to the most celebrated talents and meaningful ways to unpack some of the most pressing socio-political issues of our times.

First Nations Voices

First Nations curators Kathryn Clarke and Eugenia Flynn programmed Decolonising the Moving Image, a season featuring the films of Ivan Sen, Rachel Perkins and Beck Cole and a roundtable discussion tracing First Nations' representation on screen. Filmmaker Beck Cole (*Here I Am*), actor and theatre maker Rachael Maza (*Radiance*) and Rachael Hocking (NITV) treated audiences to an insightful, funny and essential discussion on the state of First Nations filmmaking in Australia.

In April 2019 ACMI was proud to support the inaugural BIRRARANGGA Film Festival, a celebration of First Nations creatives from across the globe showcasing their stories in Melbourne. Curated by Wurundjeri (Woiwurrung)/Yorta Yorta screen creative and actor Tony Briggs, BIRRARANGGA was more than a film festival, featuring VR works, industry panels and in-conversation events with First Nations creatives across ACMI's entire building.

Viva Varda

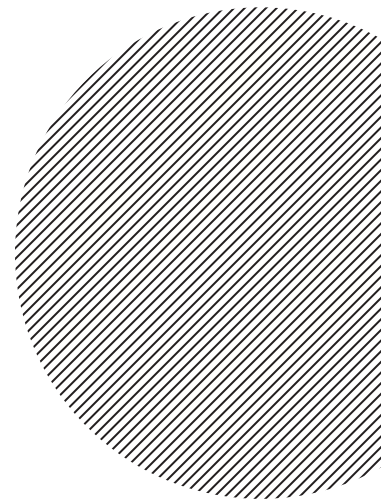
Presented in collaboration with the Sydney Film Festival and National Sound and Film Archive, the retrospective Viva Varda celebrated the beloved French director Agnès Varda. Curated by Kristy Matheson, ACMI's Director of Film, the season included the Australian premiere of the filmmaker's final film, *Varda by Agnès*, fresh from the Berlinale. ACMI presented panel discussions and film introductions for the season at the Sydney Film Festival and at the iconic theatre The Capitol in Melbourne that were warmly embraced by audiences.

Non-Fiction

In March 2019, ACMI welcomed delegates from across the globe to the 31st Australian International Documentary Conference (AIDC) and showcased our inaugural documentary festival *Non-Fiction*: 14 days of premiere and classic documentaries. With an emphasis on illuminating the filmmaking process for audiences, over 80% of the program featured filmmaker introductions and Q&A events. To open *Non-Fiction*, ACMI welcomed local filmmaker Sari Braithwaite to screen her award-winning documentary [*Censored*] presented with live score by 6-piece jazz ensemble, The End.

Acclaimed Directors

Across 2018-19 ACMI showcased some of the most significant names in global cinema with seasons on Lucrecia Martel (Argentina), Sara Driver (USA), Agnès Varda (France), Jafar Panahi (Iran), Billy Wilder (USA), Carlos Reygadas (Mexico) and Christian Petzold (Germany). Female directors comprised over a third of our program including *Island of the Hungry Ghosts* and *Shirkers*. The retrospective seasons Capturing Existence: the Films of Carlos Reygadas and Sara Driver: NYC offered local audiences the first chance to see retrospectives of these groundbreaking filmmakers in Australia.



Hosting Great Talent

ACMI Cinemas were delighted to host a great diversity of cinematic talents, with a particular focus on homegrown talent. In partnership with the National Film & Sound Archive, ACMI presented the new digital restoration of *My Brilliant Career*, with director Gillian Armstrong and editor Nicholas Beauman in conversation with film writer Philippa Hawker. In association with the 30th Alliance Française French Film Festival, ACMI hosted the Palme d'Or-winning French auteur Jacques Audiard in his only Melbourne speaking event. ACMI also hosted the premiere screening of Judy Rymer's web-series *The Burnside Conversations* followed by an insightful conversation with human rights lawyer Julian Burnside.

Live Performances

Furthering our commitment to unique audience experiences and cross disciplinary collaboration, ACMI presented a record number of live-score cinema concerts in 2018-19. Our partnership with the Goethe-Institut yielded three live-score 'Kino-Konzerts'. Berlin post-punk legends Alexander Hacke and Danielle de Picciotto (Einstürzende Neubauten, Love Parade) presented a live score of their silent film *Crossroads*. A digital restoration of the 1932 horror classic *Vampyr* was scored by Melbourne based composer, DJ and music producer, Chiara Kickdrum. The series also featured internationally-renowned saxophone quartet sonic.art who performed a live score to one of the great 'city-films' - the 1927 German silent film *Berlin: Symphony of a Metropolis*.

ACMI and Melbourne Music Week continued our near-decade long partnership with two live cinema concerts; Fritz Lang's *Woman in the Moon* with live score by legendary Detroit music producer Jeff Mills followed by local filmmaker Alena Lodkina's *Strange Colours* with live score by Mikey Young and Friends.

TV and Series Mania

The second edition of international television festival Series Mania Melbourne was a great success and brought industry and public together to view premieres of the world's best television. Jointly presented by ACMI and Film Victoria and in collaboration with our international partner, Series Mania, our 2018 festival opened with *Wrong Kind of Black*, Princess Pictures' high-end ABC Television comedy drama series based on the life and stories of Indigenous storyteller and DJ Boori Monty Pryor. Sold-out events included the premiere of Emmy Award-winning *Patrick Melrose* starring Benedict Cumberbatch and an in-depth conversation with acting great Hugo Weaving and writer David Nicholls. Over 290 screen industry professionals attended the Series Mania Industry Day – almost double the number of attendees for its inaugural run in 2017.

ACMI's continued commitment to television fandom culminated in a special theatrical presentation of the first episode in the final series of the cult television show, *Game of Thrones*. This enormously popular co-presentation with Foxtel was introduced by Australian actor and *Wentworth* star Bernard Curry.

ACMI Curated Sessions

197

titles screened

159

titles screening
exclusively at ACMI

50,215

tickets sold

65

titles directed
by a woman

93

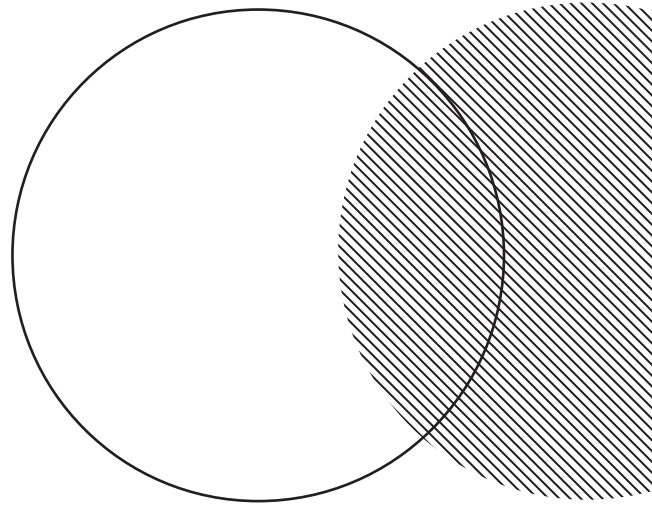
featuring a curator
intro, Q&A or Panel
Discussion with a
special guest

91

titles in a language
other than English

Corporate Goal: 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 embraces risk, valuing iterative improvement, testing and learning**
- Leverage and highlight our collection, and create links to the global network of moving image collections, to deliver a dynamic and accessible interface for our audiences to explore, share and remix their histories**



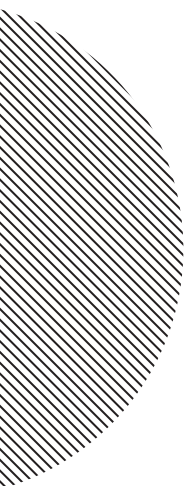


Image — Collections technician Ben Abbott checking the condition of a 16mm film, credit Phoebe Powell

An Expert Team

Putting People at the Centre

This year we embarked on a journey to evolve our organisational structure to meet the needs of our newly imagined museum. We engaged SACS Consulting to lead us through a process that empowered staff to develop and recommend our optimal organisational structure through a highly participative process. This approach was important to us because it recognised and valued the vast experience and organisational knowledge of our staff. The new structure will be implemented and bedded down prior to re-opening.

We worked closely with the Community and Public Sector Union and the Media Entertainment and Arts Alliance to support our people to transition to the close down period of our Renewal Project. A redeployment process was implemented for our ongoing employees, utilising a talent register to match employee skills and interests to cross functional development opportunities. We have worked with other creative organisations to find employment opportunities for our casual staff during this period.

Our Health and Wellbeing program was revitalised to better support our staff through the Renewal Project. We ran resilience training, superannuation consultations, financial literacy training and offered regular massages. Our staff also participated in The Arts Wellbeing Collective initiatives including yoga and meditation classes and we established a group of mental health first aid officers.

3000

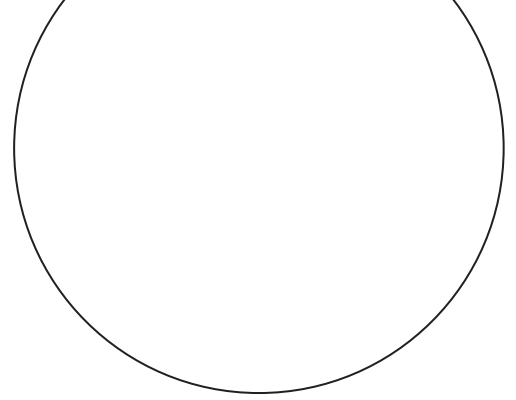
performances were built in Tessitura by the ticketing supervisors

108,000+

tickets sold over the counter by the ticketing team



Image — ACMI visitor services staff, credit Renee Stamatis



Welcoming Committee

The closure of *Screen Worlds* in April was a momentous occasion for all of us. Aside from engaging with, literally, millions of visitors to *Screen Worlds* since it opened in 2009, Visitor Services Officers (VSOs) and volunteers have conducted almost 7,000 tours of the space for well over 20,000 people. When our museum closed one month later, we farewelled our large group of casual VSOs and volunteers – many of whom have been with ACMI for a number of years. Certainly, the span of volunteering extends back to day one, with Helen Hill, Yoges Vadiveloo and Robert Brodie contributing over sixteen years with ACMI. In fact, Robert has volunteered more than 2800 hours to ACMI over these years.

The move into our offsite venues – Treasury Theatre and The Capitol – necessitated end-to-end operational planning and process development, along with staff training and induction. This move also marked the beginning of redeployments for our permanent VSOs who will be with us during the closure. This started with an exciting secondment for two members of our ticketing team to MONA, in Hobart, to assist with Dark Mofo. In addition to these MONA secondments, VSOs have also started redeployments across other areas of ACMI, including Collections, AV, Finance, Education, Renewal and Development.

“I noticed there were many staff around - including volunteers - and they all seemed to be engaged with customers”

— Anonymous Visitor

120

ACMI
volunteers

7000

hours
contributed

Volunteers who reached special milestones include:

Susan Harris

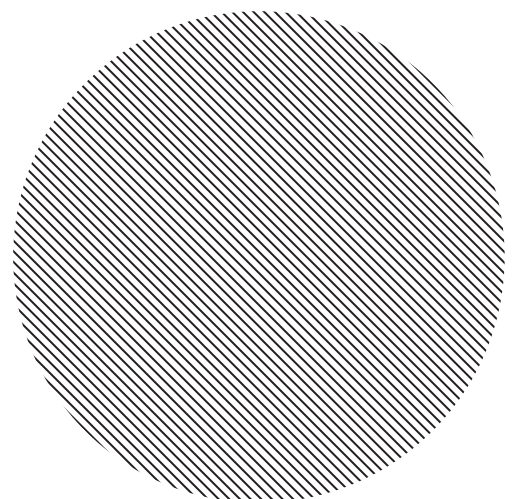
2500 hrs
12 years of service

Pinky Watson

2500 hrs
13 years of service

Paul Fuller

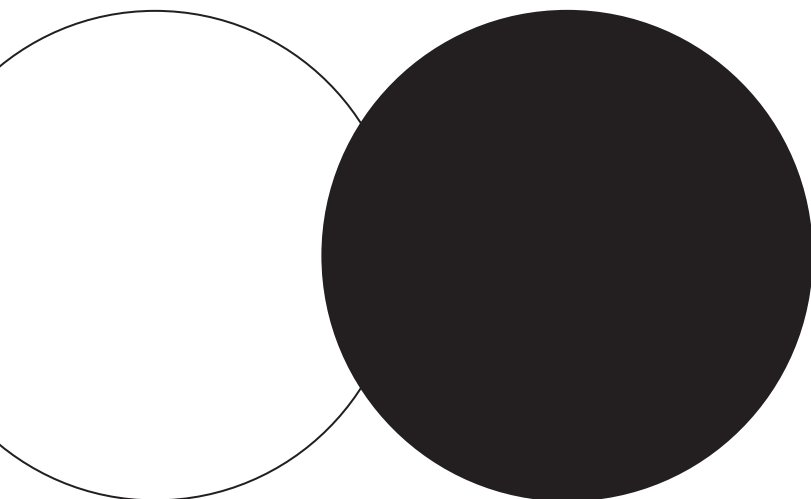
2000 hrs
10 years of service



Inspiring the Next Generation of Makers

ACMI education delivered another strong year of workshops, talks, screenings, exhibitions, resources and teacher professional development to Victorian primary and secondary schools.

ACMI maintained our leadership in using videogames as learning and teaching environments; we saw strong demand for our videogame making student workshops, the inaugural Game Lessons teacher professional development program, the launch of our online videogame making toolkit *Game It!* and the delivery of the Education in Games Summit as a part of Melbourne International Games Week. As we prepare to relaunch our school programs in 2020, the ACMI education team is working to develop programs that connect schools to our new exhibition, labs, and cinemas with the support of the Victorian Department of Education and Training's Strategic Partnerships Program. As part of this, the team established a series of partnerships including the Geelong Tech School, St Albans Heights Primary School and a year long evaluation program with the University of Melbourne. This is the start of ACMI's first triennial Schools Programming Strategy 2018-2022, our road map to double our reach and impact for Victorian schools.



Mapping the Future

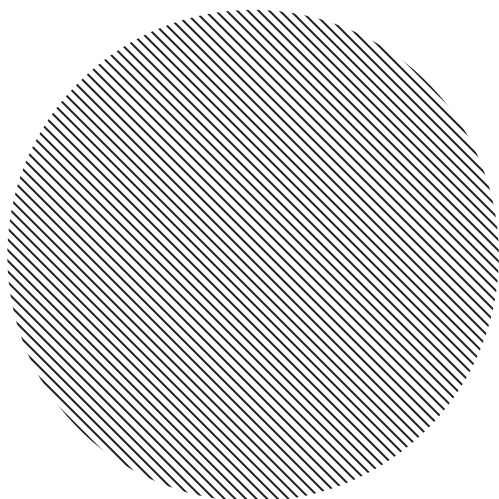
ACMI used The Lost Map of Wonderland to test ideas for creating a visitor tool for our new permanent exhibition. We learnt how to onboard visitors to a 'device' that could enhance a visit in the gallery and unlock more content online after their visit. By observing and speaking to visitors we got a better understanding of what they enjoyed about it and what the barriers to use were. The difference in behaviour between visitors that came on their own, as a group or with family helped inform design. We had analytics attached to the map itself and the post visit, so we could see what time visitors were spending in what parts of the gallery and online.

Using The Lost Map of Wonderland, visitors could access the post-visit website to download what they made in the exhibition, rediscover films, objects and stories and see how the exhibition was made. Analysing this anonymous usage data has given us great insight into user behaviour, including what content resonates most. This has been important for planning our visitor experience strategy for reopening in 2020.



Image —Above: videogames workshop, credit Phoebe Powell

Image —Below: The Lost Map of Wonderland in use, credit Anne Moffat



Spotlight: The ACMI Collection

Our collection is one of the most significant collections of moving image and related objects in Australasia, comprised of film, tape and disc material, time-based media art, videogames, television, objects and ephemera. This year we strove to increase digital access to our collection to enhance use by researchers and the general public alike.

Preservation

Building on the work of previous years, the Collections team have used five in-house digitisation stations and worked closely with a specialist external laboratory to safeguard cultural content against loss caused by deteriorating and fragile analogue media. The installation of a dedicated digital storage platform has enabled automation of transcoding and file verification, freeing staff resources and thus increasing digitisation output.

The collection team have undertaken a number of preservation activities relating to the time-based media art collection and interactive and videogame material. Working with the team at Flinders University and a recent graduate from the Grimwade Centre for Cultural Materials, conservation staff have surveyed the art and games collection, selecting several artworks to preserve and a range of interactive CD-Roms for data extraction and emulation. This work will continue in the forthcoming year.

Media Preservation Laboratory

ACMI is developing a public facing Media Preservation Lab (MPL) as part of its redevelopment. This year we have focused on preparations for the lab with new staff skills, mentoring, workflows and procedures. Towards the end of the year ACMI appointed a time based media art and AV conservator that will lead the MPL team. This appointment has begun the process of strategic and operational planning for day-to-day activities within the lab. The team is also working with public programs to plan a series of regular open days to engage the public and industry in the exciting, challenging and essential work of digital preservation.

Access

ACMI continues to make the collection more widely and easily accessible through a mix of onsite and online channels. The Amazing Amateurs web series now contains nine featured articles and many hours of digitised works. Our YouTube channel content is growing and we've produced playful remixes for social media and exhibition use. ACMI's time based media art collection is also visible to the general public and peer institutions alike through a dedicated landing page on the website. The collection is very much involved in the developing permanent exhibition, contributing objects and media content and enabling access to related content for the post visit experience.

300

terabytes digital
preservation storage

250,000+

items in the ACMI
collection

3,794

new digital assets

36,500

engagements
with collections

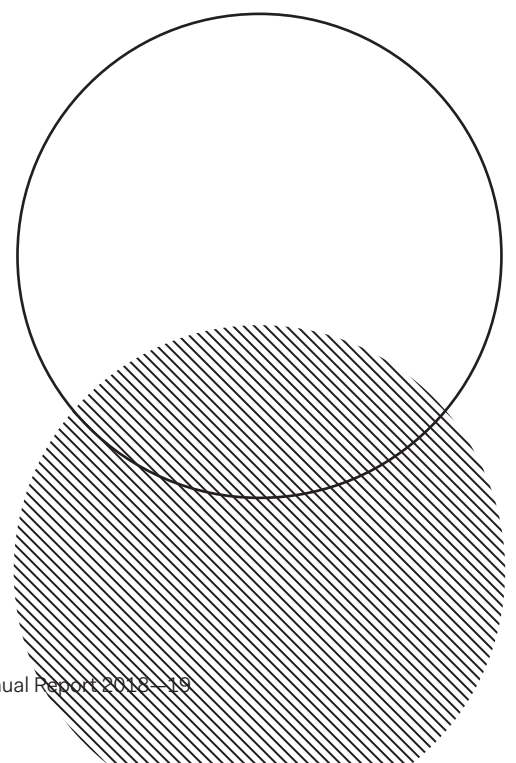
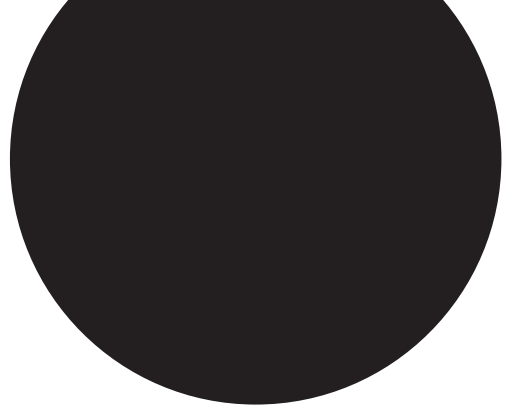


Image — Above: Small gauge digitisation, image credit Phoebe Powell

Image — Below: Time Based Media Preservation, image credit Phoebe Powell

Corporate Goal: Build Sustainability

- Increase and diversify self-generated revenue**
- Ensure strong environmental performance**
- Strengthen business systems and capital infrastructure planning and investment**
- Nurture our stakeholder relationships to align strategies and maximise mutual benefit**
- Embed an integrated, organisation-wide partnerships culture across ACMI**



Leveraging our Assets

Winning Merchandise

Our *Wonderland* exhibition merchandise has seen great success winning retail awards here in Australia, and international exposure for ACMI's bespoke branded merchandise. Touring venues now have the opportunity to purchase from a range of ACMI branded merchandise to retail in their own outlets, further extending the reach of the ACMI brand and bringing in additional revenue. Our first *Wonderland* touring venue ArtScience Museum, Singapore took up a selection of ACMI merchandise as well as the exhibition publication.

The shop extended connections with key moving image creatives and authors by launching book titles by Jocelyn Moorhouse and Dan Golding; and new merchandise by artists Zanny Begg and Lynette Wallworth in-line with our exhibition programming.

Commercial Success

ACMI's Events, Cafe & Bar, and Shop continued to build our self-generated revenue. These revenue streams are incredibly important to support our financial sustainability, and the impressive increases year on year reflect an emphasis on growth and an increasingly entrepreneurial organisation.

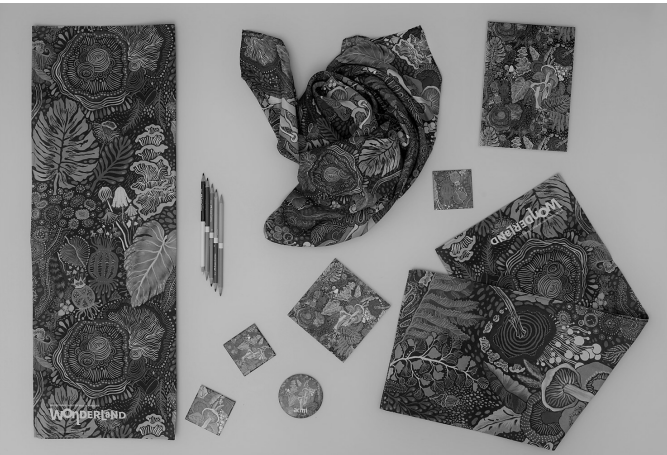


Image — Above: *Wonderland* merch for ACMI Shop, image credit Charlie Kinross

\$516k

ACMI Shop revenue

\$694k

events
revenue

\$158k

ACMI royalty
for the ACMI
Cafe & Bar

18,429

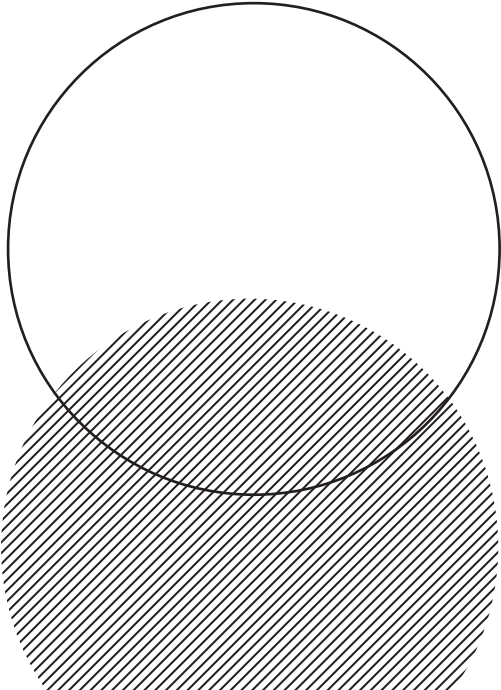
on-site
transactions
during 2018/19

129,237

attendance at
festival sessions

48,988

pieces of merchandise
during the duration
of the *Wonderland*
exhibition



Continuous Improvement

The Experience & Digital team developed a new condition reporting app for the Registration team to collect digital condition reports. The app allows the registrars to collect data and photos recording the condition of exhibition objects on a mobile device and save the data into a report spreadsheet. The app works online and offline, allowing registrars to collect reports in venues with variable internet access, and make annotations on photos of objects. They can also browse previous reports and generate PDF copies of reports.

This approach to collecting condition reports is forecast to save ACMI around \$10,000 per annum in software licensing fees compared to our previous digital condition reporting solution, which also lacked many of the critical features we have built into our new app. The digital team are excited about the possibilities this approach offers for digital condition reporting and other mobile data gathering in the museums sector.

The Capitol and Treasury Theatres Reignited

ACMI's Renewal Project presented two exciting opportunities to reinvigorate iconic cinema spaces in the CBD. With ACMI's state-of-the-art cinemas temporarily out of action from May 2019, ACMI needed to find venues that could host some of our much loved programs, and the many film festivals that we partner with and house in our museum each year.

In serendipitous timing, ACMI partnered with RMIT as they opened the newly renovated theatre The Capitol. Audiences were delighted by the geometric ceiling, designed by Marion Mahony Griffin, enjoying the weekly offer of our longstanding film society Melbourne Cinémathèque, ACMI-programmed seasons such as Viva Varda, Series Mania Melbourne, and our fabulous film festivals bringing their mix of international and locally made films to this Swanston Street theatre.

Our second temporary venue, Treasury Theatre at the corner of Spring and Collins Streets is a return to where the magic of ACMI began - it was our first home as the State Film Centre before the construction of Fed Square in 2002. Treasury Theatre is now home to our much loved Matinees program, our VCE education programs, as well as some of our film festival partners.

The technical skill, tenacity and adaptability of our Bio, AV, ICT, Events and Visitor Services teams must be acknowledged. Our staff have been expertly bringing these venues to life anew, ensuring the smooth transition to make them fully operational, both in terms of technical requirements and front of house. These two offsite venues will remain activated by the ACMI staff until we reopen, with our festivals and regular programming keen to return to our brand new museum in 2020.

ACMI International: A Global Museum

Delighting Audiences Around the World

International Touring developed strong new museum partnerships in Brazil, Canada and the United States, and cemented existing partnerships with both The ArtScience Museum Singapore and Te Papa Museum of New Zealand. These two museums are now hosting ACMI exhibitions for the second and third time respectively.

The innovative *Wonderland* is proving immensely attractive internationally, and is taking ACMI's reputation for ground breaking, digitally driven experiences to the world. *Wonderland's* first three venues are secured with more inline.

ACMI's new five year touring strategy developed in 2017-18 began its roll out in 2018-19. This plan envisaged an increase in the international touring program of two exhibitions to four venues a year, and up to three exhibitions to six national venues per year, with a concurrent increase in revenue. The addition of a popular third international touring exhibition *Wonderland* and the investment to extend the lifespan of both *Game Masters* and *DreamWorks Animation: The Exhibition* has made this possible. This investment was aided in part by Creative Victoria's cultural maintenance grant funding to *DreamWorks Animation: The Exhibition*. Further regional touring continues thanks to Creative Victoria's support of *Codebreakers: Celebrating Women in Games*, and the Visions of Australia Program's support of *Del Kathryn Barton: The Nightingale and the Rose*.

3

international touring shows in circulation for the first time

6

new international museum venues in North and South America, and Asia

663,000

visitors to *DreamWorks Animation: The Exhibition* at the Centro Cultural Banco do Brasil, Rio, Brazil in ten weeks

1,439,489

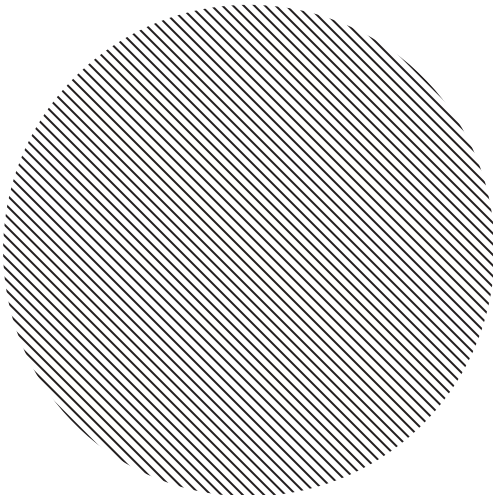
international visitors to ACMI's three international exhibitions for the year

3m+

total visits since ACMI international touring exhibitions began in 2013

20,000+

visitors to our two regional exhibitions, in eight Australian galleries



Nurture our Stakeholder Relationships

Creating a Culture of Partnerships

2018-19 has seen a shift in strategy for ACMI's corporate and philanthropic partnerships, with significantly increased income targets due to a \$5m capital campaign to supplement the Victorian Government's \$36.6m investment in our Renewal Project. ACMI's corporate and philanthropic partnerships are now grounded in a culture of reciprocity, as we move away from a 'transactional' style of fundraising to a sustainable community of long-term partnerships. This approach has resulted in ACMI securing more than \$3m in corporate and philanthropic support towards our Renewal Project, contributing to significant overall increases of 364% in corporate support and 689% philanthropic support (compared to 2017-18). A range of multi-year partnerships with corporate and philanthropic partners will provide ACMI with increased and certainty of revenue across the next three to five years.

In January 2019 Swinburne University of Technology joined ACMI as our Major Academic Partner for a four year term, formalising our existing relationship and previous collaborative projects including Cleverman and Superheroes Beyond conference. Swinburne's research in film, digital media and communication was recently assessed above world standard by the Australian Research Council, and they recently launched a new Centre for Transformative Media Technologies. In 2018 Swinburne and ACMI were awarded two major ARC grants: Play It Again: Preserving Australian videogame history of the 1990s and Archiving Australian Media Arts: Towards a method and national collection. When ACMI reopens in 2020, the partnership will extend to naming rights to our new multi-purpose function space, providing a space for collaboration and visibility for the partnership.

In May 2019 we announced a major new partnership with Gandel Philanthropy. ACMI's largest philanthropic investment to date, the generous \$650,000 gift will significantly improve

access to learning outcomes for students and teachers across the next three years. This important partnership will enable the construction of the Gandel Digital Future Labs as part of our renewal; and will expand ACMI's reach to regional areas through a Tech Schools partnership. Gandel Philanthropy's support of these initiatives will help ACMI to educate and inspire our future storytellers, coders, makers and players.

Informed by the last six years of robust growth in membership numbers and engagement, we are developing a new membership model to launch when ACMI reopens in 2020. Strategic research and ongoing data analysis will allow us to offer improved benefits to members including more opportunities to engage with our new museum, its programming, retail and food and beverage offerings. Alongside these benefits, an enriched user experience from purchase and account management to curated communications will aim to increase enjoyment and value from memberships.



Image — From left to right: Katrina Sedgwick, Pauline Gandel, John Gandel, credit Phoebe Powell

ACMI Publications

Major Presentations and Papers Presented by Staff

Bowers, Paul

Naked Truths: A leadership conversation, Australian Museums and Galleries Association National Conference, 16 May 2019

Bowers, Paul

See flowers, not owls—rethinking contemporary curatorship, Art History & Curatorship Alumni Network, University of Adelaide, Adelaide, 6 April 2019

Bowers, Paul

The tedious rigour of making playful experiences, MuseumNext Sydney, 1 April 2019

Bye, Susan and Meiri, Anat

Beyond the Museum: Exhibitions and programs on tour, MGA Regional Remote and Community Day, Mon 4 June 2018

Chan, Sebastian, and Paterson, Lucie

End-to-end Experience Design: Lessons For All from the NFC-Enhanced Lost Map of Wonderland, Museums and the Web 2019, Boston, USA, 3-6 April 2019

Chan, Sebastian

Emerging Prospects in Informal Learning Environments at COMPASS: Conference on Mobile Position Awareness Systems and Solutions, Exploratorium, San Francisco, 6-7 Sept 2018

Chan, Sebastian

Intersections, Humanities, Arts and Culture Data Summit, National Library of Australia, Canberra, 27-29 March 2019

Chan, Sebastian

Keynote, *FutureSlam: Harnessing technology to amplify Arts & Culture*, Techweek NZ, Auckland Museum, 21 May 2019

Chan, Sebastian

Keynote, *From Place To Platform*, Creative State Summit 2019, Melbourne Museum, May 30-31, 2019

Chan, Sebastian

Preserving More than Objects, Preserving the Near Future Symposium, ACMI, Melbourne, 28 July 2018

Chan, Sebastian

The New Creators: Repurposing, Re-using, Redesigning, Digital Directions 2018, National Sound & Film Archive, Canberra, 21-22 August 2018

Chan, Sebastian

Time, It's all a question of time, Service Design Now SDNOW03, Deakin Edge, Melbourne, 7 December 2018

Matheson, Kristy

An Audience Guide to Varda, Sydney Film Festival, Sydney, June 8 2019

Reseigh Farchione, Monique

Big Vision, Small Steps, Two case studies towards diversity, equity and access at ACMI, Programming in Museums and Galleries, Museums Australia (Vic), 21 Sep 2018

Richardson, Nick and Cranmer, Candice

Preserving the Near Future Symposium, ACMI, Melbourne, 28 July 2018

Sedgwick, Katrina

ACMI: Creating the Next Chapter, Remix Sydney, Sydney, April 12 2019

Sedgwick, Katrina

Breaking down the silos – creativity in the digital age, Brian Johns Lecture 2019, Macquarie University, Sydney, June 11, 2019

Sedgwick, Katrina

Keynote, *Working Through Change*, MuseumNext, London, June 4, 2019

Digital Publications

A Guide to NODEL (online essay series)

Giancono, Dale

AIDC's Alice Burgin on making a career in the world of non-fiction film

Sass, Tarnay

An introduction to Alfonso Cuarón's Roma (online essay)

Albarrán-Torres, César

Argentine identity in the films of Lucrecia Martel (online essay)

Di Mattia, Joanna

Beyond the lady-washed reboot (online essay)

Brodie, Taylor

Bi-monthly reviews for *Constellations* audio project, March to June 2019

Christian Petzold's cinema of haunted figures (online essay),

Sandberg, Dr Claudia

Cleverman is a hero to all (online essay)

Lovegrove, Kimberly

Discord and new beginnings in Wings of Desire (online essay)

Bugeja, Nick

Five life lessons from Alice in Wonderland (online essay)

Millikan, Matt

From heiress to cold case: who killed Juanita Nielsen? (online essay)

Kemp, Jessica

Gemma Pepper on starting out in creative tech (online interview)

Sass, Tarnay

Grown-up stories in games (online interview)
Fishwick, Jim

How to see the most of The Clock (online essay)
Millikan, Matt

Internet art to heal your queer heart (online essay)
Dobbie, Xanthe

Jafar Panahi: social issues filmmaker (online essay)
Demy-Geroe, Dr Anne

Kubernetes, DevOps and Continuous Integration at ACMI (online essay)
Serong, Andrew

Living in an oppressive system (online essay)
Di Mattia, Joanna

Looping on repeat (online essay)
Fishwick, Jim

Making Wonderland (video documentary)
Matulick, Shelley

Masculinity, violence and empathy with Minding the Gap director Bing Liu (online interview)
Barbour, Amanda

On Cleverman (online essay)
Gorrie, Nayuka

Picks of PAX 2018: a roundup (online essay)
Cronin, Caitlin

Reimagining ACMI's public interior spaces with RMIT students (online essay)
Chan, Sebastian

Screen It to Steam: interview with Bradley Hennessey (online interview)
Westmore, Garry

Selling exhibition tickets online in 2018 – Wonderland purchasing patterns (online essay)
Hodgins, Jerry

Testing HTML video playback on BrightSign (online essay)
Haberfield, Ali

The evolution of audio in videogames (online essay)
Scarratt, Daniel

The Lost Map of Wonderland—four months in (online essay)
Paterson, Lucie

The past and present of black creativity (online essay)
Mailangi, Enoch

The uncompromising works of Carlos Reygadas (online essay),
Wood, Jason

Top five TV dystopias (online essay)
Millikan, Matt

Urban traversal as resistance in videogames (online essay)
Baldwin, Alistair

"Well, nobody's perfect": Billy Wilder's cynical, classic cinema (online essay)
Bugeja, Nick

"What's the time?" Experimenting with cinematic temporality in The Clock (online essay)
Ross, Eloise

What to watch if you loved The Clock (online essay)
Millikan, Matt

Women's Work: Spiritualism, Satan and Hereditary (online essay),
Heller-Nicholas, Alexandra

Staff Contributions to Other Publications

Bye, Susan
An Independent Spirit: Robert Connolly as Auteur-Producer, in Collins, Felicity, Landman, Jane and Bye, Susan, (eds) *A Companion to Australian Cinema*, Hoboken, NJ: John Wiley & Sons, Inc., 2019.

Bye, Susan
Imagination and invention: "Alice in wonderland" on screen, Screen Education, Issue 92, March 2019

Bye, Susan
Love in a Lost World: "William Shakespeare's Romeo and Juliet", Screen Education, Issue 90, September 2018

Chan, Sebastian and Paterson, Lucie
End-to-end Experience Design: Lessons For All from the NFC-Enhanced Lost Map of Wonderland, Published Proceedings, Museums and the Web 2019, USA

Chan, Sebastian and Johnston, C., Giannini, T.
Digital Culture Leaders Visioning the Postdigital Museum in Bowen, J. & Giannini, T. (eds), *Museums and Digital Culture: New Perspectives and Research*, Springer, Switzerland.

Chan, Sebastian
Museum Resolution: Do Away with Salary Cloaking, Walker Reader, Walker Art Museum, Minneapolis, walkerart.org/magazine/soundboard-museum-resolutions-seb-chan

Collins, Felicity, Landman, Jane and Bye, Susan
(eds) *A Companion to Australian Cinema*, Hoboken, NJ: John Wiley & Sons, Inc., 2019.

Cronin, Caitlin
The Uncanny Valley Of Character Creation, Kotaku AU, kotaku.com.au/2019/02/uncanny-valley-character-creation-divinity-original-sin-2-acmi/ February 2019

Kirpalani, Amita
Curating Will to Form, Art Monthly Issue 309, August 2018

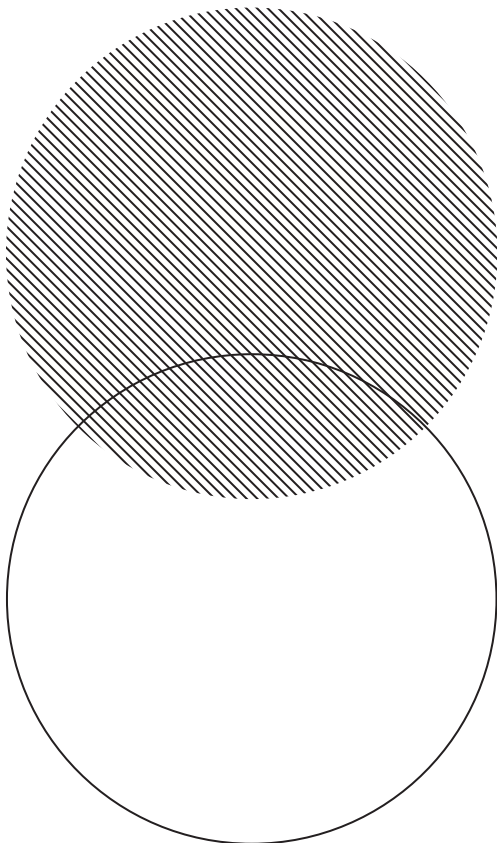
Kirpalani, Amita
Indefatigable, Exhibition catalogue for Julia de Ville, Linden New Art, November 2018

Kirpalani, Amita
You Used to Tell the Truth, Exhibition catalogue for Dane Lovett, Bus Gallery, March 2019

Offman, Arie
I Hate You, Bowser, Kotaku AU kotaku.com.au/2018/11/i-hate-you-bowser/ November 2018

Roll the Credits...

We gratefully acknowledge the critical support of government, our partners, philanthropic trusts and donors.



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 Yering Station

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 ABC
 Blackmagic
 RODE
 Zart Art

Cleverman
 ABC
 Goalpost Pictures
 Pukeko Pictures
 Swinburne University of Technology

Touring Partners

IAS Fine Art Logistics

Codebreakers: Celebrating Women in Games
 Creative Victoria

Del Kathryn Barton: The Nightingale and the Rose
 Visions of Australia Program

DreamWorks Animation: The Exhibition
 DreamWorks Animation LLC.

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 Anonymous (5)

Establishment, Functions and Powers

In performing its functions and exercising its powers, Australian Centre for the Moving Image (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 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.

Performance Summary

Summary of Financial Results

| | 30 June 2019 | 30 June 2018 | 30 June 2017 | 30 June 2016 | 30 June 2015 |
|--|-------------------|-------------------|--------------------|-------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Operating result | | | | | |
| Government grants* | 29,653,000 | 21,565,415 | 20,734,703 | 20,685,024 | 20,323,000 |
| Self generated revenue | 8,782,270 | 12,537,551 | 7,389,265 | 11,558,510 | 6,803,209 |
| Total revenue | 38,435,270 | 34,102,966 | 28,123,968 | 32,243,534 | 27,126,209 |
| Total expenses from transactions | (31,079,157) | (31,417,862) | (28,611,924) | (29,810,386) | (26,955,610) |
| Operating surplus/(deficit) before depreciation & capital items ** | 7,356,113 | 2,685,104 | (487,956) | 2,433,148 | 170,599 |
| Less net depreciation & capital items | (2,565,341) | (2,308,447) | (1,131,684) | (1,840,906) | (3,258,813) |
| Result from operating activities after depreciation & capital items | 4,790,772 | 376,657 | (1,619,640) | 592,242 | (3,088,214) |
| Cash flow | | | | | |
| Cash flow from/(used in) operating activities | 9,484,258 | 1,869,867 | 1,485,061 | 4,899,020 | 1,492,602 |
| Cash flow used in investing activities | (3,785,338) | (2,709,802) | (1,244,267) | (3,605,372) | (735,954) |
| Cash flow from financial activities | 7,220,000 | 2,702,700 | | | |
| Net increase/(decrease) in cash and cash equivalents | 12,918,920 | 1,862,765 | 240,794 | 1,293,648 | 756,648 |
| Balance sheet | | | | | |
| Total assets | 42,322,835 | 27,435,123 | 25,138,933 | 25,922,156 | 25,263,813 |
| Total liabilities | 8,067,495 | 5,190,555 | 5,973,723 | 5,137,306 | 4,959,709 |
| Total equity | 34,255,340 | 22,244,568 | 19,165,210 | 20,784,850 | 20,304,104 |

*Government grants represents the Government funding, excluding capital, received from the Department of Jobs, Precincts and Regions.

**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 2018-19 was a profit of \$7.34m (profit of \$2.68m 2017-18).

Factors contributing to the favourable operating result are outlined below:

- Government grants includes recurrent funding and other operating project funding from the Department of Jobs, Precincts and Regions; includes additional operating funding for unprogrammed maintenance and business disruption.
- Self generated revenue decreased compared to previous period due to only one Melbourne Winter Masterpiece exhibition compared to FY2017-18 and ACMI closure from May 2019.
- Expenses from transactions were in line with budget expectations. Costs were maintained at budgeted levels with a decrease compared to prior year in program costs due to only one Melbourne Winter Masterpiece exhibition and closure of ACMI from May.

Net increase in cash flow includes the second instalment of the Renewal funding and equity contribution from Government; and additional funding for unprogrammed maintenance in FY2019-20. Total assets have increased due to an increase in fixed assets net carrying amount with the Renewal capital works in progress and increase in financial assets due to timing of funding.

Total liabilities have increased due increase in income in advance and increase in employee benefits and provisions at year end.

Key Performance Indicators

| | 30 June 2019 | 30 June 2018 | 30 June 2017 |
|--------------------------------|--------------|--------------|--------------|
| Visitation (Federation Square) | 998,808 | 1,551,366 | 1,286,549 |
| Visitation (offsite) | 1,471,329 | 458,113 | 561,442 |
| Total visitation | 2,470,137 | 2,009,479 | 1,847,991 |
| Online visitation | 1,581,749 | 1,987,627 | 1,593,204 |

Outputs and Other Statistics

| | 30 June 2019 | 30 June 2018 | 30 June 2017 |
|--|--------------|--------------|--------------|
| Memberships | 2,200 | 3,326 | 3,602 |
| Volunteer hours | 6,912 | 11,233 | 9,617 |
| Students participating in education programs | 57,921 | 70,294 | 59,699 |
| Quality | | | |
| Collection stores to industry standard | 68% | 68% | 68% |
| Visitors satisfied with visit overall | 95% | 95% | 96% |

ACMI's Minister

Martin Foley MP was appointed as the Minister for Creative Industries in December 2014. He is also the Minister for Mental Health and Equality.

The Minister for Creative Industries is responsible for promoting the development of the creative industries sector in Victoria.



ACMI's Board

Peter Lewinsky (Board President until 30 June 2019)

Jan Chapman AO (until 30 June 2019)

Tasneem Chopra

Karen Corry (Chair of Audit Committee)

Ian Forsyth (from 1 July 2018)

Rachel Griffiths

Rachael Maza

Michael Wachtel (until 30 June 2019)

Linda White

Paul Wiegard

Dr Terry Wu

*Janet Matton (Board President from 1 July 2019)

Attendance by Board members at meetings:

| Director | Number of meetings | Number of meetings attended |
|-------------------------------|--------------------|-----------------------------|
| Peter Lewinsky | 8 | 7 |
| Jan Chapman AO | 8 | 8 |
| Tasneem Chopra | 8 | 7 |
| Karen Corry | 8 | 7 |
| Ian Forsyth | 8 | 8 |
| Rachel Griffiths ¹ | 2 | 1 |
| Rachael Maza | 8 | 4 |
| Michael Wachtel | 8 | 8 |
| Linda White | 8 | 6 |
| Paul Wiegard | 8 | 6 |
| Dr Terry Wu | 8 | 8 |

¹ Rachel Griffiths was on leave of absence 1 July 2018 until 31 March 2019

ACMI's Senior Executives

- Katrina Sedgwick, Director & CEO

Graham Jephcott, Deputy CEO/Commercial & Operations Director

Paul Bowers, Director of Exhibitions

Seb Chan, Chief eXperience Officer

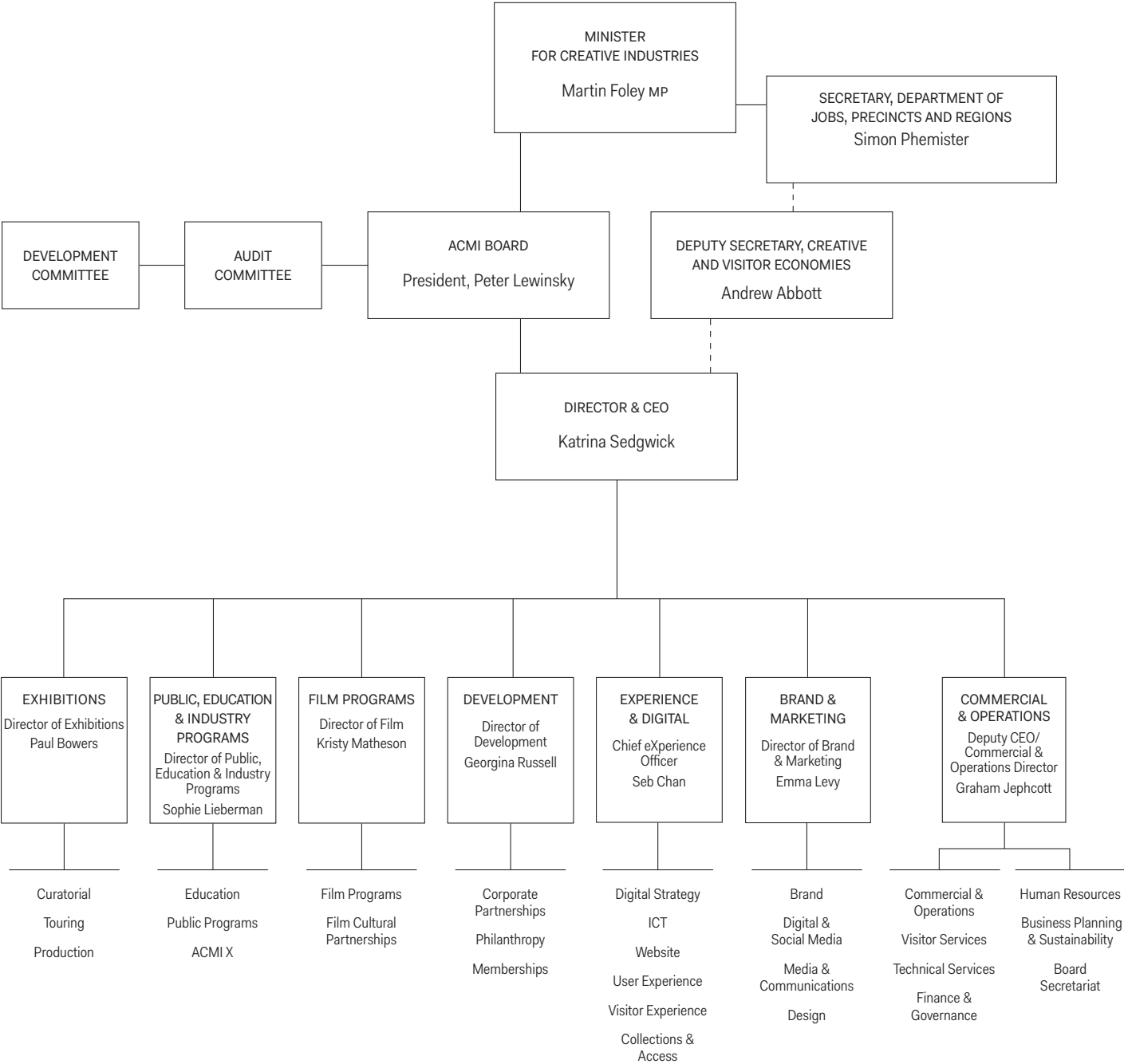
Emma Levy, Director of Brand & Marketing
- Sophie Lieberman, Director of Public, Education & Industry Programs

Kristy Matheson, Director of Film

Georgina Russell, Director of Development

Chief Finance Officer: Sandra Lordanic, Head of Finance & Governance

Governance Structure



Audit Committee Membership and Roles:

The Audit Committee consists of the following members:

- Karen Corry (Chair of Audit Committee) (independent member)
- Peter Lewinsky (Board President) (independent member) (until 30 June 2019)
- Alison Parker (independent member)
- Linda White (independent member)
- Paul Wiegard (independent member)

The main responsibilities of the Audit Committee are to:

- review and report independently to the Board on the annual report and all other financial information published by ACMI;
- assist the Board in reviewing the effectiveness of ACMI's internal control environment covering:
 - effectiveness and efficiency of operations;
 - reliability of financial reporting;
 - compliance with applicable laws and regulations;
- determine the scope of the internal audit function and ensure its resources are adequate and used effectively, including coordination with the external auditors;
- maintain effective communication with external auditors;
- consider recommendations made by internal and external auditors and review the implementation of actions to resolve issues raised; and
- oversee the effective operation of the risk management framework.

Attendance by Audit Committee Members at Meetings:

| Director | Number of meetings | Number of meetings attended |
|----------------|--------------------|-----------------------------|
| Peter Lewinsky | 4 | 3 |
| Karen Corry | 4 | 4 |
| Alison Parker | 4 | 4 |
| Linda White | 4 | 3 |
| Paul Wiegard | 4 | 4 |

Human Resources Management and Occupational Health & Safety

ACMI continued to support training and development opportunities in 2018-19 providing staff with 3149 hours to attend internally and externally facilitated training events. We offered organisational development opportunities such as Leadership Development, Health and Safety for Managers training, Resilience training and Indigenous Cultural Awareness training as well as technical and individual role specific training. We have also continued to deliver a suite of online learning for all staff to remain up to date with their emergency preparedness responsibilities and Work Health and Safety.

The ACMI Consultative Committee continued to meet throughout the period of this report. There were no days lost as a result of industrial disputes. There were two formal grievances lodged during the reporting period, both were managed through the ACMI Grievance and Complaints Procedure.

ACMI's Occupational Health and Safety (OH&S) policy aims to ensure all our staff, volunteers and visitors enjoy a safe and healthy environment. During the 2018-19 financial year our management cohort participated in Workplace Inspections training and construction white card training was provided to staff requiring access to the Federation Square Site during construction. This training was in addition to first aid certifications and refreshers and OH&S representative training.

Six ACMI employees participated in and received certification in Mental Health First Aid this year. 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. ACMI also continued to participate in the Arts Wellbeing Collective program in addition to providing internal wellbeing initiatives for employees.

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 2018-19.

The combination of an increase in incidents reported across the organisation and a decrease in overall FTE has resulted in an increase of incident rate per FTE. Incidents include injuries and other non-injury related incidents.

There were two minor claims for medical and like expenses and one lost time injury claim that did not progress to a standard claim. Our WorkCover premium for 2018-19 decreased by approximately \$15,000. This was as a result of no standard claims and changes in the average industry performance.

We continue to perform better than average when benchmarked with similar organisations over the last three years.

| Measure | KPI | 2016-17 | 2017-18 | 2018-19 |
|-----------------|--|---------|---------|---------|
| Incidents | No. of incidents | 13 | 43 | 47 |
| | Rate per 100 FTE | 8.7 | 25.8 | 34.2 |
| Claims | No. of standard claims | - | - | - |
| | Rate per 100 FTE | - | - | - |
| | No. of lost time claims | 2 | 1 | 1 |
| | Rate per 100 FTE | 1.3 | 0.6 | 0.73 |
| | No. of claims exceeding 13 weeks | - | - | - |
| | Rate per 100 FTE | - | - | - |
| Fatalities | Fatality claims | - | - | - |
| Claims cost | Average cost per standard claim ⁽ⁱ⁾ | - | - | - |
| Return to work | Percentage of claims with RTW plan <30 days | 100% | 100% | 100% |
| Policy currency | OH&S Policy current | Yes | Yes | Yes |

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

Employment and conduct principles

ACMI continues its commitment to applying merit and equity principles when appointing staff. Our selection processes ensure that an applicant's work-related qualities are assessed fairly and equitably against the qualities required to perform the role without discrimination. Employees have been correctly classified in workforce data collections.

Public sector values and employment principles

The *Public Administration Act 2004* (Vic) (Public Administration Act) established the Victorian Public Sector Commission (VPSC). The VPSC's role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

ACMI continues to apply and uphold the Code of Conduct for VPSC.

Our induction program educates new staff on appropriate workplace behaviours and procedures to ensure understanding of equal opportunity, harassment and discrimination, child safety principles and our complaints process. We have continued to rollout a schedule of online learning covering workplace bullying, sexual harassment, discrimination and equal opportunity to reinforce these policies.

In accordance with Section 8 of the Public Administration Act, 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

| June 2019 | | | | | | | |
|---------------------|-----------------------------|-----|--------------------------|--------------------------|-----|-----------------------|-------|
| All employees | | | Ongoing | | | Fixed term and casual | |
| | Number (headcount) | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Number (headcount) | FTE |
| Demographic data | Gender | | | | | | |
| | Women | 96 | 81.39 | 36 | 23 | 51.25 | 30.14 |
| | Men | 68 | 55.15 | 32 | 10 | 38.98 | 16.17 |
| | Self-described ¹ | 2 | 0.87 | - | - | - | 0.87 |
| | Age | | | | | | |
| | 15-24 | 3 | 2.19 | 1 | - | 1 | 1.19 |
| | 25-34 | 39 | 31.39 | 13 | 7 | 17.24 | 14.14 |
| | 35-44 | 65 | 51.89 | 25 | 12 | 33.97 | 17.92 |
| | 45-54 | 35 | 30.65 | 15 | 6 | 18.72 | 11.93 |
| | 55-64 | 22 | 19.63 | 13 | 7 | 17.63 | 2 |
| | 65+ | 2 | 1.66 | 1 | 1 | 1.67 | - |
| Classification data | VPS 1-6 grades | | | | | | |
| | VPS 1 | - | - | - | - | - | - |
| | VPS 2 | 40 | 23.92 | 7 | 14 | 15.72 | 8.2 |
| | VPS 3 | 54 | 45.19 | 16 | 10 | 22.91 | 22.28 |
| | VPS 4 | 38 | 34.6 | 22 | 9 | 28.6 | 6 |
| | VPS 5 | 18 | 18 | 14 | - | 14 | 4 |
| | VPS 6 | 12 | 11.7 | 9 | - | 9 | 2.7 |
| | Senior employees | | | | | | |
| | STS | - | - | - | - | - | - |
| | PS | - | - | - | - | - | - |
| | SMA | - | - | - | - | - | - |
| | SRA | - | - | - | - | - | - |
| | Executives | 4 | 4 | | | 4 | 4 |
| | Other | | | | | | |
| | Total employees | 166 | 137.41 | 68 | 33 | 90.23 | 47.18 |

Notes:

¹ Staff who identify with a gender other than male or female have been included in the self-described gender descriptor.

FTE means full time equivalent staff. All figures reflect employment levels during the last full pay period of June each year inclusive of overtime hours.

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.

There has been a significant decrease in staffing levels as a result of the closure of the museum for the ACMI Renewal project meaning a reduced number of casual hours for the reporting period.

Workforce Data

| | June 2018 | | | | | | | |
|---------------------|-----------------------------|-----|--------------------------|--------------------------|-----|-----------------------|-----------------------|-------|
| | All employees | | | Ongoing | | | Fixed term and casual | |
| | Number (headcount) | FTE | Full-time (headcount) | Part-time (headcount) | FTE | Number (headcount) | FTE | |
| Demographic data | | | | | | | | |
| | Women | 135 | 98.33 | 41 | 21 | 55.73 | 73 | 42.60 |
| | Men | 88 | 68.22 | 35 | 8 | 40.47 | 45 | 27.75 |
| | Self-described ¹ | 1 | 0.09 | - | - | - | 1 | 0.09 |
| | Age | | | | | | | |
| | 15–24 | 19 | 9.66 | - | 3 | 2.62 | 16 | 7.04 |
| | 25–34 | 72 | 48.84 | 18 | 4 | 20.90 | 50 | 27.95 |
| | 35–44 | 79 | 60.22 | 31 | 10 | 37.37 | 38 | 22.85 |
| | 45–54 | 33 | 28.89 | 15 | 5 | 18.28 | 13 | 10.60 |
| | 55–64 | 19 | 17.37 | 11 | 6 | 15.37 | 2 | 2 |
| | 65+ | 2 | 1.66 | 1 | 1 | 1.66 | - | - |
| Classification data | VPS 1-6 grades | | | | | | | |
| | VPS 1 | - | - | - | - | - | - | - |
| | VPS 2 | 94 | 52.54 | 8 | 15 | 19.06 | 71 | 33.48 |
| | VPS 3 | 59 | 47.10 | 20 | 7 | 24.64 | 32 | 22.46 |
| | VPS 4 | 39 | 35.60 | 26 | 7 | 30.50 | 6 | 5.10 |
| | VPS 5 | 15 | 14.60 | 12 | - | 12 | 3 | 2.6 |
| | VPS 6 | 13 | 13 | 10 | - | 10 | 3 | 3 |
| | Senior employees | | | | | | | |
| | STS | - | - | - | - | - | - | - |
| | PS | - | - | - | - | - | - | - |
| | SMA | - | - | - | - | - | - | - |
| | SRA | - | - | - | - | - | - | - |
| | Executives | 4 | 3.80 | - | - | - | 4 | 3.8 |
| | Other | | | | | | | |
| | Total employees | 224 | 166.64 | 76 | 29 | 96.2 | 119 | 70.44 |

Notes:

¹ Staff who identify with a gender other than male or female have been included in the self-described gender descriptor.

FTE means full time equivalent staff. All figures reflect employment levels during the last full pay period of June each year inclusive of overtime hours.

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.

There has been a significant decrease in staffing levels as a result of the closure of the museum for the ACMI Renewal Project meaning a reduced number of casual hours for the reporting period.

Annualised total salary by \$20,000 bands for Executive and other senior non-executive staff

| Income Band (Salary) | Executives |
|-----------------------|------------|
| \$180,000 - \$199,999 | 1 |
| \$200,000 - \$219,999 | 1 |
| \$220,000 - \$239,999 | - |
| \$240,000 - \$259,999 | - |
| \$260,000 - \$279,999 | 1 |
| \$280,000 - \$299,999 | - |
| \$300,000 - \$319,999 | 1 |
| Total | 4 |

Note: Salaries reported above is for the full financial year, at a 1-FTE rate, and excludes superannuation

Executive Officer data

| EO Level | All | | Women | | Men | | Self-described | |
|--------------|----------|----------|----------|----------|----------|----------|----------------|----------|
| | No. | Var. | No. | Var. | No. | Var. | No. | Var. |
| EO1 | | | | - | - | - | - | - |
| EO2 | 1 | - | 1 | - | | - | - | - |
| EO3 | 3 | - | 1 | - | 2 | - | - | - |
| Total | 4 | - | 2 | - | 2 | - | - | - |

Reconciliation of Executive Officers

| | | 2019 | 2018 |
|--|---|----------|----------|
| Executives with total remuneration over \$100,000 (Financial Statement Note 8.4.1) | | 3 | 3 |
| Add | Vacancies | - | - |
| | Executives employed with total remuneration below \$100,000 | - | - |
| | Accountable Officer | 1 | 1 |
| Less | Separations | - | - |
| Total Executive numbers at 30 June 2018 | | 4 | 4 |

Other disclosures

Local Jobs First

The *Local Jobs First Act 2003* (Vic), introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPPP) and Major Project Skills Guarantee Policy (MPSG). Public bodies and departments are to apply the Local Job First policy in all tenders above \$3 million in metropolitan Melbourne and \$1 million in regional areas. Major Project Skills Guarantee applies to all construction projects valued above \$20 million. For the 12 months ending 30 June 2019 ACMI did not commence or complete any contracts to which the VIPPP applies.

Government advertising expenditure

In 2018-19 there was no government advertising campaign with total media spend of \$100,000 or greater (exclusive of GST).

Consultancy expenditure

Details of consultancies over \$10,000

In 2018-19, there were four consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure during 2018-19 in relation to these consultancies is \$201,015 (excluding GST). Details of individual consultancies are outlined below.

| Name | Purpose of consultancy | Total approved project fee (excluding GST) | Expenditure 2018-19 (excluding GST) | Future expenditure (excluding GST) |
|--------------------------------------|--|--|-------------------------------------|------------------------------------|
| Future Food T/a Retail Food Planners | Development of business plan and strategic advice for potential caterers | \$29,900 | \$20,700 | \$9,200 |
| North Associates Ltd | Brand design and implementation consulting | \$113,500 | \$35,435 | \$78,065 |
| SACS | Workforce planning development | \$39,615 | \$39,615 | - |
| Terri Janke and Company Pty Ltd | Development of ACMI's Reconciliation Action Plan | \$18,000 | \$11,260 | \$6,740 |

Details of consultancies under \$10,000

In 2018-19, there were no consultancies where the total fees payable to the consultant were less than \$10,000.

Details of Information and Communication Technology (ICT) expenditure

For the 2018-19 reporting period, ACMI had a total ICT expenditure of \$1,709,442 with the details shown below.

| All operational ICT expenditure | ICT expenditure related to projects to create or enhance ICT capabilities | | |
|---|---|-------------------------|---------------------|
| Business as Usual (BAU) ICT Expenditure | Non-BAU ICT expenditure | Operational expenditure | Capital expenditure |
| Total | Total = A + B | A | B |
| \$1,747,614 | \$414,426 | \$- | \$414,426 |

Disclosure of major contracts

ACMI did not enter into any contracts greater than \$10 million in 2018-19.

Freedom of Information

The *Freedom of Information Act 1982* allows the public a right of access to documents held by ACMI. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents both created by ACMI or supplied to ACMI by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes.

The FOI Act allows ACMI to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include: cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to ACMI in-confidence.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (Fol) processing time for requests received from 45 to 30 days. In some cases, this time may be extended.

If an applicant is not satisfied by a decision made by the Department, under section 49A of the FOI Act, they have the right to seek a review by the Office of the Victorian Information Commissioner within 28 days of receiving a decision letter.

For the 12 months ending 30 June 2019, ACMI received no applications.

Making a request

Fol requests can be lodged online at www.foi.vic.gov.au. An application fee of \$29.60 applies. Access charges may also be payable if the document pool is large, and the search for material is time consuming.

When making an Fol request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

Access to documents may be obtained through a written request to the Freedom of Information Officer (Fol 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 Fol 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 (Vic).

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:
Federation Square
Corner Flinders and Swanston Streets
Melbourne VIC 3000

Postal address:
PO Box 14
Flinders Lane VIC 8009

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.

Fol statistics/timeliness

During 2018-19, ACMI received no applications.

Further information

Further information regarding the operation and scope of Fol can be obtained from the FOI Act; regulations made under the FOI Act; and foi.vic.gov.au.

Compliance with the *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

The Competitive Neutrality Policy Victoria applies to significant business activities of publicly owned entities and not the non-business non-profit activities of those entities. During 2018-19 ACMI did not commence or alter any significant business activities.

Compliance with the *Protected Disclosure Act 2012*

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 the 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: 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.

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 CR Act, as well as;
- considering the carer relationships principles set out in the CR Act when setting our policies and in providing our services. We have reviewed and updated our employment policies such as flexible working arrangements, family friendly policy and leave provisions to ensure that these comply with the statement of principles in the CR Act.

Office based environmental impacts

ACMI is committed to environmental sustainability and has implemented a range of initiatives to minimise environmental impacts across ACMI operations.

Environmental performance

| | 2018-19 | 2017-18 | 2016-17 |
|---|---------------|---------------|-----------|
| Electricity (kWh) | 1,751,634 | 1,544,054 | 1,425,149 |
| Natural gas (GJ) | 813.8 | 919.2 | 849.9 |
| Greenhouse gas emissions (tCO ₂ e) | 3,579.9 | 3,478.1 | 3,272 |
| Landfill waste (kg) | 21,800 | 22,000 | 19,000 |
| Recycled waste (kg) | 14,963 | 19,500 | 13,921 |
| Paper (reams) | 921 | 989 | 943 |
| Water (KL) ¹ | Not available | Not available | 1,473 |

¹Water usage data not available due to site management software issues.

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 statement that declarations of pecuniary interests have been duly completed by all relevant officers;
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary;
- details of publications produced by the entity about itself, and how these can be obtained;
- details of changes in prices, fees, charges, rates and levies charged by the entity;
- details of any major external reviews carried out on the entity;
- details of major research and development activities undertaken by the entity;
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit;
- details of major promotional, public relations and marketing activities undertaken by the entity to develop community awareness of the entity and its services;
- details of assessments and measures undertaken to improve the occupational health and safety of employees;
- a general statement on industrial relations within the entity and details of time lost through industrial accidents and disputes;
- 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
- details of all consultancies and contractors including:
 - consultants/contractors engaged;
 - services provided; and
 - expenditure committed to for each engagement.

The information is available on request from:

Deputy CEO/Commercial & Operations Director
Phone: (03) 8663 2200
Email: governance@acmi.net.au

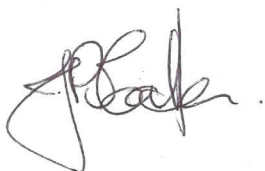
Postal address:
PO Box 14
Flinders Lane VIC 8009

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**Attestation for financial management compliance with
Ministerial Standing Direction 5.1.4**

Australian Centre for the Moving Image (ACMI) Financial
Management Compliance Attestation Statement

I, Janet Matton, on behalf of the Responsible Body, certify that
the Australian Centre for the Moving Image has complied with
the applicable Standing Directions of the Minister for Finance
under the *Financial Management Act 1994* (Vic) and Instructions.

A handwritten signature in dark ink, appearing to read 'J. Matton', with a stylized flourish at the end.

Janet Matton
President
Australian Centre for the Moving Image
26 August 2019

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.

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How this report is structured

The Australian Centre for the Moving Image (ACMI) has presented its audited general purpose financial statements for the financial year ended 30 June 2019 in the following structure to provide users with the information about ACMI's stewardship of resources entrusted to it.

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Financial Statements

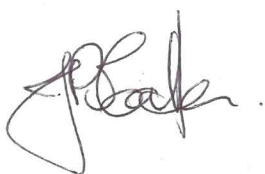
ACCOUNTABLE OFFICER'S AND CHIEF FINANCIAL OFFICER'S DECLARATION

The attached financial statements for the Australian Centre for the Moving Image (ACMI) have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations and other mandatory professional reporting requirements.

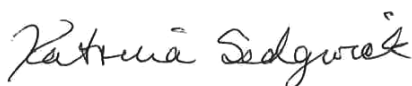
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2019 and financial position of the Australian Centre for the Moving Image at 30 June 2019.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 26 August 2019.



Janet Matton
President



Katrina Sedgwick
Director and Chief Executive Officer



Sandra Lordanic FCPA
Head of Finance and Governance

Melbourne
26 August 2019

Independent Auditor's Report

To the Board of the Australian Centre for the Moving Image

| | |
|--|---|
| Opinion | <p>I have audited the financial report of the Australian Centre for the Moving Image (the entity) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2019 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • accountable officer's and chief financial officer's declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p> |
| Basis for Opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p> |
| Board's responsibilities for the financial report | <p>The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p> |

**Auditor's
responsibilities
for the audit
of the financial
report**

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

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

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

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

MELBOURNE
29 August 2019



Simone Bohan
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

| | Notes | 2019 \$ | 2018 \$ |
|--|-------|---------------------|---------------------|
| Continuing Operations | | | |
| Income from transactions | | | |
| Government grants | 2.2.1 | 32,168,000 | 23,810,419 |
| Revenue | 2.2.2 | 6,000,624 | 8,977,277 |
| Sponsorship and grants | 2.2.3 | 1,584,666 | 2,349,914 |
| Other income | | 822,966 | 1,007,653 |
| Total income from transactions | | 40,576,256 | 36,145,263 |
| Expenses from transactions | | | |
| Employee expenses | 3.2 | (17,674,904) | (16,485,965) |
| Rental and associated outgoings | 3.3 | (5,454,059) | (5,595,287) |
| Depreciation and amortisation | 4.3 | (2,368,113) | (2,398,447) |
| Cost of goods sold | | (297,313) | (571,151) |
| Capital asset charge | 3.4 | (2,505,000) | (2,105,004) |
| Other operating expenses | 3.5 | (7,630,062) | (8,765,459) |
| Total expenses from transactions | | (35,929,451) | (35,921,313) |
| Net result from transactions (net operating balance) | | 4,646,805 | 223,950 |
| Other economic flows included in net result | | | |
| Net gain/(loss) on financial instruments | 8.2 | (19,659) | 40,233 |
| Impairment of financial assets at amortised cost | 8.2 | (3,160) | - |
| Net loss on non-financial assets | 8.2 | (207,228) | - |
| Other gain/(loss) from other economic flows | 8.2 | 374,014 | 112,474 |
| Total other economic flows included in net result | | 143,967 | 152,707 |
| Net result | | 4,790,772 | 376,657 |
| Other economic flows - other comprehensive income | | | |
| Items that will not be reclassified to net result | | | |
| Changes in physical asset revaluation surplus | 8.3 | - | - |
| Total other economic flows - other comprehensive income | | | |
| Comprehensive result | | 4,790,772 | 376,657 |

The accompanying notes form part of these financial statements.

| | Notes | 2019 \$ | 2018 \$ |
|---|-------|-------------------|-------------------|
| Assets | | | |
| Financial assets | | | |
| Cash and deposits | 6.2 | 21,795,701 | 8,876,781 |
| Receivables | 5.1 | 1,501,697 | 669,434 |
| Total financial assets | | 23,297,398 | 9,546,215 |
| Non-financial assets | | | |
| Prepayments | | 166,328 | 76,628 |
| Inventories | 5.3 | 74,125 | 237,295 |
| Property, plant & equipment and collections | 4.1 | 18,784,984 | 17,554,852 |
| Intangible assets | 4.2 | - | 20,133 |
| Total non-financial assets | | 19,025,437 | 17,888,908 |
| Total assets | | 42,322,835 | 27,435,123 |
| Liabilities | | | |
| Payables | 5.2 | 1,521,072 | 1,262,747 |
| Other liabilities | 5.4 | 3,675,135 | 1,607,593 |
| Employee related provisions | 3.2.3 | 2,871,288 | 2,320,215 |
| Total liabilities | | 8,067,495 | 5,190,555 |
| Net assets | | 34,255,340 | 22,244,568 |
| Equity | | | |
| Accumulated deficit | | (6,314,088) | (11,104,860) |
| Physical asset revaluation surplus | 8.3 | 2,405,543 | 2,405,543 |
| Contributed capital | | 38,163,885 | 30,943,885 |
| Net worth | | 34,255,340 | 22,244,568 |

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

| | Notes | Physical asset revaluation surplus \$ | Accumulated deficit \$ | Contributed capital \$ | Total \$ |
|--------------------------|-------|--|---------------------------|---------------------------|-------------|
| Balance at 1 July 2017 | 8.3 | 2,405,543 | (11,481,517) | 28,241,185 | 19,165,211 |
| Net result for the year | | - | 376,657 | - | 376,657 |
| Contributions from owner | | - | - | 2,702,700 | 2,702,700 |
| Balance at 30 June 2018 | | 2,405,543 | (11,104,860) | 30,943,885 | 22,244,568 |
| Net result for the year | | - | 4,790,772 | - | 4,790,772 |
| Contributions from owner | | - | - | 7,220,000 | 7,220,000 |
| Balance at 30 June 2019 | | 2,405,543 | (6,314,088) | 38,163,885 | 34,255,340 |

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

| | Notes | 2019 \$ | 2018 \$ |
|---|-------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Receipts | | | |
| Receipts from Government | | 29,318,000 | 22,159,210 |
| Goods and Services Tax recovered from the ATO | | 594,431 | 861,132 |
| Interest received | | 233,174 | 153,968 |
| Other receipts | | 8,660,380 | 8,974,570 |
| Total receipts | | 38,805,985 | 32,148,880 |
| Payments | | | |
| Payments to suppliers and employees | | (29,321,727) | (30,259,013) |
| Total payments | | (29,321,727) | (30,259,013) |
| Net cash flows from/(used in) operating activities | 6.2.1 | 9,484,258 | 1,889,867 |
| Cash flows from investing activities | | | |
| Purchases of non-financial assets | | (3,785,338) | (2,709,802) |
| Net cash flows from/(used in) investing activities | | (3,785,338) | (2,709,802) |
| Cash flows from financing activities | | | |
| Equity contribution from Government | | 7,220,000 | 2,702,700 |
| Net cash flows from/(used in) investing activities | | 7,220,000 | 2,702,700 |
| Net increase/(decrease) in cash and cash equivalents | | 12,918,920 | 1,882,765 |
| Cash and cash equivalents at the beginning of the financial year | | 8,876,781 | 6,994,016 |
| Cash and cash equivalents at the end of the financial year | 6.2 | 21,795,701 | 8,876,781 |

The accompanying notes form part of these financial statements.

1. ABOUT THIS REPORT

The Australian Centre for the Moving Image (ACMI) is a Victorian Government Statutory authority of Creative Victoria, a division of the Department of Jobs, Precincts and Regions.

A description of the nature of ACMI's operations and its principal activities is included in the Report of Operations on pages 1-55 which does not form part of these financial statements.

Its principal address is:

Australian Centre for the Moving Image
Federation Square
Corner Flinders and Swanston Streets,
Melbourne VIC 3000

1.1 Basis of accounting preparation and measurement

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

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

received or paid.

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

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

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

In the application of Australian Accounting Standards (AAS), management is required to make judgements, 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 professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstance. Actual results may differ from these estimates.

The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed.

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.

1.2 Compliance Statement

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, including interpretations (AASs).

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. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

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 Jobs, Precincts and Regions who provide them to ACMI in the form of grants.

Structure

2.1 Summary of income that funds the delivery of services

2.2 Income from transactions

2.1 Summary of income that funds the delivery of services

| | Notes | 2019 \$ | 2018 \$ |
|---------------------------------------|-------|-------------------|-------------------|
| Income from transactions | | | |
| Government grants | 2.2.1 | 32,168,000 | 23,810,419 |
| Revenue | 2.2.2 | 6,000,624 | 8,977,277 |
| Sponsorship and grants | 2.2.3 | 1,584,666 | 2,349,914 |
| Other income | | 822,966 | 1,007,653 |
| Total income from transactions | | 40,576,256 | 36,145,263 |

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.

2.2 Income from transactions**2.2.1 Government grants**

| | 2019 | 2018 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Government grants – Department of Jobs, Precincts and Regions | | |
| Operating funding | 21,608,000 | 20,733,703 |
| Special purpose grants | 7,700,000 | - |
| Other funding | 345,000 | 881,712 |
| Capital asset charge | 2,505,000 | 2,105,004 |
| Capital funding | 10,000 | 90,000 |
| Total government grants | 32,168,000 | 23,810,419 |

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

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. Special purpose grants includes additional funding for unprogrammed maintenance and business disruption for future period.

2.2.2 Revenue

| | 2019 | 2018 |
|-------------------------------------|------------------|------------------|
| | \$ | \$ |
| Interest | 211,350 | 166,645 |
| <i>Sale of goods & services</i> | | |
| Memberships | 49,014 | 116,419 |
| Venue hire & exhibition touring | 2,344,973 | 2,201,860 |
| Programming - box office receipts | 2,666,307 | 5,118,130 |
| Programming - royalty receipts | 218,889 | - |
| Commercial operations | 510,091 | 1,374,223 |
| Total revenue | 6,000,624 | 8,977,277 |

Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method, which allocates the interest over the relevant period. Income from the supply of services is recognised by reference to the stage of completion of the services being performed. The income is recognised when:

- the amount of the income, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to ACMI.

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 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.

Key income areas are as follows:

- income from commercial activities includes retail and online sales of merchandise and books, royalties from cafe and bar sales and event space royalties.

2.2.3 Sponsorship and grants

| | 2019 \$ | 2018 \$ |
|---|------------------|------------------|
| Sponsorship | 324,799 | 458,213 |
| In-kind revenue | 629,828 | 1,135,692 |
| Other grants from Victorian Government entities | 426,360 | 512,395 |
| Other grants | 203,679 | 243,614 |
| Total sponsorship and grants | 1,584,666 | 2,349,914 |

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.

Other grants are recognised in accordance with the policy for Government grants in Note 2.2.1.

3. THE COST OF DELIVERING SERVICES**Introduction**

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

Structure

- 3.1 Expenses incurred in delivery of services
- 3.2 Employee benefits
- 3.3 Rental and associated outgoings
- 3.4 Capital asset charge
- 3.5 Other operating expenses

3.1 Expenses incurred in delivery of services

| | Notes | 2019 \$ | 2018 \$ |
|--|-------|---------------------|---------------------|
| Employee expenses | 3.2 | (17,674,904) | (16,485,965) |
| Rental and associated outgoings | 3.3 | (5,454,059) | (5,595,287) |
| Cost of goods sold | | (297,313) | (571,151) |
| Capital asset charge | 3.4 | (2,505,000) | (2,105,004) |
| Other operating expenses | 3.5 | (7,630,062) | (8,765,459) |
| Total expenses incurred in delivery of services | | (33,561,338) | (33,522,866) |

Expenses are recognised as they are incurred and reported in the financial year to which they relate. The carrying amount of any inventories held for distribution are expensed when distributed as cost of goods sold.

3.2 Employee benefits**3.2.1 Employee benefits in the comprehensive operating statement**

| | Notes | 2019 \$ | 2018 \$ |
|--|-------|---------------------|---------------------|
| Employee expenses | | | |
| Defined contribution superannuation expense | 3.2.2 | (1,227,137) | (1,229,278) |
| Defined benefit superannuation expense | 3.2.2 | (5,446) | (4,172) |
| Termination benefits | | (986) | (95,913) |
| Salaries, wages, annual and long service leave | | (16,441,335) | (15,156,602) |
| Total employee benefits | | (17,674,904) | (16,485,965) |

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

3.2.2 Superannuation contributions

| | 2019 | 2018 |
|-----------------------------------|--------------------|--------------------|
| | \$ | \$ |
| Defined benefit plan | | |
| Emergency Services & State Super | (5,446) | (4,172) |
| Defined contribution plans | | |
| VicSuper | (649,515) | (656,120) |
| Other | (577,622) | (573,158) |
| Total superannuation | (1,232,583) | (1,233,450) |

ACMI contributes to both defined benefit and defined contribution plans. ACMI does not recognise any defined benefit liability in respect of the plan as ACMI has no legal or constructive obligation to pay future benefits relating to employees.

Superannuation contributions paid or payable are included as part of employee expenses in the comprehensive operating statement. The major employee superannuation funds and contributions paid or payable by ACMI are detailed above. The total amount of superannuation excludes amounts paid under salary sacrifice arrangement.

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

3.2.3 Employee benefits in the balance sheet

| | 2019 | 2018 |
|--|------------------|------------------|
| | \$ | \$ |
| Current provisions | | |
| Employee benefits - annual leave: | | |
| Unconditional and expected to be wholly settled within 12 months | 793,312 | 639,462 |
| Unconditional and expected to be wholly settled after 12 months | 78,459 | 63,243 |
| Employee benefits - long service leave: | | |
| Unconditional and expected to be settled within 12 months | 141,632 | 136,035 |
| Unconditional and expected to be settled after 12 months | 1,266,383 | 1,024,622 |
| | 2,279,786 | 1,863,362 |
| Provisions related to employee benefit on-costs: | | |
| Unconditional and expected to be settled within 12 months | 52,434 | 45,135 |
| Unconditional and expected to be settled after 12 months | 71,021 | 59,641 |
| | 123,455 | 104,776 |
| Total current provisions | 2,403,241 | 1,968,138 |
| Non-current provisions | | |
| Employee benefits | 439,026 | 329,232 |
| Provisions related to employee benefit on-costs | 29,021 | 22,845 |
| Total non-current provisions | 468,047 | 352,077 |
| Total provisions for employee benefits | 2,871,288 | 2,320,215 |

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.

3.2.4 Reconciliation of movement in on-cost provisions

| | 2019 \$ |
|----------------------------------|------------|
| Opening balance | 127,621 |
| Additional provisions recognised | 30,213 |
| Reduction due to transfer out | (5,358) |
| Closing balance | 152,476 |
| Current | 123,455 |
| Non-current | 29,021 |
| | 152,476 |

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.

Salaries and wages, annual leave and sick leave

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

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

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the statement of comprehensive income as it is taken.

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed 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' in the net result (refer to Note 8.2).

3.3 Rental and associated outgoings

| | 2019 | 2018 |
|--|--------------------|--------------------|
| | \$ | \$ |
| Facilities rental payments | (2,892,670) | (2,900,762) |
| Rental outgoings | (2,059,023) | (2,010,941) |
| Equipment rental | (502,366) | (683,584) |
| Total rental and associated outgoings | (5,454,059) | (5,595,287) |

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

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

3.4 Capital asset charge

| | 2019 | 2018 |
|-----------------------------------|--------------------|--------------------|
| | \$ | \$ |
| Total capital asset charge | (2,505,000) | (2,105,004) |

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.

3.5 Other operating expenses

| | 2019 | 2018 |
|---------------------------------------|--------------------|--------------------|
| | \$ | \$ |
| Programming and marketing | (3,180,078) | (3,358,052) |
| Facilities and technology | (2,499,374) | (2,730,313) |
| Commercial | (222,264) | (460,492) |
| Sponsorship in-kind | (629,828) | (1,135,692) |
| Administration costs | (1,098,518) | (1,080,910) |
| Total other operating expenses | (7,630,062) | (8,765,459) |

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 include programming, marketing, facilities, technology and commercial costs and are recognised as an expense in the reporting period in which they are incurred.

Sponsorship in-kind expenses

In-kind expenses represent the cost that would have been incurred if the goods or services had been purchased.

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY**Introduction**

ACMI controls assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to ACMI to be utilised for delivery of those outputs.

Structure

- 4.1 Total property, plant & equipment and collections
- 4.2 Intangible assets
- 4.3 Depreciation and amortisation

Fair value measurement

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

4.1 Total property, plant & equipment and collections

| | Gross carrying amount | | Accumulated depreciation | | Net carrying amount | |
|--|-----------------------|-------------------|--------------------------|---------------------|---------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Leasehold improvements – fair value | 22,521,333 | 22,521,333 | (20,355,340) | (19,704,235) | 2,165,993 | 2,817,098 |
| Property, plant & equipment – fair value | 23,606,100 | 27,785,285 | (21,492,199) | (24,304,194) | 2,113,901 | 3,481,091 |
| Work in progress – at cost | 5,137,786 | 1,843,848 | - | - | 5,137,786 | 1,843,848 |
| Collections – at fair value | 9,367,304 | 9,412,815 | - | - | 9,367,304 | 9,412,815 |
| Net carrying amount | 60,632,523 | 61,563,281 | (41,847,539) | (44,008,429) | 18,784,984 | 17,554,852 |

Property, plant and 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 fair value of property, plant and equipment is normally determined by reference to the asset's depreciated replacement cost. For property, 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.

Work in progress

Work in progress represents leasehold improvement and property, plant and equipment assets which are not in the location and condition necessary of operating in a manner intended by management. All work in progress assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

Collections

ACMI's collection includes 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.

Collection assets are measured at fair value, and in accordance with FRD 103H, revalued as at 30 June 2016 based on a valuation by Dr Vincent O'Donnell, an 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. There has been no material movement in the fair value since last valuation.

Revaluation of non-physical assets

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 and 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 and 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 and 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.

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.

4.1.1 Carrying values by 'purpose' group

| | Public administration | |
|--|-----------------------|-------------------|
| | 2019 | 2018 |
| | \$ | \$ |
| Nature based on classification | | |
| Leasehold improvements – fair value | 2,165,993 | 2,817,098 |
| Property, plant & equipment – fair value | 2,113,901 | 3,481,091 |
| Work in progress – at cost | 5,137,786 | 1,843,848 |
| Collections – at fair value | 9,367,304 | 9,412,815 |
| Net carrying amount | 18,784,984 | 17,554,852 |

Property, plant and equipment are classified primarily by the 'purpose' for which the assets are used, according to one of six purpose groups based upon Government purpose classifications.

All assets in a purpose group are further sub-categorised according to the asset's 'nature' (i.e. buildings, plant etc.), with each sub-category being classified as a separate class of asset for financial reporting purposes.

4.1.2 Reconciliation of movements in carrying amounts of property, plant & equipment and collections

| | Leasehold improvements at fair value \$ | | Property, plant & equipment at fair value \$ | | Work in progress at cost \$ | | Collections at fair value \$ | | Total \$ | |
|------------------------------|---|------------------|---|------------------|-----------------------------------|------------------|------------------------------------|------------------|-------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Opening balance | 2,817,098 | 3,525,708 | 3,481,091 | 4,288,351 | 1,843,848 | 540 | 9,412,815 | 9,412,815 | 17,554,852 | 17,227,414 |
| Additions | - | 50,905 | 491,400 | 876,524 | 3,293,938 | 1,843,848 | - | - | 3,785,338 | 2,771,277 |
| Transfers between classes | - | - | - | 540 | - | (540) | - | - | - | - |
| Disposals | - | (61,474) | (156,323) | - | - | - | (45,511) | - | (201,834) | (61,474) |
| Depreciation expense | (651,105) | (698,041) | (1,702,267) | (1,684,324) | - | - | - | - | (2,353,372) | (2,382,365) |
| Closing balance | 2,165,993 | 2,817,098 | 2,113,901 | 3,481,091 | 5,137,786 | 1,843,848 | 9,367,304 | 9,412,815 | 18,784,984 | 17,554,852 |

4.2 Intangible assets

| | Computer software at cost \$ | | Screen Worlds exhibition rights at cost \$ | | Total at cost \$ | |
|--|------------------------------------|------------------|--|------------------|------------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Gross carrying amount | | | | | | |
| Opening balance | 686,477 | 686,477 | 160,918 | 160,918 | 847,395 | 847,395 |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | (160,918) | - | (160,918) | - |
| Closing balance | 686,477 | 686,477 | - | 160,918 | 686,477 | 847,395 |
| Accumulated amortisation and impairment | | | | | | |
| Opening balance | (686,477) | (686,477) | (140,785) | (124,703) | (827,262) | (811,180) |
| Amortisation expense | - | - | (14,741) | (16,082) | (14,741) | (16,082) |
| Disposal | - | - | 155,526 | - | 155,526 | - |
| Closing balance | (686,477) | (686,477) | - | (140,785) | (686,477) | (827,262) |
| Net book value at the end of the financial year | - | - | - | 20,133 | - | 20,133 |

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.

4.3 Depreciation and amortisation

| | 2019 \$ | 2018 \$ |
|--|--------------------|--------------------|
| Depreciation | | |
| Property, plant & equipment | (1,702,267) | (1,684,324) |
| Leasehold improvements | (651,105) | (698,041) |
| Total depreciation | (2,353,372) | (2,382,365) |
| Amortisation | | |
| Screen Worlds exhibition rights/software | (14,741) | (16,082) |
| Total amortisation | (14,741) | (16,082) |
| Total depreciation and amortisation | (2,368,113) | (2,398,447) |

Depreciation

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. Tables below provide details on the estimated useful lives that are used in the calculation of depreciation on property, plant and equipment.

4.3 Depreciation and amortisation (cont.)

| | Useful life (years) |
|---------------------------------------|------------------------|
| Asset | |
| Leasehold improvements ⁽ⁱ⁾ | 5 – 10 |
| Property, plant & equipment | 3 – 10 |
| Collections | Indefinite useful life |

Note:

(i) Change in accounting estimates have been applied prospectively. The useful life of leasehold improvements have increased and this is reflected in the movement in depreciation.

Amortisation

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.

| | Useful life (years) |
|-------------------|---------------------|
| Asset | |
| Computer software | 2.5 |
| Exhibition rights | 10 |

5. OTHER ASSETS AND LIABILITIES**Introduction**

This section sets out those assets and liabilities that arose from ACMI's operations.

Structure

- 5.1 Receivables
- 5.2 Payables
- 5.3 Inventories
- 5.4 Other liabilities

5.1 Receivables

| | 2019 | 2018 |
|---|------------------|----------------|
| | \$ | \$ |
| Current receivables | | |
| Contractual | | |
| Trade debtors | 298,779 | 424,780 |
| Allowance for impairment of trade debtors | (3,160) | - |
| Interest receivable | - | 21,824 |
| Accrued revenue | 39,226 | 58,819 |
| Other receivables | 51,452 | 21,698 |
| | 386,297 | 527,121 |
| Statutory | | |
| Amount owing from Victorian Government | 1,115,400 | 3,900 |
| GST input tax credit recoverable | - | 138,413 |
| | 1,115,400 | 142,313 |
| Total current receivables | 1,501,697 | 669,434 |

5.1 Receivables (cont.)*Contractual receivables*

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. ACMI holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measures at amortised cost using the effective interest rate method, less any impairment.

Statutory receivables

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments for disclosure purposes. ACMI applies AASB 9 for initial measurement of the statutory receivables and as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. This includes amounts owing from the Victorian Government, taxes and other statutory receivables.

5.1.1 Ageing analysis of contractual receivables

| | 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 | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 2019 | | | | | | | |
| Receivables | | | | | | | |
| Trade debtors and allowance for impairment losses of contract receivables ⁽ⁱ⁾ | 295,619 | 100,680 | - | 163,510 | 31,429 | - | - |
| Accrued revenue | 39,226 | 39,226 | - | - | - | - | - |
| Other receivables | 51,452 | 51,452 | - | - | - | - | - |
| Total contractual financial assets | 386,297 | 191,358 | - | 163,510 | 31,429 | - | - |
| 2018 | | | | | | | |
| Receivables | | | | | | | |
| Trade debtors and allowance for doubtful debts ⁽ⁱ⁾ | 424,780 | 305,719 | - | 103,447 | 15,614 | - | - |
| Interest receivable | 21,824 | 21,824 | - | - | - | - | - |
| Accrued revenue | 58,819 | 58,819 | - | - | - | - | - |
| Other receivables | 21,698 | 21,698 | - | - | - | - | - |
| Total contractual financial assets | 527,121 | 408,060 | - | 103,447 | 15,614 | - | - |

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 and services, determined by reference to past default.

5.2 Payables

| | 2019 | 2018 |
|--------------------------------|------------------|------------------|
| | \$ | \$ |
| Current payables | | |
| Contractual | | |
| Trade creditors ⁽ⁱ⁾ | 661,084 | 576,132 |
| Accrued expenses | 435,191 | 625,062 |
| | 1,096,275 | 1,201,194 |
| Statutory | | |
| Taxes payable | 54,555 | 61,553 |
| GST tax payable | 370,242 | - |
| Total current payables | 1,521,072 | 1,262,747 |

Note:

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

Payables

Payables consist of:

- contractual payables, classified as financial instruments and measured at amortised cost. Trade creditors and accrued expenses represent liabilities for goods and services provided to ACMI prior to the end of the financial year that are unpaid; and
- statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

5.2.1 Maturity analysis of contractual payables

| | Carrying amount | Nominal amount | Maturity dates | | | |
|---|------------------|------------------|-------------------|--------------|-------------------|-------------|
| | | | Less than 1 month | 1 – 3 months | 3 months – 1 year | 1 – 5 years |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| 2019 | | | | | | |
| Payables | | | | | | |
| Trade creditors and accrued expenses ⁽ⁱ⁾ | 1,096,275 | 1,096,275 | 1,096,275 | - | - | - |
| Total payables | 1,096,275 | 1,096,275 | 1,096,275 | - | - | - |
| 2018 | | | | | | |
| Payables | | | | | | |
| Trade creditors and accrued expenses ⁽ⁱ⁾ | 1,201,194 | 1,201,194 | 1,201,194 | - | - | - |
| Total payables | 1,201,194 | 1,201,194 | 1,201,194 | - | - | - |

Note:

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

5.3 Inventories

| | 2019 | 2018 |
|-----------------------------|---------------|----------------|
| | \$ | \$ |
| Current inventories | | |
| Supplies and consumables: | | |
| At cost | 42,862 | 159,779 |
| Publications held for sale: | | |
| At cost | 31,263 | 77,516 |
| Total inventories | 74,125 | 237,295 |

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.

5.4 Other liabilities

| | 2019 | 2018 |
|--|------------------|------------------|
| | \$ | \$ |
| Income in advance | 2,800,107 | 702,902 |
| Sundry liabilities | 247,278 | 183,941 |
| Lease incentive liability | 93,000 | 93,000 |
| Total current other liabilities | 3,140,385 | 979,843 |
| Lease incentive liability | 534,750 | 627,750 |
| Total non-current other liabilities | 534,750 | 627,750 |
| Total other liabilities | 3,675,135 | 1,607,593 |

Income in advance

Income in advance recognises deposits received from Australian and international hirers to secure exhibition and venue hire dates; and Government service agreement contribution for future activities.

Lease incentive liability

In accordance with the *Urgent Issues Group Interpretation 115 Operating Leases – Incentives*, all new and renewed operating lease incentives are recognised as part of the net consideration agreed for the use of a leased asset. ACMI recognises the aggregate benefit of the lease incentive as a reduction in rental expenses over the lease term on a straight line basis.

6. FINANCING OUR OPERATIONS**Introduction**

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

This section includes disclosures of balances that are financial instruments such as cash balances. Note 7.1 provide additional, specific financial instrument disclosures.

Structure

6.1 Leases

6.2 Cash flow information and balances

6.3 Commitments for expenditure

6.1 Leases**6.1.1 Non-cancellable operating leases**

| | 2019 | 2018 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Non-cancellable operating leases payable | | |
| Not longer than 1 year | 3,461,633 | 3,566,027 |
| Longer than 1 year and not longer than 5 years | 8,654,089 | 11,433,858 |
| Longer than 5 years | 1,399,571 | 2,046,762 |
| | 13,515,293 | 17,046,647 |

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.

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 May 2017 to 15 September 2022. 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.

6.2 Cash flow information and balances

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.

| | 2019 | 2018 |
|--|------------|-----------|
| | \$ | \$ |
| Total cash and deposits disclosed in the balance sheet | 21,795,701 | 8,876,781 |
| Balance as per cash flow statement | 21,795,701 | 8,876,781 |

6.2.1 Reconciliation of net result for the period to net cash flows from/(used in) operating activities

| | 2019 | 2018 |
|---|------------------|------------------|
| | \$ | \$ |
| Net result for the period | 4,790,772 | 376,657 |
| Non-cash movements: | | |
| Impairment of assets | 207,228 | - |
| Depreciation and amortisation of non-current assets | 2,368,113 | 2,398,447 |
| Movements in assets and liabilities: | | |
| (Increase)/decrease in current receivables | (832,263) | (20,277) |
| (Increase)/decrease in inventories | 163,170 | (64,264) |
| (Increase)/decrease in prepayments | (89,700) | (17,528) |
| (Decrease)/increase in payables | 332,487 | (821,121) |
| (Decrease)/increase in unearned revenue | 1,993,378 | (151,353) |
| (Decrease)/increase in current provisions | 435,103 | 185,516 |
| (Decrease)/increase in non-current provisions | 115,970 | 3,790 |
| Net cash flows from operating activities | 9,484,258 | 1,889,867 |

6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Capital and other commitments predominantly relate to Federation Square building alterations and future contracted exhibitions. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.3.1 Total commitments payable

| | 2019 | 2018 |
|--|------------------|------------------|
| | \$ | \$ |
| Capital expenditure commitments payable | | |
| Less than 1 year | 3,086,136 | 2,959,635 |
| Longer than 1 year and not longer than 5 years | - | 767,740 |
| | 3,086,136 | 3,727,375 |
| Operation and maintenance commitments payable | | |
| Less than 1 year | 1,135,868 | 1,282,533 |
| Longer than 1 year and not longer than 5 years | 283,357 | 1,203,195 |
| Longer than 5 years | 14,824 | 29,398 |
| | 1,434,049 | 2,515,126 |
| Total commitments (inclusive of GST) | 4,520,185 | 6,242,501 |

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

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

Structure

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination

7.1 Financial instruments specific disclosures

Introduction

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

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

Categories of financial assets under AASB 9

Financial assets at amortised cost

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

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

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment. ACMI recognises the following assets in this category:

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

Categories of financial assets previously under AASB 139

Receivables and cash

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

ACMI recognises the following assets in this category:

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

Categories of financial liabilities under AASB 9 and previously under AASB 139

Financial liabilities at amortised cost

Financial liabilities are initially recognised on the day they are originated, and initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost. ACMI recognises the following liabilities in this category:

- payables (excluding statutory payables).

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

From 1 July 2018, ACMI has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include ACMI's contractual receivables and statutory receivables. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

7.1 Financial instruments specific disclosures (cont.)*Contractual receivables at amortised cost*

ACMI applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. ACMI has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on past history, existing market conditions, as well as forward-looking estimates at the end of the financial year. No additional loss allowance was required upon transition into AASB 9 on 1 July 2018.

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item. In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

Statutory receivables at amortised cost

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

The statutory receivables are considered to have low credit risk, taking into account the counterparty's credit rating, risk of default and capacity to meet contractual cash flow obligations in the near term. As the result, the loss allowance recognised for these financial assets during the period was limited to 12 months expected losses. No loss allowance recognised at 30 June 2018 under AASB 139. No additional loss allowance required upon transition into AASB 9 on 1 July 2018.

7.1.1 Financial instruments: Categorisation

| 2019 | Notes | Cash and deposits | Financial assets at amortised cost (AC) | Financial liabilities at amortised cost (AC) | Total |
|---|-------|-------------------|---|--|-------------------|
| Contractual financial assets | | | | | |
| Cash and deposits | 6.2 | 21,795,701 | - | - | 21,795,701 |
| Receivables ⁽ⁱ⁾ | 5.1 | - | 386,297 | - | 386,297 |
| Total contractual financial assets ⁽ⁱⁱ⁾ | | 21,795,701 | 386,297 | - | 22,181,998 |

| | | | | | |
|--|-----|--|--|------------------|------------------|
| Contractual financial liabilities | | | | | |
| Payables ⁽ⁱⁱⁱ⁾ | 5.2 | | | 1,096,275 | 1,096,275 |
| Total contractual financial liabilities ^(iv) | | | | 1,096,275 | 1,096,275 |

| 2018 | Notes | Cash and deposits | Financial assets at amortised cost (AC) | Financial liabilities at amortised cost (AC) | Total |
|---|-------|-------------------|---|--|------------------|
| Contractual financial assets | | | | | |
| Cash and deposits | 6.2 | 8,876,781 | - | - | 8,876,781 |
| Receivables ⁽ⁱ⁾ | 5.1 | - | 527,121 | - | 527,121 |
| Total contractual financial assets ⁽ⁱⁱ⁾ | | 8,876,781 | 527,121 | - | 9,403,902 |

| | | | | | |
|--|-----|--|--|------------------|------------------|
| Contractual financial liabilities | | | | | |
| Payables ⁽ⁱⁱⁱ⁾ | 5.2 | | | 1,201,194 | 1,201,194 |
| Total contractual financial liabilities ^(iv) | | | | 1,201,194 | 1,201,194 |

Notes:

⁽ⁱ⁾ 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 and accrued expenses.

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

7.1.2 Financial instruments – net holding gain/(loss) on financial instruments by category

| | Notes | 2019 \$ | 2018 \$ |
|--|-------|------------|------------|
| Financial assets | | | |
| Cash and deposits – net holding gain/(loss) on financial instruments | 8.2 | (19,659) | 40,233 |
| | | (19,659) | 40,233 |

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

- Net FX gain/(loss) arising from financial instruments per Note 8.2.

7.1.3 Financial risk management objectives and policies

As a whole, ACMI's financial risk management program seeks to manage these risks and the associated volatility of its financial performance. The main purpose in holding financial instruments is to prudentially manage ACMI's financial risks within the government policy parameters. ACMI's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. ACMI manages these financial risks in accordance with its financial risk management policy.

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

Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. 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 the 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 as a means of mitigating the risk of financial loss from defaults.

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.

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 contractual financial assets is recognised when there is objective evidence that ACMI will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings. Contractual financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result. The carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents ACMI's maximum exposure to credit risk.

There has been no material change to ACMI's credit risk profile in 2018-19.

Financial assets that are either past due or impaired

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.

Assets received as collateral

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

7.1.4 Credit quality of contractual financial assets

| | Financial Institutions (AA Credit Rating) \$ | Government Agencies (AAA Credit Rating) \$ | Other \$ | Total \$ |
|--|---|---|----------------|-------------------|
| 2019 | | | | |
| Cash and deposits | 21,785,635 | - | 10,066 | 21,795,701 |
| Receivables | - | - | 386,297 | 386,297 |
| Total contractual financial assets ⁽ⁱ⁾ | 21,785,635 | - | 396,363 | 22,181,998 |
| 2018 | | | | |
| Cash and deposits | 3,861,224 | 5,000,000 | 15,557 | 8,876,781 |
| Receivables | - | - | 527,121 | 527,121 |
| Total contractual financial assets ⁽ⁱ⁾ | 3,861,224 | 5,000,000 | 542,678 | 9,403,902 |

Notes:

⁽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).

7.1.4 Credit quality of contractual financial assets that are neither past due or impaired (cont.)

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. 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 cash and deposits. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

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 2019, ACMI had no forward exchange contracts (2018: nil).

Interest rate risk

ACMI's exposure to interest rate risk is insignificant.

7.1.5 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 \$ |
| 2019 | | | | | |
| Cash and bank deposits | | | | | |
| Bank deposits | 1.79% | 21,785,635 | - | 21,473,648 | 311,987 |
| Cash on hand | | 10,066 | - | - | 10,066 |
| Receivables | | | | | |
| Trade debtors and allowance for impairment losses of contract receivables | | 295,619 | - | - | 295,619 |
| Other receivables ⁽ⁱ⁾ | | 90,678 | - | - | 90,678 |
| | | 22,181,998 | - | 21,473,648 | 708,350 |
| Payables | | | | | |
| Trade creditors and accrued expenses | | 1,096,275 | - | - | 1,096,275 |
| | | 1,096,275 | - | - | 1,096,275 |
| 2018 | | | | | |
| Cash and bank deposits | | | | | |
| Bank deposits | 1.70% | 8,861,224 | 5,000,000 | 2,852,322 | 1,008,902 |
| Cash on hand | | 15,557 | - | - | 15,557 |
| Receivables | | | | | |
| Trade debtors and allowance for doubtful debts | | 424,780 | - | - | 424,780 |
| Other receivables ⁽ⁱ⁾ | | 102,341 | - | - | 102,341 |
| | | 9,403,902 | 5,000,000 | 2,852,322 | 1,551,580 |
| Payables | | | | | |
| Trade creditors and accrued expenses | | 1,201,194 | - | - | 1,201,194 |
| | | 1,201,194 | - | - | 1,201,194 |

Notes:

⁽ⁱ⁾ Other receivables include interest receivable.**7.2 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 and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent assets

There are nil contingent assets (2018: nil).

Contingent liabilities

There are no contingent liabilities (2018: nil).

7.3 Fair value determination

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

The following assets and liabilities are carried at fair value:

- leasehold improvements;
- property, plant and equipment; and
- collections.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes. ACMI determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

Fair value hierarchy

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

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

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

The Valuer-General Victoria (VGV) is ACMI's independent valuation agency and with other external valuers, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether a revaluation is required.

How this section is structured

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

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

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

7.3.1 Fair value determination of financial assets and liabilities

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

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

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.

These financial instruments are measured at amortised cost and include:

- cash and deposits;
- receivables; and
- payables.

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

7.3.2 Fair value determination: non-financial physical assets

Fair value measurement hierarchy for assets as at 30 June 2019

| | Carrying amount as at 30 June 2019 \$ | Fair value measurement at end of reporting period using | | |
|--|--|--|------------------|------------------|
| | | Level 1 \$ | Level 2 \$ | Level 3 \$ |
| Leasehold improvements at fair value | 2,165,993 | - | - | 2,165,993 |
| Property, plant & equipment at fair value | 2,113,901 | - | - | 2,113,901 |
| Collections at fair value | 9,367,304 | - | 6,453,557 | 2,913,747 |
| Total property, plant & equipment and collections | 13,647,198 | - | 6,453,557 | 7,193,641 |

Fair value measurement hierarchy for assets as at 30 June 2018

| | Carrying amount as at 30 June 2018 \$ | Fair value measurement at end of reporting period using | | |
|--|--|--|------------------|------------------|
| | | Level 1 \$ | Level 2 \$ | Level 3 \$ |
| Leasehold improvements at fair value | 2,817,098 | - | - | 2,817,098 |
| Property, plant & equipment at fair value | 3,481,091 | - | - | 3,481,091 |
| Collections at fair value | 9,412,815 | - | 6,499,068 | 2,913,747 |
| Total property, plant & equipment and collections | 15,711,004 | - | 6,499,068 | 9,211,936 |

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.

Property, plant and equipment

New property, plant and equipment is held at fair value. When property, 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

Collection assets are measured at fair value, and in accordance with Department of Treasury and Finance's Financial Reporting Direction FRD 103H, an independent valuation of ACMI's collections was performed as at 30 June 2016 to determine the fair value of the collection. The valuation, which conforms to Australian Valuation Standards, was based on market value or depreciated replacement cost and was undertaken by Dr Vincent O'Donnell, who has since 2006 been an approved independent valuer under the Federal Government's Cultural Gifts Program.

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 113,272 collections items valued within 47 classes (2016: 115,486 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 was \$9,413,634 with a 95% confidence interval as at 30 June 2016.

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. Non-financial physical assets are measured at fair value in accordance with FRD 103H and a full revaluation normally occurs every five years, based upon the Government's asset 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 evaluations are determined in accordance with the requirements of the Financial Reporting Directions. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

The last valuation on the collection was performed for the year ending 30 June 2016 and the next valuation will occur in the period ending 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.

7.3.2 Fair value determination: non-financial physical assets (cont.)

Reconciliation of Level 3 fair value movements

| | Leasehold improvements at fair value \$ | Property, plant & equipment at fair value \$ | Collections at fair value \$ |
|--|--|---|------------------------------------|
| Opening balance 1 July 2018 | 2,817,098 | 3,481,091 | 2,913,747 |
| Purchases | - | 491,400 | - |
| Transfers from work in progress | - | - | - |
| Gains or losses recognised in net result | | | |
| Depreciation | (651,105) | (1,702,267) | - |
| Loss on disposal | - | (156,323) | - |
| Subtotal gains or losses recognised in net result | (651,105) | (1,858,590) | - |
| Gain or losses recognised in other economic flows - other comprehensive income | - | - | - |
| Revaluation | - | - | - |
| Subtotal | - | - | - |
| Closing balance 30 June 2019 | 2,165,993 | 2,113,901 | 2,913,747 |

Reconciliation of Level 3 fair value movements

| | Leasehold improvements at fair value \$ | Property, plant & equipment at fair value \$ | Collections at fair value \$ |
|--|--|---|------------------------------------|
| Opening balance 1 July 2017 | 3,525,708 | 4,288,351 | 2,913,747 |
| Purchases | 50,905 | 876,524 | - |
| Transfers from work in progress | - | 540 | - |
| Gains or losses recognised in net result | | | |
| Depreciation | (698,041) | (1,684,324) | - |
| Loss on disposal | (61,474) | - | - |
| Subtotal gains or losses recognised in net result | (759,515) | (1,684,324) | - |
| Gain or losses recognised in other economic flows - other comprehensive income | - | - | - |
| Revaluation | - | - | - |
| Subtotal | - | - | - |
| Closing balance 30 June 2018 | 2,817,098 | 3,481,091 | 2,913,747 |

Description of significant unobservable inputs to Level 3 valuations

| | Valuation technique | Significant unobservable inputs |
|-----------------------------|------------------------------|---|
| Leasehold improvements | Depreciated replacement cost | Cost per unit Useful life of leasehold improvements |
| Property, plant & equipment | Depreciated replacement cost | Cost per unit Useful life of property, plant & equipment |
| Collections | Current replacement cost | Cost per unit |

No change from 2017-18.

8. OTHER DISCLOSURES**Introduction**

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

- 8.1 Ex gratia expenses
- 8.2 Other economic flows included in net result
- 8.3 Reserves
- 8.4 Responsible persons
- 8.5 Remuneration of auditors
- 8.6 Subsequent events
- 8.7 Other accounting policies
- 8.8 Glossary

8.1 Ex gratia expenses

ACMI had no ex gratia payments (2018: nil).

8.2 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 includes gain/(loss) on foreign currency transactions;
- net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:
 - 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; and
 - an increase/(decrease) in allowance for impairment losses on contractual receivables and bad debts from other economic flows – refer to Note 5.1.

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.

| | 2019 | 2018 |
|--|----------------|----------------|
| | \$ | \$ |
| (a) Net loss on financial instruments | | |
| Net FX gain/(loss) arising from financial instruments | (19,659) | 40,233 |
| Impairment of financial assets at amortised cost | (3,160) | - |
| | (22,819) | 40,233 |
| (b) Net loss on non-financial assets | | |
| Net loss on disposal of property, plant & equipment and collections | (207,228) | - |
| (c) Other gain/(loss) from other economic flows | | |
| Net gain/(loss) arising from revaluation of long service leave liability | 374,014 | 112,474 |
| Total other economic flows included in net result | 143,967 | 152,707 |

Notes:

- (a) Net loss on financial instruments include realised and unrealised gains/(losses) from settlement and revaluations of financial instruments. 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 gain/(loss) due to changes in bond rates.

8.3 Reserves

| | 2019 | 2018 |
|--|--------------------|--------------------|
| | \$ | \$ |
| Physical asset revaluation surplus ⁽ⁱ⁾ | | |
| Balance at beginning of financial year | (2,405,543) | (2,405,543) |
| Revaluation increments/(decrements) | - | - |
| Balance at end of financial year | (2,405,543) | (2,405,543) |

Note:

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

8.4 Responsible persons

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

Names

The persons who held the positions of responsible persons of ACMI are as follows:

| | | |
|----------------------------------|--|-----------------------------|
| Minister for Creative Industries | Martin Foley MP | 1 July 2018 to 30 June 2019 |
| Accountable Officer | Katrina Sedgwick, Director & Chief Executive Officer | 1 July 2018 to 30 June 2019 |

Governing Board

| | |
|---------------------------------|-----------------------------|
| Peter Lewinsky, Board President | 1 July 2018 to 30 June 2019 |
| Jan Chapman AO | 1 July 2018 to 30 June 2019 |
| Tasneem Chopra | 1 July 2018 to 30 June 2019 |
| Karen Corry | 1 July 2018 to 30 June 2019 |
| Ian Forsyth | 1 July 2018 to 30 June 2019 |
| Rachel Griffiths | 1 July 2018 to 30 June 2019 |
| Rachael Maza | 1 July 2018 to 30 June 2019 |
| Michael Wachtel | 1 July 2018 to 30 June 2019 |
| Linda White | 1 July 2018 to 30 June 2019 |
| Paul Wiegard | 1 July 2018 to 30 June 2019 |
| Dr Terry Wu | 1 July 2018 to 30 June 2019 |

* Janet Matton, Board President from 1 July 2019

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.

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 \$300,000-\$310,000 (\$280,000-\$290,000 FY2017-18).

There were no contractors with managerial responsibilities.

8.4.1 Remuneration of executives

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

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

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

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

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

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

Several factors affected total remuneration payable to executives over the year.

There was an increase in numbers and AEE^(b) as a result of one Executive Officer working part time during some of this period.

8.4.1 Remuneration of executives (cont.)

| Remuneration of Executive Officers (including Other Key Management Personnel disclosed in Note 8.4) | 2019 | 2018 |
|---|-------------------------|-------------------------|
| | \$ | \$ |
| Short-term employee benefits | 612,607 | 585,557 |
| Post-employment benefits | 55,493 | 53,973 |
| Total Remuneration^(a) | 668,100 | 639,530 |
| Total Number of Executives | 3 | 4 |
| Total annualised employee equivalent | 2.88[^] | 3.05[*] |

Notes:

[^] there was one part time employee during the period.

^{*} there was one employee on leave without pay Paid Parental Leave during some of the period.

^(a) The total number of executive officers include persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 *Related Party Disclosures* and are reported within the related parties note disclosure (Note 8.4.2).

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

8.4.2 Related parties

ACMI is a Victorian Government statutory authority of Creative Victoria, a division of the Department of Jobs, Precincts and Regions.

Related parties at ACMI include:

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

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

Key management personnel

Key management personnel of ACMI includes all responsible persons as outlined in Note 8.4 which include:

- Director & Chief Executive Officer, Katrina Sedgwick
- Deputy CEO & Commercial & Operations Director, Graham Jephcott
- Chief Experience Officer, Seb Chan
- Director of Brand & Marketing, Emma Levy

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives.

| Compensation of KMP's | 2019 | 2018 |
|------------------------------|----------------|----------------|
| | \$ | \$ |
| Short-term employee benefits | 898,728 | 849,705 |
| Post-employment benefits | 75,660 | 73,945 |
| Total ^(a) | 974,388 | 923,650 |

Note:

^(a) KMP's are also reported in the disclosure of remuneration of executive officers (Note 8.4.1).

8.4.2 Related parties (cont.)*Significant transactions with government-related entities*

Given the nature of State Government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public, for example stamp duty and other government fees and charges.

Further transactions within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission, procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements. Outside of normal citizen type transactions with ACMI, during the year, ACMI engaged in the following Government-related entity transactions:

- ACMI received operating, capital and other funding of \$30.7m (\$21.7m FY2017-18) from Creative Victoria.
- ACMI received operating funding for educational programs of \$240k (\$232k FY2017-18) from Department of Education and Training.

Transactions and balances with key management personnel and other related parties

| Payments to related parties | 2019 | 2018 |
|---|---------------|---------------|
| | \$ | \$ |
| Entity | | |
| Madman Entertainment Pty Ltd | 28,628 | 37,014 |
| Paul Wiegard ⁽ⁱ⁾ is Managing Director of Madman Entertainment Pty Ltd which ACMI made purchases from on normal commercial terms. | | |
| Total | 28,628 | 37,014 |

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 Parliamentary Services.

⁽ⁱ⁾ Paul Wiegard was appointed as a director of ACMI from 5 December 2017, and the payment amounts relates to transactions post 5 December 2017.

8.5 Remuneration of auditors

| | 2019 | 2018 |
|------------------------------------|--------|--------|
| | \$ | \$ |
| Victorian Auditor-General's Office | | |
| Audit of the financial statements | 32,000 | 31,000 |
| | 32,000 | 31,000 |

8.6 Subsequent events

ACMI has no material or significant events occurring after the reporting date (2018: nil).

The policy for recognising subsequent events that are for events that occur between the end of the reporting period and the date when the financial statements are authorised for issue as follows:

- adjustments are made to amounts recognised in the financial statements where those events provide information about conditions that existed at the reporting date; and/or
- disclosure is made where the events relate to conditions that arose after the end of the reporting period that are considered to be of material interest.

8.7 Other accounting policies

8.7.1 Changes in accounting policies

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

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

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

Changes to classification and measurement

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

- contractual receivables previously classified as other loans and receivables under AASB 139 are now reclassified as financial assets at amortised cost under AASB 9.

The accounting for financial liabilities remains the same as it was under AASB 139.

The accounting policies for financial assets and liabilities are set out in Note 7.1.1. The following table summarises the required and elected reclassification upon adoption of AASB 9. The main effects resulting from the reclassification are as follows:

| | | AASB 9 Measurement categories | |
|---------------------------------|-------|---------------------------------|----------------|
| As at 30 June 2018 | Notes | AASB 139 measurement categories | Amortised cost |
| AASB 139 Measurement categories | | | |
| Financial assets | | | |
| Loans and receivables | 5.1 | 527,121 | 527,121 |
| As at 1 July 2018 | | 527,121 | 527,121 |

Changes to the impairment of financial assets

Under AASB 9, all loans and receivables not carried at fair value through net result are subject to AASB 9's new expected credit loss (ECL) impairment model, which replaces AASB 139's incurred loss approach. ACMI applies the AASB 9 simplified approach to measure expected credit losses based on the change in the ECLs over the life of the asset and has assessed expected credit losses as immaterial.

Transition impact

The transition impact of first-time adoption of AASB 9 on Comprehensive Operating Statement and Balance Sheet has been assessed as immaterial.

8.7.2 Australian Accounting Standards issued that are not yet effective

The following AASs become effective for reporting periods commencing after 1 July 2019:

- AASB 16 *Leases*;
- AASB 15 *Revenue from Contracts with Customers*; and
- AASB 1058 *Income of Not-for-Profit Entities*.

Leases

AASB 16 *Leases* replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the balance sheet by recording a Right-Of-Use (RoU) asset and a lease liability except for leases that are shorter than 12 months and leases where the underlying asset is of low value (deemed to be below \$10,000). AASB 16 also requires the lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, and remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The amount of the remeasurement of the lease liability will generally be recognised as an adjustment to the RoU asset.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases. The effective date is for annual reporting periods beginning on or after 1 January 2019. ACMI intends to adopt AASB 16 in 2019-20 financial year when it becomes effective.

ACMI will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. Various practical expedients are available on adoption to account for leases previously classified by a lessee as operating leases under AASB 117. ACMI will elect to use the exemptions for all short-term leases (lease term less than 12 months) and low value leases (deemed to be below \$10,000). AASB 2018-8 *Amendments to Australian Accounting Standards - Right of Use Assets* does not apply as ACMI has no peppercorn leases.

ACMI has performed a detailed impact assessment of AASB 16 and the potential impact in the initial year of application has been estimated as follows:

- increase in RoU \$12,246,590,
- increase in related depreciation (\$3,224,063),
- increase in lease liability (\$12,246,590),
- increase in related interest (\$401,728) calculated using effective interest method, and
- decrease in rental expense \$2,715,268.

8.7.2 Australian Accounting Standards issued that are not yet effective (cont.)

Revenue and Income

AASB 15 supersedes AASB 118 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. AASB 15 establishes a five-step model to account for revenue arising from an enforceable contract that imposes a sufficiently specific performance obligation on an entity to transfer goods or services. AASB 15 requires entities to only recognise revenue upon the fulfilment of the performance obligation. Therefore, entities need to allocate the transaction price to each performance obligation in a contract and recognise the revenue only when the related obligation is satisfied.

To address specific concerns from the 'not-for-profit' sector in Australia, the AASB also released the following standards and guidance:

- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian implementation guidance for NFP entities* (AASB 2016-8), to provide guidance on application of revenue recognition principles under AASB 15 in the not-for-profit sector.
- AASB 2018-4 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors* (2018-4), to provide guidance on how to distinguish payments received in connection with the access to an asset (or other resource) or to enable other parties to perform activities as tax and non-IP licence. It also provides guidance on timing of revenue recognition for non-IP licence payments.
- AASB 1058 *Income of Not-for-Profit Entities*, to supplement AASB 15 and provide criteria to be applied by not-for-profit entities in establishing the timing of recognising income for government grants and other types of contributions previously contained within AASB 1004 *Contributions*.

AASB 15, AASB 1058 and the related guidance will come into effect for not-for-profit entities for annual reporting periods beginning on or after 1 January 2019. ACMI intends to adopt these standards in 2019-20 financial year when it becomes effective. ACMI will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

A detailed impact assessment of AASB 15 and AASB 1058 had been undertaken and the potential impact for each major class of revenue and income in the initial year of application is immaterial.

8.8 Glossary

Amortisation

Amortisation is the expense that results from the consumption, extraction or use over time of a non-produced intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

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.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a physical asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

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.

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 asset

A financial asset is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (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 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 for the future receipt or delivery of the entity's own equity instruments.

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 paragraphs 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 paragraphs 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.

8.8 Glossary (cont.)

Interest income

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

Lease

Leases are rights to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of infrastructure, property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

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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