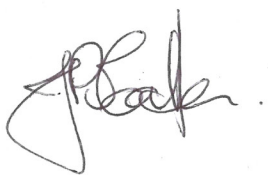


#### **Responsible Body's declaration**

In accordance with the *Financial Management Act 1994*, I am pleased to present the Australian Centre for the Moving Image's Annual Report for the year ending 30 June 2020.

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

Janet Matton AM  
President

On behalf of the members (Board) of the  
Australian Centre for the Moving Image  
5 October 2020

#### **Cover image credit:**

*Yanmeeyarr* (detail)  
2020  
Vicki Couzens, Gunditjmara Keerray Woorroong  
Commissioned by ACMI and co-created with Jeph Neale and Hilary Jackman

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# About ACMI

**The Australian Centre for the Moving Image (ACMI)  
is Australia's museum of film, TV, video games, digital  
culture and art.**

Unique in Australia's museum landscape, ACMI celebrates the past, present and future of the moving image as well as its profound capacity to transport, challenge and entertain people of all ages and backgrounds, right across the globe.

Established by the State Government in 2002 and situated in the heart of Melbourne in Fed Square, ACMI is the most visited museum of its kind globally. It explores the rapid evolution and astonishing creativity of the moving image with a vibrant, multi-layered program of exhibitions, screenings, festivals, installations and commissions alongside public, industry and education programs.

The museum has embarked on a visionary \$40 million renewal that will transform the institution into a leading global museum. It closed its doors in May 2019 and will re-open in early 2021.

## **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 2019–20 Annual Report. It has been a transformative year for ACMI. With the vital support of the Victorian Government and many generous partners and donors, we embarked on a visionary \$40 million renewal project. Demolition was completed in August 2019, paving the way for the installation and refurbishment. Despite the unprecedented impact of coronavirus (COVID-19) across our industry and the economy broadly, construction has remained on schedule and ACMI is scheduled to reopen in early 2021.

Despite the many obstacles ACMI faced over the past year, we welcomed 674,364 people to our offsite programs. During the COVID-19 shutdown period, we had 26,351 attendees at our digital programs and events and we reached 2.85 million people across our range of digital content.

I would like to acknowledge the ongoing support of the Victorian Government for ACMI through Creative Victoria and the crucial capital investment of \$36.6m to deliver ACMI's renewal. ACMI plays a vital role in our state's cultural ecosystem, and 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 the Creative Victoria team for their ongoing and tireless support. The Victorian Government's ongoing investment in ACMI will allow us to deliver our truly innovative programs that will expand the reach, impact and public value of our institution when our museum reopens.

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 corporate and philanthropic partners including 6a Foundation, Blackmagic Design, Cisco, Gandel Philanthropy, the Naomi Milgrom Foundation, Panasonic, RMIT University, the Sidney Myer Fund and Swinburne University of Technology. Their collaborative input has been vital in helping us reach this pivotal stage in our museum's development.

Another major achievement for ACMI was the announcement in early 2020 that ACMI's *DreamWorks Animation* was the

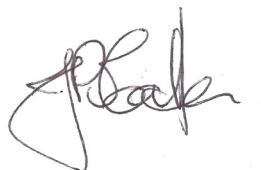
most popular exhibition in the world for 2019. *DreamWorks Animation's* run at Brazil's Centro Cultural Banco do Brasil saw a stunning 11,380 visitors go through the exhibition each day at the museum's Rio location, while an additional 9,277 people a day saw it at the museum's Belo Horizonte venue. Even while closed for redevelopment, ACMI continues to make a global mark through its vibrant international touring program.

ACMI's dedicated Board have been tireless in their work and commitment to our organisation during this exciting phase in the museum's history. On behalf of the staff and Board of ACMI, I would like to acknowledge and thank outgoing Board member Rachael Maza AM. Rachael has served on the ACMI Board since 2017. She has worked tirelessly and with an unwavering commitment to ACMI's mission. We thank Rachael and wish her the very best.

I would also like to thank Katrina Sedgwick OAM, our Director & CEO, the executive team and our dedicated and passionate staff for their hard work, which has enabled us to execute this once in a generation transformation of ACMI, while continuing to deliver our wonderful programs both online and offsite during these unprecedented times.

With the fantastic support of the Victorian Government, I can't wait to share the new ACMI with Victorians and the world. On behalf of the ACMI Board, I am delighted to share this record of our achievements in our 2019–20 Annual Report.

Janet Matton AM  
Board President





# From the Director & CEO

It has been a momentous year. It was only in early March that we began to sense that coronavirus (COVID-19) may indeed directly impact us. By 23 March, we had closed our office, shut down our onsite programs and retreated to our homes.

I want to acknowledge the devastating impact the pandemic has wrought on the creative industries, particularly the arts sector. So much of what we do is about gathering people together in a shared space to explore ideas and share stories. It will take many years for the sector to recover.

As a Victorian Government agency, and one that was already closed for our renewal, ACMI has been fortunate. We had spent two years planning for the closure of our museum site in May 2019, so the trauma many of our peers have been facing due to the abrupt closures of cultural institutions has not impacted us in the same way. As I write, our 135 staff are safe and well and working from home. Morale is generally good and productivity is high, given the change of circumstances.

For the past year, ACMI has been working to deliver our transformational renewal project – turning our vision into a reality. Fortunately, the impact of COVID-19 has not stopped this work and we will open in 2021. With the generous support of the Victorian Government and our partners and donors, we have achieved so much. I would like to thank our project partners: experiential design studio Second Story (part of Publicis Sapient), BKK Architects and their team of consultants, our project managers Root Partnerships and builders Built and Arete, the many artists and studios we have commissioned, as well as the lenders and donors who have given us objects and media to exhibit. And huge thanks to our own enormously talented team of curatorial, design, technical and programming experts for their unwavering commitment, led by Project Director and Deputy CEO Graham Jephcott.

As we have demolished and rebuilt the physical museum in Fed Square, we continued to deliver many of our programs offsite across Melbourne, regional Victoria, nationally and internationally. We explored our archives and collections and shared them online and, as pandemic hit, we transformed many in situ experiences to digital. These new delivery models,

and the shifts audiences everywhere have made in how they engage with culture, will forever change how we connect with our audiences. It will deepen our digital programming to work alongside in-person visits when we re-open.

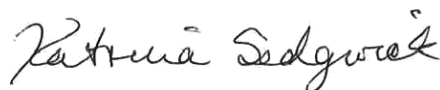
As this report demonstrates, it has been a history-making year for ACMI and I want to thank our Board for their unwavering support and clear guidance. Thank you to our Board President Janet Matton AM, our Chair of Audit Finance Sub-Committee Karen Corry and each and every Board member. I would especially like to acknowledge and thank outgoing Board member Rachael Maza AM for her tireless support over the past three years. Thank you, too, to our Development Committee, especially to its Chair Ricci Swart.

Thank you to our Minister for Creative Industries Martin Foley MP and his team, and to Deputy Secretary, Creative, Sport and Visitor Economy Andrew Abbott and all the team at Creative Victoria who have made so much of our vision possible. We are so grateful to the many individual and organisational partners, supporters and donors whose generosity directly contributes to our achievements.

And finally, but most vitally, thank you to the ACMI staff. Five years ago, I joined this organisation and led our first all-staff creative day. So many of the ideas that they proposed back then are now being brought to life through the renewal and through innovations across our projects and programs. Their resilience through this crisis, as well as the passion, creativity and commitment to ACMI, is inspiring – thank you all.

I look forward to welcoming you to the new ACMI.

Katrina Sedgwick OAM  
Director & CEO



# Goals & Strategies

## 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 and cross-disciplinary collaboration.
- Evolve our organisational structure and systems to be more efficient and agile.
- Improve diversity and inclusion across our museum including developing and executing on our Reconciliation Action Plan.

In 2019-20 ACMI focussed on the delivery of ACMI Re/new and our offsite programs, whilst continuing our commitment to support creative industries, foster diversity and inclusion and optimise how we work as a team.

---

We're delivering:

**\$40m**

redevelopment of  
our Fed Square site

**100+**

jobs created across  
construction and  
creative industries

**15**

commissions for  
artists totalling  
\$880,000

**2**

bold new  
technology systems



Image — Taree Mackenzie, *Pepper's ghost effect, triangles, cyan and red*, credit Isamu Sawa

# Build Our Brand, Extend Our Reach

- Deliver unique audience experiences across all museum touch points.
- Interweave multiple layers of programming and experiences, both physical and digital.
- Be responsive, active, transparent and audience-facing in our daily practice
- Increase awareness of and engagement with the ACMI brand locally, nationally and globally.
- Build our reputation for powerful collaborations and partnerships in Australia and around the globe.

ACMI has contributed to powerful regional, local and international activities during 2019–20, which further cements our commitment to deliver relevant partnerships and unique audience experiences.

---

We delivered:

**57**

Australian based partnerships across our organisation covering development, programming, education, festivals & events and exhibitions

**7**

international partnerships across development, collections, touring, festival & events, and research

**3**

university collaborations and grants valued at \$1,048,000

**85**

ACMI X coworking memberships

**557,089**

visitors to ACMI's international exhibitions for the year

**3**

exhibitions touring internationally

# Goals & Strategies (cont.)

## Leverage Our Assets

- Value and invest in our staff and harness their expertise
- Be a world leader in moving image education.
- Embed a culture of experimentation that embraces risk, valuing iterative improvement, testing and learning.
- Activate our collection and media preservation activities to enable creative access and research, building links to a global network of moving image collections.

ACMI staff pivoted quickly to meet the needs of our audience despite ongoing external economic and environmental challenges. Our team has collectively delivered important moving image education across a suite of mediums, taking a test and learn approach to all we do.

---

We delivered:

**603**

offsite and  
online events

**16**

programs across  
regional Victoria

**25**

titles screened at  
ACMI offsite venues

**343**

individual schools  
booked ACMI  
programs

**14,000+**

students  
participated in  
education programs

**3,000**

new moving image  
items in our Collection

**50,000**

collection items  
relocated to the ACMI  
building footprint

# Build Sustainability

- Increase and diversify self-generated revenue.
- Deliver exhibition operating system to standardise, enhance and build on our technological and exhibition innovation.
- Ensure strong environmental performance.
- Strengthen and streamline our business and operational systems.
- Nurture our stakeholder relationships to align strategies and maximize mutual benefit.

Despite our museum being closed for renewal, we continued to forge programs and initiatives to support ACMI's financial, operational and environmental future.

---

We delivered:

**\$5.7m**

portfolio of corporate & philanthropic partnerships

**100%**

green electricity for the term of our next two-year energy contract

**5,800**

redundant videotapes deaccessioned and recycled



Image — Tully Arnot, recipient of 2019 Mordant Family VR Commission

# ACMI by Numbers 2019–20

---

**37,464**

visitors to our three regional exhibitions across Australia

**5**

venues for ACMI international touring exhibitions

**5**

Australian regional locations for ACMI touring exhibitions

**1.2m+**

visitors saw *DreamWorks Animation* in Brazil since it opened in 2019

**3.9m+**

visitors to ACMI touring exhibitions since 2013

**96%**

learner satisfaction

**117,533**

online learners

**844,673**

overall website traffic (sessions)

**1.96b**

potential reach via earned online media

**6.8m**

social media reach

**543**

offsite events

**594,553**

visitors to ACMI touring exhibitions for the year

# ACMI During COVID-19 Lockdown

---

**35%**

increase in total  
website traffic

**111%**

increase in traffic to  
education pages

**46,330**

visits to our webpage  
to find out more about  
*Virtual Cinémathèque*,  
presented in  
partnership with  
the *Melbourne  
Cinémathèque*

**5,400**

*Top Screen*  
attendees (328% year  
on year increase)

**13,000**

views of *Running Free*

**2.5m**

social media reach

**101,219**

social media  
engagements

**5,000+**

attended *Top Screen*  
screenings

# ACMI's Visionary Renewal

**ACMI's Fed Square site closed to the public on 23 May 2019 to deliver ACMI Re/new, a transformative project that will reimagine, renew and rebuild our museum.**

Thanks to the support of the Victorian Government, our partners' generosity as well as the creativity, commitment and ingenuity of our collaborators and the ACMI team, we are on track to deliver our \$40 million redevelopment in early 2021.

The reconfigured space will be a dramatic transformation. It includes a wide, open staircase that will connect the building and facilitate new spaces for visitors to sit and relax. We are upgrading our cinema projectors to state of the art 4K laser projectors and revitalising our public spaces, including our, foyers, shop, cafe and bar, in addition to a stunning multi-purpose function space. Our new free permanent exhibition will take audiences on an immersive journey into the past, present and future of the moving image through stunning design, amazing objects and captivating stories. Interactive experiences will allow visitors to animate shadows, craft optical toys, experiment with time, assemble film scenes and create sound effects in a custom Foley studio. Our Media Preservation Lab will keep our past alive and bring our Collection team's vital work into the public eye. In the two new Gandel Digital Future Labs, students and teachers will access the technology and creative tools to create their own moving image works.

Our renewal will cement ACMI as one of Melbourne's pre-eminent cultural destinations and a leading global museum where creativity, art, technology and innovation collide. ACMI will be a significant civic asset to support our community's recovery post-COVID-19 re-opening, with immersive exhibitions and a new technology-enhanced visitor experience that connects the in-building and online offers.

Creative Victoria, the Department of Premier and Cabinet and the Department of Treasury and Finance have been vital partners, together with the ACMI Board and staff, to execute the renewal. BKK Architects and experience and exhibition design firm Second Story (part of Publicis Sapient) have been the lead design collaborators on the projects. Together with Australian design studios they have collaborated on bespoke installations and experiences for the new museum.

## BKK Architects

Acclaimed Melbourne-based firm BKK Architects was appointed in 2017 to lead the design of ACMI's renewal project. Led by Tim Black and Deb Adams, BKK Architects has worked to realise ACMI's vision while respecting Lab Architecture's original design. BKK's design connects ACMI's spaces across the four levels of the Alfred Deakin Building in Fed Square, creating a stronger social connection for visitors within the building and delivering a strong laneway connection from the city to the river.

As well as collaboratively working with ACMI and experience & exhibition design firm Second Story, BKK Architects formed a consultant team to support the design process including Arcadis (Structural & Civil Engineering Services), Arup (Fire Safety Engineering Services), Buro North (Wayfinding & Signage), Morris Goding Access Consultants (Universal Access Design), Mott MacDonald (Services Engineering Services), Philip Chun (Building Surveying Services) and Schuler Shook (Specialist Lighting Design). Together they have delivered a superb renewal of ACMI, bringing to life the vision of the museum.

**"There's a big urban design idea at the heart of this project and that is, that ACMI wants to really grasp the opportunity to be a presence in the city. By embracing this laneway opportunity ACMI really becomes embedded in the city."**

– Tim Black, BKK Architects



Image — ACMI Ground Level, credit BKK Architects



## Second Story (part of Publicis Sapient)

Second Story (part of Publicis Sapient), a design studio based in the US, was appointed as the Experience and Exhibition Designer for the ACMI renewal project in 2017. Their role has spanned exhibition design for our new permanent exhibition *The Story of the Moving Image*, as well as experience and interior designs for other new ACMI program spaces; the Media Preservation Lab, the Gandel Digital Future Labs and our new multi-function Fed Square foyer space.

Second Story's experience designers, storytellers, technologists and exhibition designers, led by Joel Krieger and Chris Dewan with Kathryn Beane, Kate Farina and Mark Harris, worked closely with our project team and collaboratively with BKK Architects across the entire renewal project. Second Story has led the overall design approach, working with ACMI to craft new exhibition spaces that seamlessly merge design and architecture with story and new technology to tell *The Story of the Moving Image*.



Image — Moving Australia, credit Second Story

## The Story of the Moving Image

The moving image is everywhere. From our TVs and consoles, from cinemas to in our pockets, it transports us both to new worlds and into the past while reflecting our hopes, fears and dreams. Spread over 1,500 sqm, our new free, permanent exhibition *The Story of the Moving Image* tells this story, taking our visitors on an immersive journey through the past present and future of the moving image across film, TV, videogames, visual art and digital culture.

Visitors will encounter over 900 objects, interactive experiences, digital innovations and captivating stories from Australia and overseas. The exhibition has five distinct sections that frame significant moments in moving image history, including the origins and future of cinema, creative processes, Australian culture and stories, the rise of videogames, and how screens inform, influence and empower us.

Each section is designed to evolve, with new content refreshing the exhibition and reflecting innovation across moving image artforms. Contemporary artworks from our collection and new works commissioned specifically for our exhibition are interspersed throughout these sections, highlighting the importance of art to the history of the moving image and providing counterpoints and new perspectives on these stories. The final gallery is dedicated to contemporary art, showcasing seminal and newly commissioned artworks by international artists in partnership with Naomi Milgrom AC and the Naomi Milgrom Foundation.

Interactive and immersive technology is embedded throughout *The Story of the Moving Image* to create an entirely new visitor experience that continues long after visitors have left the building through the Lens, an ACMI-designed device that collects your favourite objects and artworks in the exhibition. The Lens also activates the *Constellation*: a human-curated collection of moving image works linking back to each object you collect. The *Constellation* reveals the fascinating streams of interconnected content that has been curated by ACMI's staff. We anticipate that 1 million visitors will journey through *The Story of the Moving Image* each year by 2025.

# ACMI's Visionary Renewal (cont.)

## ACMI's Digital Future

We are committed to harnessing the creative capacity of technologies to drive unique audience experiences. In an era where social media dominates and smartphones are ubiquitous, shared cultural spaces – both physical and digital – are more vital than ever. The new ACMI is curated by humans and enabled by technology. Our museum extends beyond our physical building, meeting people online with resources and experiences. During a time of endless digital and screen content, we act as a guide.

## A Revolutionary New Operating System

We have used this time of renewal to create a new technology backbone called the eXperience Operating System (XOS) that will revolutionise the way we design, build, and operate exhibitions into the future. The XOS connects ACMI's databases of objects and media to in-gallery experiences, allowing visitors to collect, take home, and explore everything we have on display in our self-made exhibitions. XOS provides infrastructure to create more accessible on-screen experiences with synchronised captions and geofenced video playback on own visitors' smartphones. It drives ACMI's forthcoming new website seamlessly connecting the work our curators and educators do, to the at home experience of our visitors after they have visited. XOS also allows ACMI staff to monitor the galleries for temperature fluctuations and gives early warning of technology related problems. It also anonymously collects analytics about how visitors are moving through our spaces and the objects that catch their interest, providing ACMI with vital insights to more responsively design future exhibitions.

## ACMI's Lens and Constellation

The Lens is a free handheld device inspired by the Viewmaster reels of our childhoods. This take home tool accompanies the visitor as they journey through ACMI's Story of the Moving Image, and enables visitors to collect content, reveal connections and explore the universe of screen content.

Developed in-house at ACMI alongside experience design specialists, Second Story, the Lens is a paper-based device, which uses near-field-communication (NFC). It was designed with haptic memory in mind, based on research that shows organic things you physically touch and move around (a pen and paper for example) trigger a stronger memory response than using a phone. It was also developed to be recyclable with the help of Swinburne University's Centre for Design Innovation. Through this local design innovation and partnership, ACMI has ensured that the Lens is a single-use, Covid-19 safe device, while minimising environmental impact.

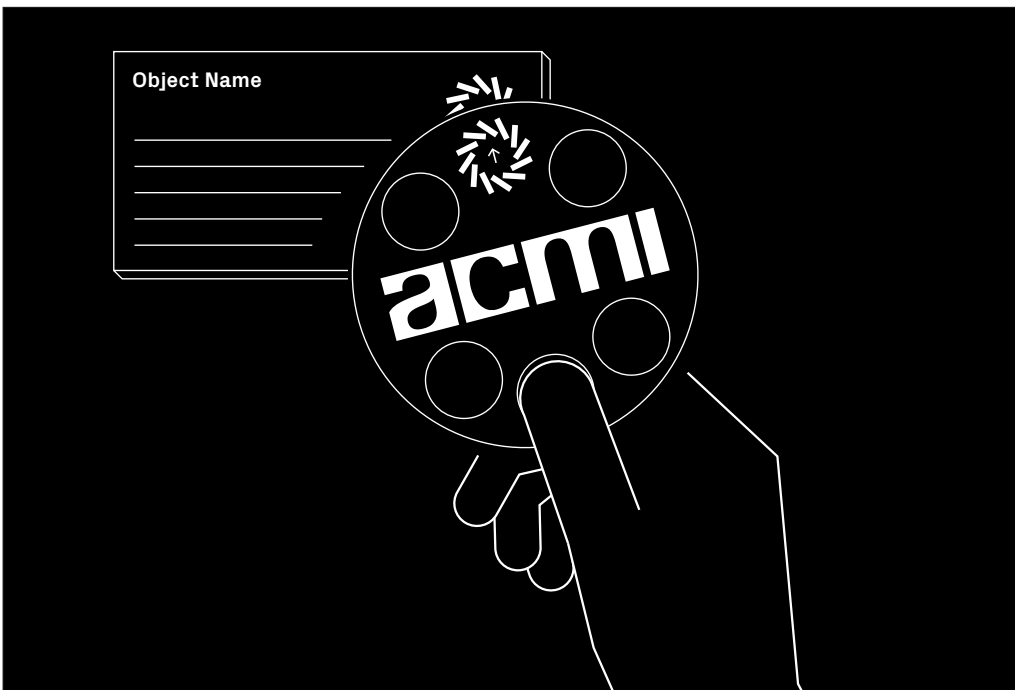


Image — Above: *The Constellation*, credit Second Story  
 Image — Below: ACMI Lens

# Commissions

**Our commissioning program supports the creation of ambitious new work by providing artists with the time and resources to nurture and develop ideas, pursue cross-disciplinary collaborations, and to work at a scale that would not otherwise be possible.**

Through partnerships with philanthropic and cultural organisations, and with the major capital investment of the Renewal, ACMI has this year expanded its suite of commissions, enhancing our public spaces, expanding our program offer and collection.

We have been working with some of Australia's most important artists and have directly funded artists with over \$880,000 across 15 commissions. Spread throughout our galleries and buildings, over 70% of these commissions are by First Nations artists, and more than 60% have women in a lead creative role.



Image — Above: Vicki Couzens in her studio, credit ACMI photographer  
Image — Below: Emily Boutard in her studio, credit ACMI photographer

## The Story of the Moving Image Commissions

Our new permanent exhibition boasts a series of major site-specific artworks commissioned specifically to respond to the key themes and ideas.

At the entrance and exit of our exhibition Vicki Couzens' multi-part artwork *Yanmeeyarr* (2020), generously supported by the Sidney Myer Fund, reflects on the relationship between traditional First Peoples storytelling and the contemporary moving image.

John Harvey's mesmerising *Canopy* (2020), a four-channel video installation that sits at the centre of our exhibition, combines home videos with film to explore self-representation and the history of First Peoples on-screen.

*You Will See Me* (2020), a five-channel installation by Sari Braithwaite, Conor Bateman and Field Carr, explores Reality TV, social media and the Internet and how we perform for the camera.

*Entities* (2020) by OOM Creative and Studio PDA is an ambitious time-based data visualisation that tracks the way our visitors collect objects and explore content in the exhibition.

Alongside these, we have commissioned a series of short films called *How We Tell Our Stories* that explores the unique voices and sensibilities of First Peoples artists and filmmakers, featuring films by artist Julie Gough, media and TV personality Shelley Ware, filmmakers Dylan River, Catriona McKenzie, and Lou Bennett and Romaine Morton. Historian, actor and activist Gary Foley and filmmaker Pauline Clague have also made a short film called *Indigenous voices on-screen* that draws on the Victorian Aboriginal History Archive.

Two major site-specific works have been commissioned for our new foyer that explore themes of collecting and preserving that are central to our mission:

Edie Kurzer's *Cabinet of Curiosities* (2020) takes us from her personal collection of coat hangers and Pez dispensers to dioramas in homage to Aotearoa (New Zealand), the natural history genre and mermaids on screen in eighteen unique and playful displays. For collector, curator and costume designer Kurzer, "humour is a universal language." It's an element she weaves into much of her artistic output.

Daniel Von Sturmer's *Cataract (concrete)* (2020), a 60-screen sculptural installation, is a collection of impromptu recordings and moving image tabletop experiments that invite the viewer to negotiate between singular moments and discordant fragments of experience.

Our ongoing commissioning series have continued during our closure, and each of these works will be exhibited over the first eighteen months beyond ACMI's reopening.

**"Where does moving image originate? Shadow and light, elemental movement and action; see figures in formation, ceremony in the circle, moving, in rhythm, in rhyme with the heartbeat, sunlight, moonshadow, Yanmeeyarr... flickering in firelight."**

**– Vicki Couzens**

**"The canopy is teeming with life. It is a place where the biodiversity of species ensures the survival of us all. Through the imagery in my work, I'm exploring layers of being, from the individual to family, clan, culture, country and finally, to consciousness. *Canopy* invites audiences to still their minds and experience the work as a meditation with an open spirit and heart. It contains my home movies along with films I've written and directed."**

**– John Harvey**

# Commissions

## The Ian Potter Moving Image Commission

The 2020 Ian Potter Moving Image Commission, Gabriella Hirst's *Darling Darling*, will premiere at ACMI as part of our reopening program. Filmed along the Darling River and in the Art Gallery of New South Wales, *Darling Darling* contrasts the care and conservation of a significant 19th century Australian landscape painting with the dire contemporary state of the river depicted. The generous commission of \$100,000 has granted Hirst the time to research and consult with a range of historians, art conservators and traditional owners in making this nuanced and timely work.

## ACMI + Artbank Commission

In August 2019, Reko Rennie was awarded the second ACMI + Artbank commission. The commission offers an artist \$70,000 to create a work that sits at the intersection of contemporary art and film practice. Artbank's two core objectives are to provide direct support to Australian contemporary artists by acquiring their work and promoting the value of Australian contemporary art to the broader public. Rennie's work *What Do We Want*, an inspired pairing of Aboriginal activism with suburban martial arts culture, will be exhibited at ACMI in 2021 and enter both ACMI and Artbank's collections.

## The Mordant Family VR Commission

The third and final Mordant Family VR commission was awarded to Tully Arnot and will be presented at ACMI in 2021. *Epiphytes* (working title) will offer users an immersive experience of communicating with plants and will complete the series of three VR works supported by Simon Mordant AO and Catriona Mordant AM, the City of Melbourne and ACMI.

## The Mordant Family Moving Image Commission

In December 2019, the new \$80,000 Mordant Family Moving Image Commission was initiated for young Australian artists. Supported by Simon Mordant AO and Catriona Mordant AM, the City of Melbourne, ACMI and John Allsopp of Web Directions, the inaugural recipient, Stanislava Pinchuk, is preparing to shoot her multichannel work, *Self Preservation* when international travel restrictions allow.





Image — Above: credit ACMI photographer  
Image — Below: *Darling Darling* (2020), courtesy Gabriella Hirst

# Diversity and Inclusion

## **ACMI is committed to reflecting our community's diversity through our programs, partnerships, workplace and audiences.**

We are committed to investing in initiatives and taking real action to ensure inclusion and access for staff, artists, patrons and cultural organisations.

Our commissioning program (see page 11) is rich in its diversity and in 2019–20, ACMI has directly provided more than \$880,000 in funding to artists across 15 commissions. Over 70% of these commissions are by First Nations artists. More than 60% have women in a lead creative role.

Our Cinema programming is endlessly curious and expansive in its definition of 'cinematic forms' and committed to championing diverse voices. Despite a significantly reduced program, we screened films in seven languages other than English and 32% of the films were by female directors.

In 2019–20 we rolled out our first Reconciliation Action Plan (RAP) and our first Disability Action Plan (DAP). We participated in Diversity Arts Australia's *Fair Play* program, developing strategies to embed diversity and inclusion as standard practice throughout our organisation and our activities.

We are proud to have a culturally diverse Board, which includes two First Nations people and two people from culturally and linguistically diverse (CALD) backgrounds. Our First Nations staffing levels currently sit at 1.7% (including two identified First Nations roles) and 23.4% of our staff are from CALD backgrounds. Our renewal project includes new initiatives designed to support people with disabilities engage with our rich cultural offer. These initiatives include increased accessible wayfinding and venue signage, improved communication of access information and consultation on exhibition design through our Universal Access Committee.

## **Reconciliation Action Plan (RAP)**

ACMI recognises the need to protect and promote First Nations cultures, histories and knowledge and embed First Nations values as part of our organisational culture. ACMI worked with Dr Terri Janke a Wuthathi/Meriam woman and an international authority on Indigenous Cultural and Intellectual Property (ICIP) to formalise our support for reconciliation through a Reconciliation Action Plan (RAP). This plan establishes the steps ACMI will take over the next two years to continue to build positive and reciprocal relationships with First Peoples, achieve contemporary best practice in our programs, governance and collections management, and support reconciliation. The plan also incorporates the First Peoples Roadmap for Enhancing Indigenous Engagement in Museums and Galleries. ACMI has established a Reconciliation Action Plan Working Group to monitor the implementation

## **Indigenous Advisory Group (IAG)**

Our Indigenous Advisory Group (IAG), established for the ACMI renewal, was led by ACMI First Nations staff member Eugenia Flynn and included ACMI Board director Rachael Maza AM, ACMI First Nations Curator Louana Sainsbury, Auntie Carolyn Briggs, Penny Smallacombe and John Harvey. The IAG has played a critical role in the development of our new permanent exhibition and the renewal project, including a number of stunning commissions by First Nations artists.



## Diversity in the Arts

ACMI participated in Diversity Arts Australia's pilot *Fair Play* program, an organisational-wide initiative that aligns closely with ACMI's Reconciliation Action Plan and Disability Action Plan. As part of this program, we undertook an audit that benchmarked ACMI against best practice models across programming, employment, policies, leadership, advisory, internships, training, community engagement and inclusive marketing. We are now developing an Equity Action Plan, which will be implemented as part of our new operating model.

## Women and Non-Binary Gamers Club

Launched in 2018, the *Women and Non-Binary Gamers Club* is a safe and inclusive space at ACMI X for gamers to share their love for the medium. Like a traditional book club, participants can share their thoughts and feelings about the chosen game of the month, while also making new friends and playing the videogames in the ACMI X space together.



Image — Above: Women and Non-Binary Gamers Club

Image — Below: Warwick Thornton shooting *Sweet Country*, credit Mark Rogers

# The Way We Work

## Organisational Structure

We have continued to evolve how we work together across the museum, understanding that the vision of the renewal project requires us to change the way we work together. This year we moved to a new organisational structure creating three core departments – Experience & Engagement, Programming & Creative Production and Commercial & Operations – aimed at improving cross departmental collaboration and ensuring we are structured to be a contemporary organisation where our best ideas can come to life.

## Employment Opportunities

ACMI is committed to making our workplace more accessible, inclusive and diverse. To do this we need to actively recruit staff through targeted channels that invite potential employees who may not otherwise consider ACMI as a workplace for them. Our Visitor Experience and People & Culture teams have worked with AMES (assisting people from diverse cultures) and WISE (supporting people managing mental illness to find work) to provide information sessions for their clients. We are working with these organisations to ensure our next major recruitment for ACMI (employing Visitor Experience Officers) will be promoted to them.



Image — Above: ACMI X social space, credit Charlie Kinross

Image — Below: Harold 'Doc' Edgerton, *Moving Skip Rope*, courtesy ©2010 MIT Museum

# Offsite Programs

**As ACMI closed its doors in May 2019 for the renewal construction and fit out phase, we collaborated with a number of partners to ensure some highlights of our program offer could continue to flourish offsite.**

## The Treasury Theatre

Part of ACMI's history, the Treasury Theatre was our cinematic home from 1970 to 2002 when we were the State Film Centre. We're delighted to have returned to this significant landmark of our past while simultaneously innovating for our future. The Treasury Theatre hosted our much-loved *Matinees* program and a range of education sessions, festivals and one-off events. This activation also enabled us to collaborate with our festival partners at the Melbourne International Animation Festival, Filmoteca and the Japanese Film Festival.

## The Capitol

After years of loving restoration by RMIT, ACMI's expert team collaborated with RMIT to run the first year of cinema programming at the Capitol theatre; transforming it for future generations. During the year, *Melbourne Cinémathèque* ran weekly screenings and had the opportunity to continue to show 35mm prints. The theatre was also the temporary home for six culturally diverse festivals: the *Melbourne International Film Festival*, *Korean Film Festival*, *Czech and Slovak Film Festival*, *Russian Film Festival*, *Japanese Film Festival*, and the *VCA Graduate Screenings*. Described by renowned Australian architect Robin Boyd as "the best cinema that was ever built", we are thrilled to have delivered and supported the revival of this treasured Melbourne landmark.

## Rain Room by Random International

Random International's monumental artwork *Rain Room* is a responsive environment engaging all the senses. A 100sqm field of continuous rainfall, Rain Room invites visitors to become fully immersed in the rain while simultaneously being protected from it. The millions of water droplets respond to human presence by ceasing to fall wherever someone is in the space. Through *Rain Room*, Random International explores how human relationships between other and nature are increasingly mediated through technology.

Following blockbuster showings at LACMA in Los Angeles (2015–2016), the Yuz Museum in Shanghai (2015 and 2018), the Museum of Modern Art, New York (2013) and London's Barbican (2012), this globally significant work was presented in Melbourne by the Jackalope Art Collection, in partnership with ACMI. Cut short only by the arrival of COVID-19, this completely sold out season was presented in a purpose-built pavilion on top of the Prince of Wales Hotel in St Kilda. ACMI and Jackalope presented an intimate in-conversation event with Teds curator Fenella Kernebone and *Rain Room* creator Hannes Koch of Random International.



Image — *Rain Room*, credit Random International



## Series Mania Melbourne

Presented in partnership with Film Victoria and the world's most prestigious television festival *Series Mania*, this annual event celebrates the medium of long-form television drama. In 2019 the reduced offsite program featured two world premieres and one Australian premiere at RMIT's Capitol theatre. The sold-out *Industry Day* at RMIT's Kaleide Theatre featured an outstanding line up of panelists including Showrunners Melissa Rosenberg (*Jessica Jones*, *Dexter*, *The OC*), Rachel Griffiths and Darren Dale (*Total Control*), writer and producer David Mandel (*Seinfeld*, *Veep*, *Curb Your Enthusiasm*) and award-winning writer Luke Davies (*Lion*, *Beautiful Boy* and *Candy*). The public screening program opened with the world premiere of SBS's critically acclaimed drama *The Hunting*. Australian actor Kerry Armstrong introduced the world premiere of the ABC's *Frayed* and the festival hosted the Australian premiere screening of Shane Meadows' latest television drama, *The Virtues*, which won the 2019 Grand Prix award at *Series Mania Lille*.

## The Mysterious Lai Teck

*Asia-Pacific Triennial of Performing Arts (Asia TOPA)* returned in 2020 to celebrate the creative imagination of artists and cultures in the Asia-Pacific region. Presented in partnership with Arts Centre Melbourne, the Victorian College of the Arts and ACMI, *The Mysterious Lai Teck* is a richly theatrical moving image and performative work by acclaimed Singaporean artist Ho Tzu Nyen. Through projection and live performance, Ho Tzu Nyen guided you into Lai Teck's labyrinthine underworld in this evocative and haunting tale of lies and counter-lies, espionage and treachery. An in-conversation hosted by ACMI Senior Curator Fiona Trigg with Ho Tzu Nyen, explored the themes and technical construction of his work.

## Education in Games Summit

Presented with the Department of Education and Training and Creative Victoria as part of Melbourne International Games Week, the annual *Education in Games Summit (EIGS)* supports teachers to bring videogames into their classrooms. This year's theme, 'Exploring challenges; seizing opportunities', generated much discussion and featured guest speakers included award-winning researchers Dr Kate Ringland and Dr Colleen Stieler-Hunt.

## Screen It

Australia's largest competition for school-aged filmmakers, animators and game developers, *Screen It* ran for the last time this year. Since its launch in 2004, *Screen It* has had over 40,000 student participants from around Australia. This year's winning works were selected from over 300 entries created by more than 1,000 students who responded to the theme 'Listen'. Entries had an impressive standard of creativity across the board. Winning films and videogames came from schools and individual students in capital cities and regional communities across Australia.

## 2019–2020 Hosted Festival Partners:

Melbourne Cinematheque  
Melbourne Filmoteca  
Melbourne International Animation Festival (MIAF)  
Melbourne International Film Festival (MIFF)  
Melbourne Writers Festival (MWF)  
Korean Film Festival Australia (KOFFIA)  
Czech and Slovak Film Festival (CASFFA)  
Russian Resurrection Film Festival  
Japanese Film Festival (JFF)  
VCA Graduate Screenings  
Australian International Documentary Conference (AIDC)  
VCAA Top Screen  
Melbourne Queer Film Festival (MQFF)

## Cancelled due to COVID-19:

Melbourne International Comedy Festival (MICF)  
Indonesian Film Festival (IFF)  
Human Rights Arts & Film Festival (HRAFF)

# ACMI in Regional Victoria

**ACMI is a state agency, supported by the Victorian Government and we are committed to ensuring our programs are accessible and shared right across our state through our education, industry and public-facing programs. Our museum closure enabled us to explore new regional programs and partnerships that will have a lasting impact.**

## Emporium Creative Hub

Victorian Minister for Creative Industries, Martin Foley MP announced a two-year partnership between ACMI and Creative Victoria to deliver a new creative industries co-working space and business development program for the Bendigo region. Now known as Emporium Creative Hub, ACMI engaged two local staff to lead the initiative in partnership with ACMI staff in Melbourne. A local advisory group was also appointed comprised of creative practitioners and business leaders. The fit out of the physical space was completed in early 2020, transforming the ground floor of the 1910 Morley and Johnson and Co furniture warehouse and emporium into a bespoke co-working and event space to support the region's creative practitioners and entrepreneurs. The fit-out was designed by Bendigo practice e+ architects and provides open workspaces for 25 casual and long-term desks, bookable meeting rooms and flexible project spaces. Local artists Reece Hendy (Nacho Station), Louise Fisher (The Design Pond), Chris Duffy (Ha Ho) and Ashleigh Farrow were commissioned to paint murals in the space.

While the pandemic delayed the official opening of the Hub, the team pivoted to present online industry-focused events including a podcasting workshop, a start-up meet-up, a session with Creative Director of Sandpit (and ACMI X alumni) Dan Koerner and Bendigo Open House. These sessions connected people from across the creative community and have built a foundation for the eventual launch of the Hub and its industry program when restrictions allow.

## ACMI in Ballarat

John (Jack) Anderson loved film - so much that he bought a run-down theatre and, with his wife and business partner Marie, transformed it into Ballarat's magnificent Regent Cinemas – the first multiplex in regional Victoria. Their legacy is extraordinary; from their investment the Regent Cinemas to capturing the flickering footage of everyday life and events in Ballarat from the 1940s to 1980s, much of it unseen by the public.

The Anderson Family recently bequeathed the Jack Anderson archive to ACMI for safekeeping and digitisation. We presented sold out program of his films, *Large as Life – the Cinematic Legacy of Jack Anderson*, digitised by ACMI in the Regent Theatre, raising \$12,000, which has been used to establish the Jack Anderson Award. Administered by the Ballarat Arts Foundation, to support emerging film-makers in the Ballarat region, the Anderson family has generously ensured that this award will run in perpetuity.

## Regional Touring

ACMI delivered more touring exhibitions to more regional Victorians and Australians than ever in 2019–20. Working with our funding partners Visions of Australia and Creative Victoria, we had three regional exhibitions on the road simultaneously for the first time: *Code Breakers: Women in Games*, *Del Kathryn Barton: The Nightingale and the Rose* and our newest regional touring exhibition *Cleverman*. *Code Breaker's* Creative Victoria funded Victorian regional tour concluded in July 2019. This exhibition has gone on to break new ground in 2019–20 by securing new venues and generating its own revenue. Over 10,500 regional Victorian visitors saw the exhibition through our partnership with the Bendigo Discovery Science & Technology Centre. *The Nightingale and The Rose* also concluded its three-year, nine regional venue tour in July 2020, which included three regional Victorian art museums and entertained 5,300 Victorians.

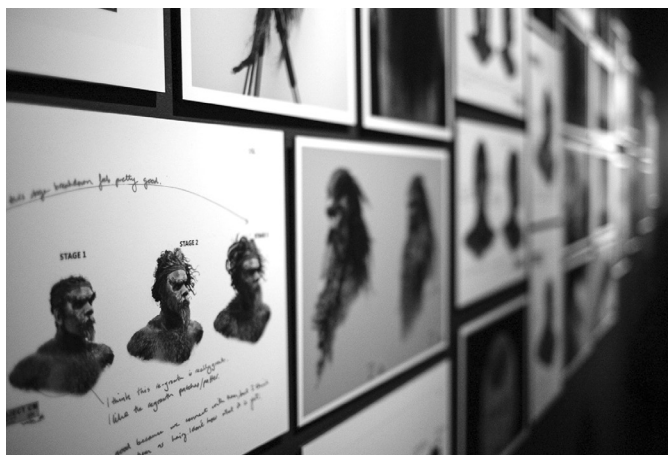


Image — *Cleverman*, credit Jalaru Photography

## Education on The Road

While our onsite programs were reduced due to our renewal closure, we continued to connect with new audiences through regional pop-up education programs. First up, almost 800 primary and secondary students and teachers joined us for a lively series of workshops, talks and film programs presented together with Geelong Library and Heritage Centre, Geelong Gallery and the Geelong Arts Centre. Later in the year, we taught students at the Bendigo Library how to create videogame characters, interactive fiction and animation in a series of workshops before sharing industry insights with media students at Bendigo Secondary College. Thanks to the generosity of our partners Department of Education and Training in Victoria, we took our expertise to audiences when they couldn't come to us.

With generous support from our partners Gandel Philanthropy, we are also working with Geelong Tech School and Bendigo Tech School to develop programs that explore emerging technologies. Established as local education hubs, these Tech Schools provide bespoke delivery models for secondary schools tailored to key industries in their respective regions. ACMI's expert educators continue to harness the technology embedded in these schools to provide an ongoing teaching resource. Our team supports the use of these tools to enable and enhance creative storytelling and expression of ideas.

# Nurturing Industry

## **ACMI is as interested in exploring and supporting the process of creating as it is in showcasing the final product.**

Alongside ACMI exhibitions that reveal the creative process behind wonderful works (Code Breakers, DreamWorks Animation, Game Masters, Del Kathryn Barton: The Nightingale and The Rose), we have a multi-layered program that supports artists and practitioners through our unmatched commissioning programs (see page 11), our co-working spaces and accelerator programs, our festival and conference programs, and our industry and university partnerships.

## **ACMI X**

Generously supported by The University of Melbourne and RMIT, our 60 desk co-working space provided a home this year for over 70 industry practitioners, including participants of our Foundry658 accelerator, tech start-ups, RMIT researchers and students, individual freelancers, the AIDC and industry partners. As part of our commitment to champion emerging practitioners, we sponsored emerging videogame production studio DragonBear during the development of their game *Chaos Tavern* as well as new production company 720 Creative to work at ACMI X in 2019–20.

## **Foundry658**

Foundry658, accelerator program for the creative industries, is an initiative of the Victorian Government's Creative State strategy. Supporting a diverse cohort of creative collaborators to transform their ideas into sustainable businesses, ACMI in partnership with the State Library Victoria (SLV) ran the 12-week accelerator program. The eight participating creative teams were supported through the accelerator by ACMI and SLV staff, along with a network of expert industry speakers, trainers and mentors. The program culminated in a demo night where businesses pitched their ideas to a packed audience at the Meat Market, including potential investors, partners and creative community peers.

Many participants of ACMI's accelerator initiatives have gone on to produce thriving creative projects. *Queertown*, a queer content platform lead by two Foundry658 accelerator participants have continued to use ACMI X as their co-working base since graduating from the program in July 2019. They have also spent the financial year traveling Australia producing queer content and workshops as well as further defined their services online to incorporate their growing community of creative practitioners.



## Australian International Documentary Conference

*The Australian International Documentary Conference (AIDC)* is Australia's most important event for the documentary, factual and unscripted screen industry. As the Major Partner of the conference, ACMI continued to provide a fully serviced office for the AIDC team year round in our co-working space ACMI X. In addition, we supported AIDC during our museum site closure to deliver their conference offsite in the stunning new State Library of Victoria in February 2020.

AIDC and ACMI co-presented a public screening and talks program during the 2020 conference that celebrated key documentaries of 2019 including the Australian Premiere of Academy Award-nominated *The Cave* from Syrian director Feras Fayyad. It also showcased talented international conference guests including director S. Leo Chiang and the acclaimed Chinese documentary *Our Time Machine*. This screening event was made possible thanks to three new co-presenting partners: *Asia TOPA*, The Wheeler Centre and The Age.

We were thrilled to announce, alongside their Principal Partner Film Victoria, that the AIDC will remain in Victoria through to 2023 with our Major Partnership support and ACMI will continue to host the conference at our newly refurbished museum from 2021.

## Australian Film Television and Radio School/Media Mentors

ACMI partnered with the Australian Film Television and Radio School (AFTRS) and Media Mentors to present *Make it Monthly* featuring a panel of industry experts and provided networking opportunities for those in attendance. Onsite at ACMI X, 170 people attended the sold out event series, which pivoted online following COVID-19 restrictions and was a great success, receiving 1,040 views.

## Film Victoria/Media Mentors

To continue presenting our industry programs during the COVID-19 lockdown, ACMI worked with our partners Media Mentors and Film Victoria to present a monthly, online panel discussion *Running Free Live* to complement our twice-weekly *Running Free* online workshops. These topical, practical and entertaining sessions share industry knowledge and advice and offer industry vital networking opportunities.

## Experimenta

In 2019–20 ACMI has continued to partner with Experimenta to present *Experimenta Social*, a series of events that explore the bleeding edge of art and technology and provide a unique insight into the practices of a range of established and emerging Australian artists. Over the 2019–20 year the partnership attracted 295 visitors over 5 events and during COVID-19 temporarily transitioned into online programming.

# Collections

**ACMI's diverse collection has had unprecedented interest, both through new donations and acquisitions and through vastly increased public exposure via digital platforms during the COVID-19 period.**

Years of digitisation have enabled 64,000 online interactions with the collection this year, up by 300% compared with 2018-19. Over 3,000 moving image items were accessioned into the collection and over 5,000 files of supporting documentation were migrated from tape backup to our new deep storage preservation server, ensuring better long-term survivability and immediate access.

This year we acquired the *Sarah Watt Archive* through the generous support of her family. This extensive archive offers a rare insight into the complete creative project of a wonderful filmmaker and artist. As the work of accessioning the collection progresses, the opportunity for public engagement and education around the creative process will be immense. We also acquired the archive of filmmaker Don Bennetts, which contains lengthy interviews with key Australian artists such as Sidney Nolan and John Olsen and will be invaluable to Australian art scholars. Several key works have been acquired via our Cultural Gifts Program, including *Cigarettes*, a piece by internationally renowned visual artist Christian Marclay, that was generously donated by Andrew Cameron AM and Cathy Cameron. In addition, we also accessioned the film archive of significant Australian performance artist Stelarc.

In preparation for the opening of the public-facing Media Preservation Lab, Collections staff undertook a mentoring program with Ben Fino-Radin, former Associate Media Conservator at the Museum of Modern Art (MoMA) and founder of Small Data Industries. Ben is an internationally recognised expert in digital archaeology and preservation based in New York. His work in this field is cutting edge and the opportunity to work, discuss and experiment in this relatively new and specialist field was invaluable given the fragile nature of much of the digital-born material requiring urgent strategies for preservation.

With the renewal of the ACMI building, it was also time to move the portion of ACMI's collection stored onsite to ensure improved storage conditions and better access for staff working in the preservation lab. Over 50,000 items have been relocated to within the ACMI building footprint, re-shelved and a stocktake undertaken.

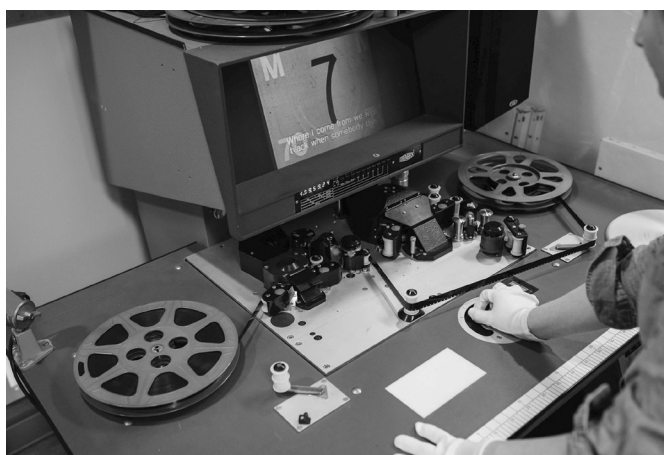


Image — Above: ACMI Collections

Image — Below: ACMI Collections

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**64,000**

online engagements  
with Collections

**250**

terabytes digital  
preservation storage

**8**

hours to preserve  
one hour of film

**50,000**

items have been  
relocated to within the  
ACMI building footprint

**3,000**

new moving image  
items in our Collection

**500**

films preserved

**250,000**

items in the ACMI  
Collection

## Preserving Australia's Videogame History

ACMI is committed to using powerful collaborations to support and preserve key artefacts relating to the moving image. Under a Memorandum of Understanding, ACMI, the Museum of Applied Arts and Sciences (MAAS) and the National Film and Sound Archive (NFSA) entered a significant collaboration to save Australia's unique videogame history and protect its future.

The partnership addresses the need for a national approach to videogame preservation and explores the development of a distributed national collection supported by future infrastructure and transparent strategic processes. Knowledge, research and acquisition rights of games will be shared to the benefit of each institution, the games industry and consumers. This collaboration is the largest of its kind in Australia and, if successful, will provide a blueprint for other national collection initiatives.

## Bophana Audiovisual Resource Center and ACMI

ACMI has an ongoing commitment to forging powerful international partnerships and using our expertise to both preserve and repatriate historical artworks. ACMI accepted an invitation from the Bophana Audiovisual Resource Center (BARC) in Cambodia to provide expertise to help preserve and digitise significant historical records. This body of work aims to preserve possibly the most extensive collection of film in Cambodia and what looks to be the last complete collection of its type given the ravages historical records have endured. During the year, we were able to return several films held in the collection relating to Cambodia to Bophana for public access. In addition, we worked with Australian filmmaker James Gerrard to digitise and repatriate his archive produced over decades of work in Cambodia.

As part of the grant provided by the Australian-ASEAN Council, ACMI's new permanent exhibition, *The Story of the Moving Image*, will feature a display on Bophana and how this important organisation is able to reconstruct cultural memory through the collection, preservation and display of cultural heritage and providing access to communities, in order to remember the past and reinterpret the future.

We thank the Barlow Foundation for their generous support of this partnership and to the Department of Foreign Affairs who provided the project funding supporting the initial contact between ACMI and BARC.

# Exhibitions & Touring

## Touring Exhibitions

This year for the first time, ACMI had three major international and three national exhibitions on tour simultaneously. Incredibly, in 2019 over 1.27 million people saw *DreamWorks Animation: the Exhibition* in Brazil across its two venues in Rio de Janeiro and Belo Horizonte. This gave ACMI first and second place in that year's coveted Art Newspaper's Top 20 most visited exhibitions in the world list. *DreamWorks Animation* returned to Australia, to the National Museum in Canberra, bringing the total visitation to this exhibition since 2015 to over 2.5 million. At the same time *Game Masters*, which has been touring Europe and North America since 2013, also returned to Australia for a six-month season at the National Film and Sound Archive, Canberra. Total visitation to this fascinating celebration of some of the early greats of videogames design is now 1.23 million.

2019 also saw *Wonderland* successfully launch its international tour at the ArtScience Museum, Singapore. The second ACMI exhibition to be presented at this great museum in our Asian region attracted over 200,000 visitors. *Wonderland* then travelled to Te Papa Tongarewa Museum in Wellington, becoming the third ACMI exhibition to be presented at New Zealand's national museum. Both venues report having had great success with the exhibition and the diverse audiences it attracts.

ACMI's national touring program continued to have a real impact with *Cleverman* successfully securing Visions of Australia funding for a ten-venue national tour across three years. Nine of those venues are new to ACMI touring, and two of them are Indigenous run cultural venues. An important exhibition exploring First Nations storytelling, language and creativity via the critically acclaimed TV series of the same name, *Cleverman* reflects ACMI's ongoing commitment to diversity and inclusion within its program. The hugely popular *The Nightingale and the Rose* exhibition concluded its nine-venue national tour in July 2020.

### DreamWorks Animation: The Exhibition

3

international touring shows

the world's most visited exhibition of 2019 (according to comparative statistics compiled by the Art Newspaper)

5

venues for ACMI international touring exhibitions

557,089

visitors to ACMI's international exhibitions for the year

37,464

visitors to our three regional exhibitions shown in five Australian venues

Almost 4m

total visits since ACMI international touring exhibitions began in 2013

### ACMI & Deutsches Filminstitut & Filmmuseum (DFF)

ACMI has been the joint recipient of €840,000 funding from the German Federal Cultural Foundation, Kulturstiftung Des Bundes. This highly competitive European funding was awarded to DFF and ACMI to build on the digital thinking and XOS technology developed at ACMI. Together, DFF and ACMI will explore new ways of accessing media and film collections in exhibitions over 2020–24. Awarded before the reopening of ACMI, this funding is a significant international endorsement of the technology and digital innovation at ACMI.





Image — Above: *Dreamworks* tour deinstall  
 Image — Below: *Wonderland* at ACMI. Credit Anne Moffat

# University Collaborations

**ACMI continues to grow and deepen its research relationships with major universities, engaging in formal partnerships with RMIT and Swinburne University.**

## **Australian Research Council**

ACMI is a partner of two current Australian Research Council (ARC) linkage projects with RMIT and Swinburne University, with new research collaborations continuing to be developed and assessed by ACMI's Universities Committee.

*Play it Again: Preserving Australian Videogame History of the 1990s* will document and preserve important videogames from the era as well as establishing critical infrastructure which will allow researchers and the public to play and explore this undocumented but very significant period of change in Australian history. This research builds on an earlier Australian Research Council project that preserved Australian videogames from the 1980s.

*Archiving Australian Media Arts: Towards a Method and National Collection* aims to safeguard and preserve the early years of Australian digital media arts heritage. Australians were making and exhibiting significant media art work, exhibiting nationally and internationally and having major influence in the development of these vibrant new artforms, yet many of these works are at risk. Only a tiny portion of these early digital artworks by Australian artists have made it into institutional collections.

Deteriorating disks and reliance on obsolete hardware and software mean that innovative digital preservation and access solutions are needed if these artworks are to be saved. This project will conserve media art case studies from the archives of media arts organisations and develop a best practice method for preserving our digital media arts heritage.

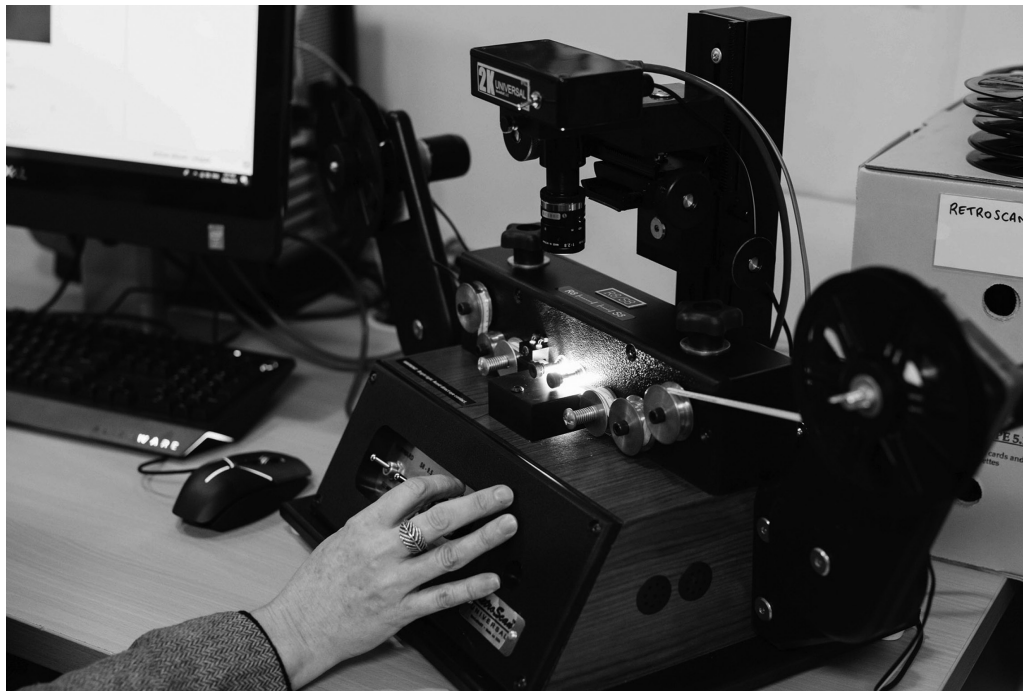


Image — Above: Pong Atari Console  
 Image — Below: Screen Worlds deinstall, credit Phoebe Powell

# Life in the Time of COVID-19

## **With the arrival of coronavirus (COVID-19) in our world, ACMI has had to adapt quickly, as we all have across our community.**

We were fortunate to already be closed for the renewal, and construction has been able to continue despite restrictions. Our workforce transitioned to remote working with ease from 23 March thanks to our incredible ICT team and as a result of our investment over the last few years in creating a flexible and agile working environment. We also deployed staff to critical, essential support roles to assist the Victorian Government's COVID-19 response.

We have quickly adapted our public, industry and education facing programs to 100% online delivery and we are learning to work together in new and creative ways. The shift to online delivery is going to have a lasting impact as we reshape ourselves into both a physical and a digital museum.

## **Virtual Cinémathèque**

One of ACMI's major cultural partners is the *Melbourne Cinémathèque*, a volunteer run film society dedicated to screening rare and significant celluloid films to a devoted membership in our 390-seat cinema each week. In light of the restrictions on mass gatherings, ACMI and *Melbourne Cinémathèque* launched *Virtual Cinémathèque*. The co-curated weekly program offers two titles linked by a theme, director or actor. In the same way that printed articles are handed out at physical *Cinémathèque* screenings, notes are written and links to related articles and videos are posted to give audiences more context for the chosen films. Selected films are hosted on widely used and freely available streaming platforms to make the offering as accessible as possible.

There were 46,330 visits to our webpage to find out more about *Virtual Cinémathèque*, presented in partnership with the *Melbourne Cinémathèque*. This program serves to foster a curiosity for film and keep our community connected while people are isolated from their regular and much-loved routine.

## **Victoria Together**

Led by the Department Premier of Cabinet (DPC), *Victoria Together* is a new online hub of streaming content curated to support Victorians through the period of necessary isolation as a result of the pandemic. In partnership with DPC and Creative Victoria, ACMI delivered initial curation and strategy support for the project. ACMI has been further engaged to curate online cultural content from Victorian organisations across the arts, cultural and creative sector. This work celebrates and promotes local creative practitioners, bringing their work to the wider Victorian public. ACMI is also providing support for the *Victoria Together* grants and partnerships program led by Creative Victoria.



## Running Free

*Running Free*, a series of short and sharp skills workshops for the screen industry, was quickly conceived for an online audience by the ACMI team in partnership with Media Mentors. Held twice weekly and featuring the best of Australia's screen industry talent, the first episode launched at the very start of the COVID-19 lockdown on 27 March. The series garnered over 13,000 views, and generated wonderful engagement through comments and chat via ACMI's YouTube channel.

## ACMI's Collection and its memories of regional Victoria

As COVID-19 transformed our lives, social distancing has made us nostalgic. In March, Mim Cook from East Gippsland ABC discovered footage of the area on our ACMI Collections YouTube channel. She posted it to their Facebook and our Head of Collections and Preservation was interviewed. Over 90,000 people viewed the beautiful film from 1962. Since then we have worked with ABC Regional radio, discovering treasures in our collection of Victoria's history. Over 300,000 people have viewed films from our collection since March – a 200% increase on the year before – reinforcing the importance of our collection's audio visual memory in our archive and the need to make it accessible.

## Top Screen

*Top Screen* celebrates Victoria's next generation of filmmakers and inspires students to follow in their footsteps. Presented in our cinemas each year as part of the Victorian Curriculum and Assessment Authority (VCAA) VCE Season of Excellence, *Top Screen* showcases the best narrative, documentary, music and animation shorts created by VCE media students from 2019. While audiences usually pack our cinemas, this year we moved the program online, allowing us to reach more students, teachers and families. Over 5,000 people attended the online screenings.

## Education online

Each year ACMI welcomes tens of thousands of students and teachers to our museum. With the renewal closure we reduced our program to VCE English and Media screenings alongside regional initiatives. With the arrival of COVID-19, and the closure of schools for many weeks, our education team reshaped many of our programs to be delivered online through videoconferences, recorded lectures and resources. This rapid response had a significant impact for learners and teachers across the state, with online participation increasing 300% in the 4th quarter compared to the previous 3rd quarter.



Image — Benjamin Law on *Running Free*

# Organisational Sustainability

## Switch to 100% Green Electricity

In 2020, ACMI has committed to 100% green electricity for the term of our next two-year energy contract. ACMI is also working with our landlord Fed Square on future options to participate in a Power Purchase Agreement, whereby a consortium of participating organisations fund the establishment and ongoing operation of a renewable energy facility such as a solar or wind farm.

## Recycling VHS

The Collections team deaccessioned 5,800 redundant videotapes during the second half of the year, freeing up 200 lineal metres of storage for recent acquisitions. Crucially, all components including tapes, paper sleeve and plastic cases were separated for recycling.

## Reduce, Reuse, Recycle

As part of the Renewal, the retail team has created a range of consumables focused on reducing, reusing and recycling. The range has switched single-use plastics for sustainable options and we are actively seeking sustainable merchandise from local suppliers ensuring they remove single-use plastics from their products. When we reopen our café operation we will eliminate single use plastic.



Image — Above: ACMI staff on site in *Moving Australia* during construction, credit Field Carr  
 Image — Below: School Strike for Climate (2019), Melbourne, courtesy corleve/Alamy

# Development and Partnerships

## **Our partners are crucial to the museum.**

Over the past two years, and through our Renewal fundraising campaign, ACMI has grown investment through corporate and philanthropic partnerships by over 525%. In 2019–20 we managed a portfolio of corporate and philanthropic partnerships valued at more than \$5 million, commencing new partnerships with twelve organisations and retaining nine others. We are honoured to have the support and collaboration of passionate donors and leading organisations who are backing our vision to make ACMI a world-leading moving image museum.

## **Corporate Partners**

Innovators and manufacturers of creative video technology Blackmagic Design will collaborate with us through in celebrating the creativity that drives our industry, as major partners of our Media Preservation Lab.

Our Major Partner Cisco has provided expertise in advising on our network upgrade to support the XOS; and our Major Technology Partner Panasonic is helping to create exceptional new audience experiences thanks to their cutting-edge technology and expertise.

We acknowledge their generosity and also thank our supporting partners Bloomberg Philanthropies, IAS Fine Art Logistics, lighting specialists iGuzzini and Lux FX, Sofitel Melbourne on Collins and professional audio solutions company Yamaha.

## **Tertiary Partners**

We've expanded our existing relationship with RMIT University, ACMI's Major Research Partner and are providing new and innovative pathways for students, academics and alumni to deliver collaborative research outcomes. This includes the new ACMI x RMIT Audience Lab which involves a \$5,000 cash prize for next-generation games creatives.

Swinburne University is our major Academic Partner, offering rich and diverse opportunities for collaborative public programming, research and thought leadership. When ACMI reopens, the partnership will extend to naming rights to our new multi-purpose function space, providing a platform for collaboration and home to festivals and events.

We are also grateful to the University of Melbourne for their support of ACMI X.

## Philanthropic Partners

Meaningful philanthropic partnerships with trusts and foundations have provided significant support for several exciting projects and activities, which will enhance ACMI's offer when we re-open.

Gandel Philanthropy is helping to improve access to learning outcomes for students and teachers via a generous Flagship Grant for the creation of our new Gandel Digital Future Labs and support for an ACMI partnership with Tech Schools in regional Victoria.

In partnership with the Naomi Milgrom Foundation we will commission and present major works across an international moving image art series, building on ACMI and Naomi Milgrom AC's experience of supporting, commissioning and presenting leading artists working with the moving image globally.

A significant grant from the Sidney Myer Fund has supported First Nations artist Vicki Couzens' commission of a stunning sculptural installation work for the entrance of our new exhibition *The Story of the Moving Image*.

6a Foundation and Ricci Swart have generously supported a section in *The Story of the Moving Image* celebrating the groundbreaking films, programs and talent that reflect Australia's unique stories, breathtaking landscapes and national identity.

ACMI's commissioning program of works by Australian contemporary artists (see page 11) has been made possible thanks to the generosity of our commissioning partners: Ian Potter Cultural Trust, Simon Mordant AO and Catriona Mordant AM, Artbank, City of Melbourne, and John Allsopp of Web Directions.



Image — Above: ACMI Director & CEO Katrina Sedgwick with Pauline Gandel AC and John Gandel AC, credit Phoebe Powell

Image — Below: Swinburne Centre for Transformative Media Technologies launch: Katrina Sedgwick, Prof Angela Ndalani, Dr Kim Vincs

# ACMI Publications

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## Major Presentations and Papers Presented by Staff

**Chan, Sebastian**, Intermuseum XXIII (via video), Moscow, Russia, May 27-29 2019

**Chan, Sebastian**, Re:frame, AFTRS, Sydney, 30 October 2019

**Chan, Sebastian**, Pause Festival, Melbourne, 3-5 February 2019

**Chan, Sebastian**, The Unfinished Business of Digital Transformation & Visitor-centric Experience Design, Museum Summit 2019, Hong Kong, 28-29 November 2019

**Matheson, Kristy**, 'Films that Pop — but for Whom? How to identify, scale and maintain long lasting relationships with niche audiences' at Screen Forever Conference, Melbourne, 12 Nov 2019.

**Matheson, Kristy**, 'The Films of Studio Ghibli, in conversation with Adam Liaw', Japan Supernatural Exhibition, Art Gallery NSW, Jan 2020

**Paterson, Lucie**, 'The Lost Map of Wonderland: extending the visit beyond the physical' at National Digital Forum, Museum of New Zealand Te Papa Tongarewa, Wellington, 18-20 November 2020

**Sedgwick, Katrina**, Electric Dreams, Adelaide, 19 - 22 March 2020

**Sedgwick, Katrina**, MWD 2020, Melbourne, 5 March 2020,

**Sedgwick, Katrina**, Kaldor Public Art Projects Digital Archive, Sydney, 20 November 2019

**Sedgwick, Katrina**, Shift by RMIT, Melbourne, 30 July 2019

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## Staff Contributions to Other Publications

**Bye, Susan**, Andrei Tarkovsky, *Screen Education*, Issue 97, 2020: 62-75.

**Bye, Susan**, "Connection and Creativity: Agnes Varda and Jr's Faces Places", *Screen Education*, Issue 95, 2019

**Chan, Sebastian, Bernstein, Shelley**, 'Conversation & provocation', in Winesmith, K & Anderson, S, *The Digital Future of Museums: Conversations & Provocations*, Routledge, London, February 2020, DOI 10.4324/9780429491573

**Chan, Sebastian, Lewi, Hannah & Smith, Wally**, 'Framing interview - Interview with Seb Chan', in Lewi, H, Smith, W, vom Lehn, D, & Cooke, S, *The Routledge International Handbook of New Digital Practices in Galleries, Libraries, Archives, Museums and Heritage Sites*, Routledge, London, October 2019, DOI: 10.4324/9780429506765-2

**Cranmer, Candice**, 'Dedicating Space: time-based media at ACMI, INSITE Magazine August- October 2019, AMaGA Victoria

**Gunawardana, Dilan**, Joker, film review, *Australian Book Review*, October 2019

**Meiri, Anat**, Immersive technology and its integration with curatorial practice in ACMI's Wonderland exhibition, Best in Heritage 2019 presentation (19th Digital edition)

**Petrow, Angela**, 'Down the Registration Rabbit hole: shifting an exhibition from temporary to an International touring show', *ARC Journal*, Issue 78, July/August 2020.

**Westmore, Garry**, "Radioactive Material: Truth and Lies in Chernobyl", *Screen Education*, Issue 96, 2019.



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## Digital Publications

ACMI at Home (content series)  
**March to June 2020**

ACMI Isolation Guides (content series)  
**March to June 2020**

ACMI Re/commends (content series)  
**July 2019 to June 2020**

ACMI staff picks of 2019: Film, TV  
and Videogames (content series)  
**December 2020**

'Foot in the Door' (content series)  
**July 2019**

*Undertaking digital film restoration*  
(online essay)  
**Abbott, Ben**

*We've come a long way, baby* (online essay)  
**Bye, Susan**

*Building a Media Preservation Lab*  
(online essay)  
**Cranmer, Candice**

*Reflecting on VR preservation: iPress 2019*  
(online essay)  
**Cranmer, Candice**

*Girl, Interpreted: The joys and pains of  
bilingualism* (online essay)  
**Chua, Shu-Ling**

*Tasers & tragedy: why the Veronica Mars  
reboot misses the mark* (online essay)  
**Cronin, Caitlin**

*Game consoles and 3D models* (online essay)  
**Digital Heritage Australia**

*ACMI Education Reimagined* (online essay)  
**Evely, Christine**

*Back to School* (online essay)  
**Evely, Christine**

*Family survival guide* (online essay)  
**Evely, Christine**

*Screen learning at home: A guide for  
parents* (online essay)  
**Evely, Christine**

*Audioplay goes to Singapore: Launching  
an app in an overseas market* (interview)  
**Gibson, Amber**

*10 Trail-blazing and groundbreaking  
Indigenous TV series and films* (online essay)  
**Gunawardana, Dilan**

*Smart, funny and sensitive: Mental health  
on screen* (online essay)  
**Gunawardana, Dilan**

*Subtle chills in horror films*  
**Gunawardana, Dilan**

*The healing powers of cooking and Country:  
Warwick Thornton on The Beach* (interview)  
**Gunawardana, Dilan**

*Stream Wars: Is it worth getting Apple  
TV+?* (online essay)  
**Haller, Benjamin**

*Stream Wars: Is it worth getting Disney+?*  
(online essay)  
**Haller, Benjamin**

*What is a playable city?* (online essay)  
**Innocent, Troy**

*Musetechn under CV19: working remotely  
developing software for Internet-Of-Things  
hardware devices* (online essay)  
**Laird, Benjamin**

*Little Monsters and Abe Forsythe's  
"optimistic" zombie accident* (interview)  
**Lewis, Maria**

*We see you, Leigh Whannell* (interview)  
**Lewis, Maria**

*"Miss Fisher has an ethos like Star Trek  
has an ethos"* (interview)  
**Lewis, Maria**

*In conversation with Tarek Lakhriissi at the  
22nd Biennale of Sydney* (interview)  
**McSpedden, Shelley**

*In Praise of the Portapak* (online essay)  
**Murphy, Julia**

*The goddesses of early cinema* (online essay)  
**O'Brien, Chelsey**

*Picks of PAX 2019* (online essay)  
**Offman, Arie & Cronin, Caitlin**

*The secret alternate reality game in  
Wonderland exhibition* (online essay)  
**Paterson, Lucie**

*All that glitters* (online essay)  
**Pillay, Thara-Krishna**

*Musetechn under CV19: Keeping SCRUM  
events running smoothly in the museum  
during COVID-19* (online essay)  
**Ramigni, Francesco**

*Acquisition processes for VR works at  
ACMI* (online essay)  
**Rees, Arran**

*Are memes worth preserving?* (online essay)  
**Rees, Arran**

*Musetechn under CV19: working on future  
(in-museum) user experience from home*  
(online essay)  
**Shea, Pip**

*User research & the school excursion*  
(online essay)  
**Shea, Pip**

*The best queer films and TV shows  
streaming now* (online essay)  
**Stefanic, Tiana**

*The art of caring* (online essay)  
**Stieler-Hunt, Colleen**

*Our open source media player for  
displaying fleets of video* (online essay)  
**Turner, Greg**

*Old stories, new tech* (online essay)  
**Watson, Phoebe & Watson, Dan**

# 2020 Australia Day Honours

**We congratulate our staff and board members on their 2020 Australia Day Honours**

Janet Matton AM (ACMI's Chair)

Rachael Maza AM (Board member)

Rachel Griffiths AM (Board member)

Tasneem Chopra OAM (Board member)

Katrina Sedgwick OAM (Director & CEO)

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## Awards

**We are proud to have been acknowledged for our ongoing work despite being closed for the renewal.**

### **Australian Financial Review and Boss Magazine**

AFR BOSS Most Innovative Companies 2019

*Retail, Hospitality, Tourism & Entertainment category*

### **The Art Newspaper**

#2 most popular exhibition in 2019

*DreamWorks Animation (CCBB Belo Horizonte)*

### **The Art Newspaper**

#1 most popular exhibition in 2019

*DreamWorks Animation (CCBB Rio)*

### **Imagines: Best in Heritage**

Project of Influence Award

Nominated 2020

*Wonderland*

# Roll the Credits...

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

## **Government Partners**

Creative Victoria  
Department of Education and Training Victoria  
Department of Jobs, Precincts and Regions

## **Major Partner**

Blackmagic Design  
Cisco

## **Major Technology Partner**

Panasonic

## **Major Research Partner**

RMIT University

## **Major Academic Partner**

Swinburne University of Technology

## **Major Philanthropic Partners**

Gandel Philanthropy  
Naomi Milgrom Foundation  
6a Foundation

## **Philanthropic Partner**

Sidney Myer Fund

## **ACMI X Partners**

RMIT University  
The University of Melbourne

## **Commissioning Partners**

Artbank  
Ian Potter Cultural Trust  
John Allsopp of Web Directions  
The City of Melbourne  
The Mordant Family

## **Supporting Partners**

Archie Rose  
Bloomberg Philanthropies  
iGuzzini  
NFSA  
Yamaha

## **Tourism Partner**

Sofitel Melbourne on Collins

## **Program Partners**

### ***Series Mania Melbourne***

Presenting Partners  
Film Victoria  
Series Mania  
Program Supporters  
Ambassade de France en Australie  
RMIT University  
SBS  
Sofitel Melbourne on Collins  
Yering Station

## **Screen It**

ABC's Good Game Spawn Point  
Blackmagic Design  
Maxxum Pty Ltd  
Melbourne Graduate School of Education  
- Learning Intervention  
Rode Microphones  
The Capitol, RMIT University  
Zart Education

## **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  
Del Kathryn Barton  
Brendan Fletcher  
Aquarius Films

## **Cleverman**

Goalpost Pictures  
Visions of Australia Program

## **DreamWorks Animation: *the Exhibition***

DreamWorks Animation LLC.

## **ACMI Donors**

### ***Chairs Circle***

Andrew Cameron AM & Cathy Cameron

### ***Directors Circle***

Jasmine & Robert Dindas

### ***Partners Circle***

Jan Chapman AO  
Kaye Cleary  
Susanne Dahn at the APS Foundation  
Traudl Moon OAM  
Lucy Roberts  
Emile & Caroline Sherman  
Paul Wiegard  
Anonymous (2)

## **Benefactors Circle**

Michael Cowen  
Suzanne E Davies  
Peter de Rauch  
Scott Dicker  
David & Amander Flaherty-Spark  
John Haasz  
Christina Herd  
Mark Learmonth  
Kay McVey  
Natalie Miller AO  
Ross Sparks  
Anonymous (3)

## **Friends Circle**

Mark Alway  
John Cumming  
Jillian Dwyer  
Mary Dyer  
Hondo Gratton  
Sue Mary Harper  
Helen Veronica Hill  
Anna Hombsch  
Sandra Lordanic  
Lucy Guerin Inc  
Maddy McKinley  
Peter Parkinson  
Miriam Potter  
Georgina Russell  
Hilary Sadek  
Pauline Sedgwick  
Maggie Tekell  
John Thwaites & Melanie Eagle  
Andrea Vasarab  
John & Susan Warburton  
Liz Watts  
Anonymous (9)

# Establishment, Functions and Powers

In performing its functions and exercising its powers, the 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 (Vic) (Film Act)*

The Film Act 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 to:

- a. promote and exhibit, whether in Victoria or elsewhere, the moving image to the public or to any sector of the public;
- b. develop, control, manage, operate and promote ACMI and any facilities under the control of ACMI;
- c. 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. establish, maintain, conserve, develop, promote and exhibit, whether in Victoria or elsewhere, the collection of moving images;
- e. 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. promote, whether in Victoria or elsewhere, public education and discussion with reference to the moving image;
- g. develop and create, whether in Victoria or elsewhere, exhibitions of the moving image;
- h. develop and create, whether in Victoria or elsewhere, materials for educational or other programs conducted by ACMI;
- i. conduct, whether in Victoria or elsewhere, research and development in relation to the moving image; and
- j. 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 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
	\$	\$	\$	\$	\$
<b>Operating result</b>					
Government grants*	23,129,337	29,653,000	21,565,415	20,734,703	20,685,024
Self generated revenue	3,661,626	8,782,270	12,537,551	7,389,265	11,558,510
Total revenue	26,790,963	38,435,270	34,102,966	28,123,968	32,243,534
Total expenses from transactions	(23,202,272)	(31,079,157)	(31,417,862)	(28,611,924)	(29,810,386)
<b>Operating surplus/(deficit) before depreciation &amp; capital items **</b>	<b>3,588,691</b>	<b>7,356,113</b>	<b>2,685,104</b>	<b>(487,956)</b>	<b>2,433,148</b>
Less net depreciation & capital items	(4,286,939)	(2,565,341)	(2,308,447)	(1,131,684)	(1,840,906)
<b>Result from operating activities after depreciation &amp; capital items</b>	<b>(698,248)</b>	<b>4,790,772</b>	<b>376,657</b>	<b>(1,619,640)</b>	<b>592,242</b>
<b>Cash flow</b>					
Cash flow from/(used in) operating activities	5,073,439	9,484,258	1,869,867	1,485,061	4,899,020
Cash flow used in investing activities	(28,849,004)	(3,785,338)	(2,709,802)	(1,244,267)	(3,605,372)
Cash flow from financial activities	22,882,750	7,220,000	2,702,700		
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(892,815)</b>	<b>12,918,920</b>	<b>1,862,765</b>	<b>240,794</b>	<b>1,293,648</b>
<b>Balance sheet</b>					
Total assets	94,560,954	42,322,835	27,435,123	25,138,933	25,922,156
Total liabilities	36,121,862	8,067,495	5,190,555	5,973,723	5,137,306
<b>Total equity</b>	<b>58,439,092</b>	<b>34,255,340</b>	<b>22,244,568</b>	<b>19,165,210</b>	<b>20,784,850</b>

\*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 2019-20 was a profit of \$3.59m (profit of \$7.36m 2018-19).

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 museum closure for reporting period.
- Expenses from transactions were in line with budget expectations. Costs were maintained at budgeted levels with a decrease compared to prior year due to closure of museum during reporting period.

Net decrease in cash flow includes the final instalment of the renewal funding and equity contribution from Government; and redevelopment spend during reporting period. Total assets have increased due to an increase in fixed assets net carrying amount with the renewal capital works in progress and increase in impact of AASB 16 right-of-use assets recognition.

Total liabilities have increased due to impact of AASB 16 lease liabilities and increase in employee benefits and provisions at year end.

## Key Performance Indicators

	30 June 2020	30 June 2019	30 June 2018
Visitation (Federation Square)*	-	998,808	1,551,366
Visitation (offsite)	674,364	1,471,329	458,113
Total visitation	674,364	2,470,137	2,009,479
Online visitation	844,673	1,581,749	1,987,627

## Outputs and Other Statistics

	30 June 2020	30 June 2019	30 June 2018
Memberships	1,857	2,200	3,326
Volunteer hours	244	6,912	11,233
Students participating in education programs	14,275	57,921	70,294

### Quality

Collection stores to industry standard	70%	68%	68%
Visitors satisfied with visit overall ^	N/A	95%	95%

\*ACMI site at Federation Square was closed in 2019-20 due to the redevelopment.

^No data collected during period of closure.



## 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

Janet Matton AM (Board President from 1 July 2019)

Tasneem Chopra OAM

Karen Corry (Chair of Audit Committee)

Darren Dale (from 1 July 2019)

Ian Forsyth

Rachel Griffiths AM

Rachael Maza AM (until 30 June 2020)

Linda White

Paul Wiegard

Dr Terry Wu

## Attendance by Board members at meetings:

Director	Number of meetings	Number of meetings attended
Janet Matton AM	8	8
Tasneem Chopra OAM	8	5
Karen Corry	8	7
Darren Dale	8	5
Ian Forsyth	8	8
Rachel Griffiths AM	8	7
Rachael Maza AM	8	7
Linda White	8	7
Paul Wiegard	8	8
Dr Terry Wu	8	7

ACMI's Senior Executives

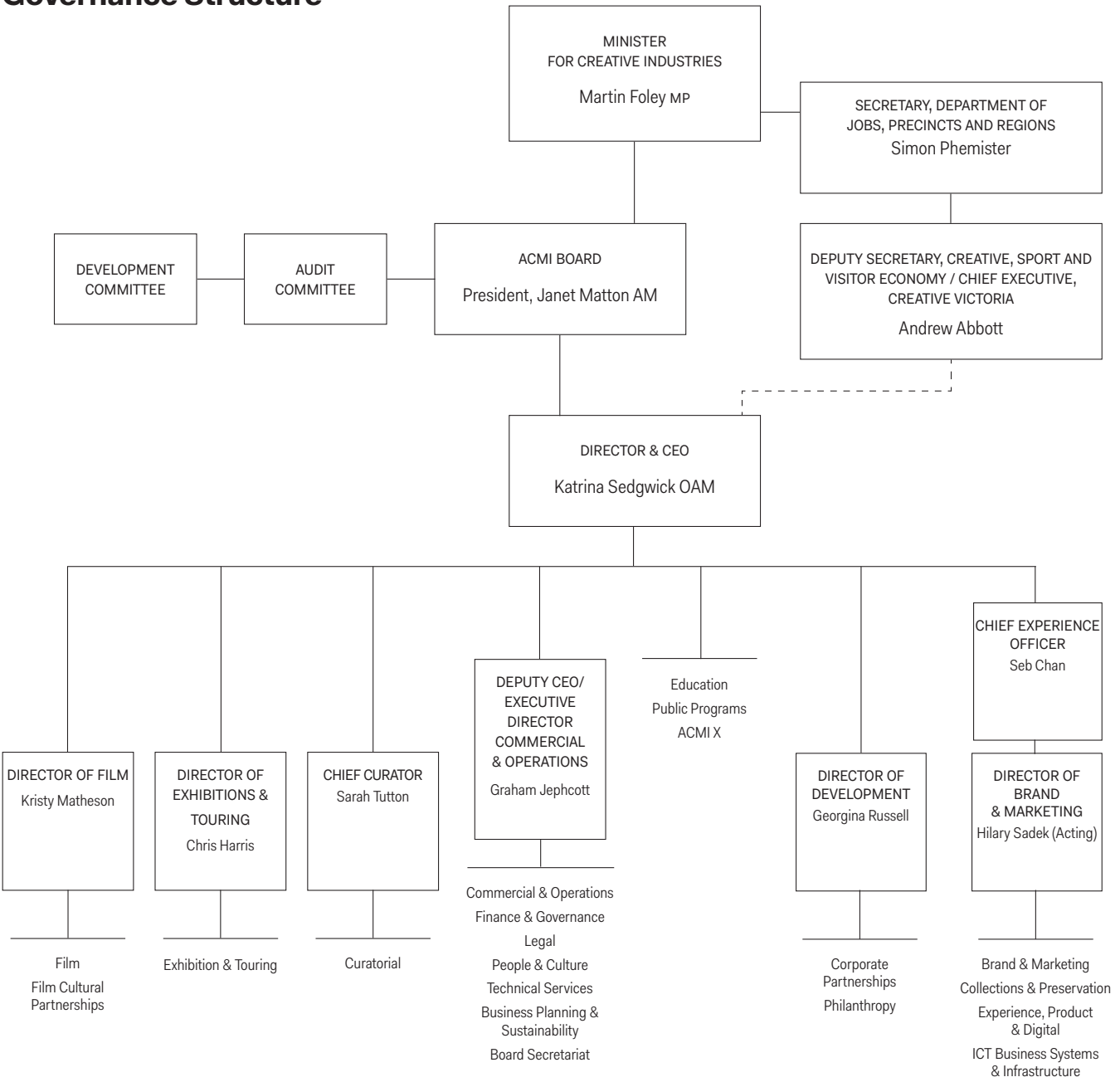
Katrina Sedgwick OAM, Director & CEO  
Graham Jephcott, Deputy CEO / Executive Director,  
Commercial and Operations  
Seb Chan, Chief eXperience Officer

ACMI's Executives

Paul Bowers, Director of Exhibitions (until 18 October 2019)  
Chris Harris, Director of Exhibition and Touring (from 18 October 2019)  
Emma Levy, Director of Brand & Marketing (until 19 November 2019)  
Hilary Sadek (Acting), Director of Brand & Marketing (from 18 November 2019)  
Sophie Lieberman, Director of Public, Education & Industry Programs  
(until 22 November 2019)  
Kristy Matheson, Director of Film  
Georgina Russell, Director of Development  
Sarah Tutton, Chief Curator (from 18 October 2019)

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)
- Janet Matton AM (Board President) (independent member) (from 12 December 2019)
- Ian Forsyth (independent member) (from 30 January 2020)
- Alison Parker (independent member)
- Linda White (independent member) (until 30 January 2020)
- 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
Janet Matton AM	2	2
Karen Corry	4	4
Ian Forsyth	2	2
Alison Parker	4	4
Linda White	2	-
Paul Wiegard	4	3

## Human Resources Management and Occupational Health & Safety

ACMI continued to support training and development opportunities in 2019-20 providing staff with 1,290 hours to attend internally and externally facilitated training events. Overall there was a reduction in corporate training as staff focused on the renewal project however front of house staff increased their participation in online training programs during the closure of the museum. Work health training such as sleep and resilience were also offered as well as technical and individual role specific training. We have 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 was one formal grievance lodged during the reporting period which was managed through the ACMI Grievance and Complaints Procedure.

ACMI's Occupational Health and Safety (OH&S) policy was updated this financial year. This policy establishes ACMI's commitment to providing and maintaining a workplace which is safe and without risk to health. During the 2019-20 financial year ACMI provided Health and Safety Representative training, First Aid Certification training, Fire Warden training as well as White Card training for staff who are required to access the Federation Square site during construction. ACMI also developed a

compulsory online training program for staff returning to the workplace following the COVID-19 pandemic. The OH&S Committee met more frequently this year in light of the increased Health and Safety risks associated with the pandemic. ACMI continued to participant 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 risks. There were no high risk OH&S hazards or incidents reported during 2019-20.

There was a significant decrease in incidents in 2019-20 which can be attributed to the closure of the museum for the renewal project and ACMI staff working from home from March 2020. ACMI implemented proactive initiatives to support staff in the transition to working from home including risk assessments and at home ergonomic assessments.

There were no minor claims for medical and like expenses. Our WorkCover premium for 2019-2020 decreased by approximately \$7,700. 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	2017-2018	2018-2019	2019-2020
Incidents	No. of incidents	43	47	22
	Rate per 100 FTE	25.8	34.2	16.29
Claims	No. of standard claims	-	-	-
	Rate per 100 FTE	-	-	-
	No. of lost time claims	1	1	-
	Rate per 100 FTE	0.6	0.73	-
	No. of claims exceeding 13 weeks	-	-	-
	Rate per 100 FTE	-	-	-
Fatalities	Fatality claims	-	-	-
Claims cost	Average cost per standard claim <sup>(i)</sup>	-	-	-
Return to work	Percentage of claims with RTW plan <30 days	100%	100%	100%
Policy currency	OH&S Policy current	Yes	Yes	Yes

<sup>(i)</sup> 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* (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 VPSC Code of Conduct.

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 2020							
	All employees			Ongoing			Fixed term and casual	
	Number (headcount)	FTE	Full-time (headcount)	Part-time (headcount)	FTE	Number (headcount)	FTE	
Demographic data	Gender							
	Women	94	81.27	44	18	55.78	32	25.48
	Men	56	52.9	37	6	40.83	13	12.08
	Self-described <sup>1</sup>	1	0.9	-	-	-	1	0.9
	Age							
	15–24	1	1	1	-	1	-	-
	25–34	44	40.15	17	4	19.94	23	20.21
	35–44	55	48.81	34	8	38.82	13	9.99
	45–54	28	24.70	15	5	18.44	8	6.26
	55–64	21	18.66	13	6	16.66	2	2.00
	65+	2	1.75	1	1	1.75	-	-
Classification data	VPS 1–6 grades							
	VPS 1	-	-	-	-	-	-	-
	VPS 2	25	19.41	9	10	15.01	6	4.41
	VPS 3	48	40.96	17	8	22.2	23	18.75
	VPS 4	40	37.70	26	5	29.6	9	8.1
	VPS 5	23	22.00	19	1	19.8	3	2.2
	VPS 6	12	12.00	10	-	10	2	2
	Senior employees							
	STS	-	-	-	-	-	-	-
	PS	-	-	-	-	-	-	-
	SMA	-	-	-	-	-	-	-
	SRA	-	-	-	-	-	-	-
	Executives	3	3	-	-	-	3	3
	Other	-	-	-	-	-	-	-
	Total employees	151	135.07	81	24	96.61	46	38.46

Notes:

<sup>1</sup> 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 significant movement in Classification levels of staff following the organisational restructure in October 2019.



## 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								
	Women	96	81.39	36	23	51.25	37	30.14
	Men	68	55.15	32	10	38.98	26	16.17
	Self-described <sup>1</sup>	2	0.87	-	-	-	2	0.87
	Age							
	15–24	3	2.19	1	-	1	2	1.19
	25–34	39	31.39	13	7	17.24	19	14.14
	35–44	65	51.89	25	12	33.97	28	17.92
	45–54	35	30.65	15	6	18.72	14	11.93
	55–64	22	19.63	13	7	17.63	2	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	19	8.2
	VPS 3	54	45.19	16	10	22.91	28	22.28
	VPS 4	38	34.6	22	9	28.6	7	6
	VPS 5	18	18	14	-	14	4	4
	VPS 6	12	11.7	9	-	9	3	2.7
	Senior employees							
	STS	-	-	-	-	-	-	-
	PS	-	-	-	-	-	-	-
	SMA	-	-	-	-	-	-	-
	SRA	-	-	-	-	-	-	-
	Executives	4	4				4	4
	Other	-	-	-	-	-		
	Total employees	166	137.41	68	33	90.23	65	47.18

Notes:

<sup>1</sup> 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 significant movement in Classification levels of staff following the organisational restructure in October 2019.

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

Income Band (Salary)	Executives
\$200,000 - \$219,999	1
\$220,000 - \$239,999	-
\$240,000 - \$259,999	-
\$260,000 - \$279,999	-
\$280,000 - \$299,999	1
\$300,000 - \$319,999	1
<b>Total</b>	<b>3</b>

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	2	-	-	-	2	-	-	-
<b>Total</b>	<b>3</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Reconciliation of Executive Officers

		2020	2019
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	(1)	-
<b>Total Executive numbers at 30 June 2020</b>		<b>3</b>	<b>4</b>

## 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 valued at \$3 million or more in metropolitan Melbourne and \$1 million or more in regional areas. Major Project Skills Guarantee applies to all construction projects valued at \$20 million or more. In 2019-20 ACMI did not commence or complete any projects to which MPSG applies.

### Projects Commenced – Local Jobs First Standard

During 2019-20, ACMI commenced 4 Local Jobs First Standard projects totalling \$2.8 million. These projects were located in metropolitan Melbourne and had an average commitment of 81 per cent local content.

### Local Jobs First (cont.)

The outcomes expected from the implementation of the *Local Jobs First* policy to this project where information was provided are as follows:

- an average of 81 per cent of local content commitment was made; and
- a total of 15.48 jobs (annualised employee equivalent (AEE)) were committed, including the creation of 5.4 new jobs and the retention of 10.08 existing jobs (AEE).

#### *Projects Completed – Local Jobs First Standard*

During 2019-20, ACMI completed three *Local Jobs First Standard* projects, totalling \$17.6 million. These projects were located in metropolitan Melbourne, with a local content requirement of 95 per cent.

The outcomes expected from the implementation of the *Local Jobs First* policy to these projects where information was provided, were as follows:

- an average of 95 per cent of local content commitment was made; and
- a total of 70.98 jobs (annualised employee equivalent (AEE)) were committed, including the creation of 9.51 new jobs and the retention of 61.47 existing jobs (AEE).

### Government advertising expenditure

In 2019-20 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 2019-20, there were two consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure during 2019-20 in relation to these consultancies is \$125,670 (excluding GST). Details of individual consultancies are outlined below.

Name	Purpose of consultancy	Total approved project fee (excluding GST)	Expenditure 2019-20 (excluding GST)	Future expenditure (excluding GST)
North Associates Ltd	Brand design and implementation consulting	\$125,105	\$89,670	\$-
University of Melbourne	Research and development of educational framework and programs	\$36,000	\$36,000	\$-

#### Details of consultancies under \$10,000

In 2019-2020, there were two consultancies where the total fees payable to the consultant were less than \$10,000. The total expenditure during 2019-20 in relation to these consultancies is \$17,321 (excluding GST).

### Details of Information and Communication Technology (ICT) expenditure

For the 2019-20 reporting period, ACMI had a total ICT expenditure of \$4,512,156, with the details shown below.

All operational ICT expenditure  Business as Usual (BAU) ICT Expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
	Non-BAU ICT expenditure	Operational expenditure	Capital expenditure
Total	Total = A + B	A	B
\$1,731,970	\$2,780,186	\$-	\$2,780,186

### Disclosure of major contracts

ACMI entered into one contract greater than \$10 million in 2019-20. The relevant contract is for main building works contractor for ACMI's redevelopment. The contract was awarded to Built Pty Ltd via the Buying for Victoria Supplier Portal.

## Freedom of Information

The *Freedom of Information Act 1982* (FOI Act) allows the public a right of access to documents held by ACMI. The purpose of the FOI Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the FOI 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 ACMI, 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 2020, ACMI received 1 application.

### *Making a request*

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*.

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.

## 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](http://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*.

## Competitive neutrality policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service. ACMI continues to comply with the requirements of the Competitive Neutrality Policy.

## Compliance with the *Public Interest Disclosure Act 2012*

The *Public Interest 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](http://www.ibac.vic.gov.au). ACMI's Protected Disclosure Policy and Procedures, which outline the systems for reporting disclosure of improper conduct or detrimental action by ACMI or any of its employees and/or officers, are available on ACMI's website.

### Compliance with the *Carers Recognition Act 2012*

ACMI is taking practical measures to comply with its obligations under the *Carers Recognition Act 2012* (CR Act). 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. As of July 2020 ACMI, will change to 100% Green Power.

### Environmental performance

	2019-20 <sup>2</sup>	2018-19	2017-18
Electricity (kWh)	497,286	1,751,634	1,544,054
Natural gas (GJ)	232	813.8	919.2
Greenhouse gas emissions (tCO <sub>2</sub> e)	1,227.2	3,579.1	3,478.1
Landfill waste (kg)	4,771	21,800	22,000
Recycled waste (kg)	2,788	14,963	19,500
Paper (reams)	396	921	989
Water (KL) <sup>1</sup>	Not Available	Not available	Not available

<sup>1</sup>Water usage data not available due to site management software issues.

<sup>2</sup>Reduced due to museum closure and COVID-19.

### Additional information available on request

In compliance with the requirements of the Standing Directions of the Assistant Treasurer, 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](mailto:governance@acmi.net.au)

Postal address:

PO Box 14

Flinders Lane VIC 8009

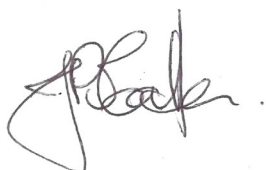
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**Attestation for financial management compliance  
with Standing Direction 5.1.4**

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

I, Janet Matton AM, on behalf of the Responsible Body,  
certify that the Australian Centre for the Moving Image  
has no Material Compliance Deficiency with respect to  
the applicable Standing Directions under the *Financial  
Management Act 1994* and Instructions.

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

Janet Matton AM  
President  
Australian Centre for the Moving Image  
24 August 2020

## 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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#### Financial Statements

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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 2020 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

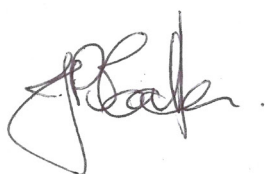
## ACCOUNTABLE OFFICER'S AND CHIEF FINANCIAL OFFICER'S DECLARATION

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 2020 and financial position of the Australian Centre for the Moving Image at 30 June 2020.

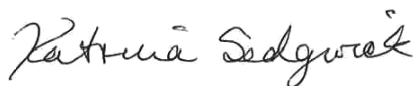
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 24 August 2020.



Janet Matton AM  
President

Melbourne  
24 August 2020



Katrina Sedgwick OAM  
Director and Chief Executive Officer

Melbourne  
24 August 2020



Sandra Lordanic FCPA  
Head of Finance and Governance

Melbourne  
24 August 2020

# Independent Auditor's Report

## To the Board of the Australian Centre for the Moving Image

<b>Opinion</b>	<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"> <li>• balance sheet as at 30 June 2020</li> <li>• comprehensive operating statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• cash flow statement for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• accountable officer's and chief financial officer's declaration.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2020 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>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<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  
28 August 2020



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



COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Government grants	2.2.1	28,418,657	32,168,000
Revenue	2.2.2	1,945,266	6,000,624
Sponsorship and grants	2.2.3	554,585	1,584,666
Other income		974,926	822,966
<b>Total income from transactions</b>		<b>31,893,434</b>	<b>40,576,256</b>
<b>Expenses from transactions</b>			
Employee expenses	3.2	(15,464,116)	(17,674,904)
Rental and associated outgoings	3.3	(2,350,256)	(5,454,059)
Depreciation and amortisation	4.3	(4,160,443)	(2,368,113)
Interest expense	6.1.1	(1,235,281)	-
Cost of goods sold		(5,776)	(297,313)
Capital asset charge	3.4	(5,289,320)	(2,505,000)
Other operating expenses	3.5	(4,146,438)	(7,630,062)
<b>Total expenses from transactions</b>		<b>(32,651,630)</b>	<b>(35,929,451)</b>
<b>Net result from transactions (net operating balance)</b>		<b>(758,196)</b>	<b>4,646,805</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on financial instruments	8.2	40,009	(19,659)
Impairment of financial assets at amortised cost	8.2	(405)	(3,160)
Net loss on non-financial assets	8.2	(126,496)	(207,228)
Other gain/(loss) from other economic flows	8.2	146,840	374,014
<b>Total other economic flows included in net result</b>		<b>59,948</b>	<b>143,967</b>
<b>Net result from continuing operations</b>		<b>(698,248)</b>	<b>4,790,772</b>
<b>Other economic flows - other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
<b>Total other economic flows - other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Comprehensive result</b>		<b>(698,248)</b>	<b>4,790,772</b>

The accompanying notes form part of these financial statements.

	Notes	2020 \$	2019 \$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.2	20,902,886	21,795,701
Receivables	5.1	532,903	1,501,697
<b>Total financial assets</b>		<b>21,435,789</b>	<b>23,297,398</b>
<b>Non-financial assets</b>			
Prepayments		357,375	166,328
Inventories	5.3	132,262	74,125
Property, plant & equipment and collections	4.1	72,635,528	18,784,984
Intangible assets	4.2	-	-
<b>Total non-financial assets</b>		<b>73,125,165</b>	<b>19,025,437</b>
<b>Total assets</b>		<b>94,560,954</b>	<b>42,322,835</b>
<b>Liabilities</b>			
Payables	5.2	963,512	1,521,072
Other liabilities	5.4	3,938,569	3,675,135
Borrowings	6.1.1	27,926,732	-
Employee related provisions	3.2.3	3,293,049	2,871,288
<b>Total liabilities</b>		<b>36,121,862</b>	<b>8,067,495</b>
<b>Net assets</b>		<b>58,439,092</b>	<b>34,255,340</b>
<b>Equity</b>			
Accumulated deficit		(7,012,336)	(6,314,088)
Physical asset revaluation surplus	8.3	2,405,543	2,405,543
Contributed capital		63,045,885	38,163,885
<b>Net worth</b>		<b>58,439,092</b>	<b>34,255,340</b>

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Notes	Physical asset revaluation surplus \$	Accumulated deficit \$	Contributed capital \$	Total \$
Balance at 1 July 2018	8.3	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
Net result for the year		-	(698,248)	-	(698,248)
Contributions from owner		-	-	24,882,000	24,882,000
Balance at 30 June 2020		2,405,543	(7,012,336)	63,045,885	58,439,092

The accompanying notes form part of these financial statements.

# CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Government		23,146,649	29,318,000
Goods and Services Tax recovered from the ATO		2,728,763	594,431
Interest received		274,549	233,174
Capital asset charge		5,289,320	-
Other receipts		2,940,721	8,660,380
<b>Total receipts</b>		<b>34,380,002</b>	<b>38,805,985</b>
<b>Payments</b>			
Payments to suppliers and employees		(22,781,962)	(29,321,727)
Capital asset charge payment		(5,289,320)	-
Interest and other costs of finance paid		(1,235,281)	-
<b>Total payments</b>		<b>(29,306,563)</b>	<b>(29,321,727)</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>6.2.1</b>	<b>5,073,439</b>	<b>9,484,258</b>
<b>Cash flows from investing activities</b>			
Purchases of non-financial assets		(28,849,004)	(3,785,338)
<b>Net cash flows from/(used in) investing activities</b>		<b>(28,849,004)</b>	<b>(3,785,338)</b>
<b>Cash flows from financing activities</b>			
<b>Receipts</b>			
Equity contribution from Government		24,882,000	7,220,000
<b>Total receipts</b>		<b>24,882,000</b>	<b>7,220,000</b>
<b>Payments</b>			
Repayments of principal portion of lease liabilities		(1,999,250)	-
<b>Total payments</b>		<b>(1,999,250)</b>	<b>-</b>
<b>Net cash flows from/(used in) financing activities</b>		<b>22,882,750</b>	<b>7,220,000</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(892,815)</b>	<b>12,918,920</b>
Cash and cash equivalents at the beginning of the financial year		21,795,701	8,876,781
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6.2</b>	<b>20,902,886</b>	<b>21,795,701</b>

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-XX 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.

### COVID-19 pandemic

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on ACMI based on known information. This consideration extends to the revenue sources, demand on services, impacts on workforce and cost implications, valuation of assets and cash flows. There does currently appear to be significant uncertainties involved regarding receipt of future revenue sources which may impact ACMI unfavourably as a result of the COVID-19 pandemic. ACMI has received a Letter of Comfort from the Department of Jobs, Precincts and Regions stating their financial support for ACMI's continued operations throughout the COVID-19 pandemic and prepared these financial statements as a going concern.

## 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 (AASs), which includes Interpretations issued by the Australian Accounting Standards Board (AASB). 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

### Significant judgement: Grant revenue

ACMI has made a judgement to recognise grant revenue as income of not-for-profit entities, where contracts with customers do not contain sufficiently specific performance obligations, in accordance with AASB 1058 *Income of Not-for-Profit entities*.

**2.1 Summary of income that funds the delivery of services**

	Notes	2020	2019
		\$	\$
Income from transactions			
Government grants	2.2.1	28,418,657	32,168,000
Revenue	2.2.2	1,945,266	6,000,624
Sponsorship and grants	2.2.3	554,585	1,584,666
Other income		974,926	822,966
<b>Total income from transactions</b>		<b>31,893,434</b>	<b>40,576,256</b>

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**

	2020	2019
	\$	\$
<b>Government grants – Department of Jobs, Precincts and Regions</b>		
Operating funding	23,034,712	21,608,000
Special purpose grants	-	7,700,000
Other funding	94,625	345,000
Capital asset charge	5,289,320	2,505,000
Capital funding	-	10,000
<b>Total government grants</b>	<b>28,418,657</b>	<b>32,168,000</b>

ACMI has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058, except for grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers in accordance with AASB 15. The impact of initially applying AASB 1058 on grant revenue is described in Note 8.7.3. Due to the modified retrospective transition method chosen in applying AASB 1058, comparative information has not been restated to reflect the new requirements. The impact of initially applying AASB 1058 on grant revenue did not have an impact on other comprehensive income and the statement of cash flows for the financial year.

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers. Revenue is recognised when ACMI satisfies the performance obligation by providing services to customers based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

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

Related amounts may take the form of:

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

As a result of the transitional impacts of adopting AASB 15 and AASB 1058, a portion of the grant revenue has been deferred. If the grant income is accounted for in accordance with AASB 15, the deferred grant revenue has been recognised as Other liabilities (contract liabilities) at Note 5.4. If the grant revenue was accounted for under the previous accounting standard AASB 1004 in 2019-20, the total grant revenue received would have been recognised in full.

*Previous accounting policy for 30 June 2019*

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

	2020	2019
	\$	\$
Interest	274,549	211,350
<i>Sale of goods &amp; services</i>		
Memberships	6,759	49,014
Venue hire & exhibition touring	1,515,990	2,344,973
Programming - box office receipts	141,559	2,666,307
Programming - royalty receipts	-	218,889
Commercial operations	6,409	510,091
<b>Total revenue</b>	<b>1,945,266</b>	<b>6,000,624</b>

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. The sale of goods and services included in the table above are transactions that have been classified as revenue from contracts with customers in accordance with AASB 15. The impact of initially applying AASB 15 on revenue from contracts with customers did not have an impact on other comprehensive income and the statement of cash flows for the financial year.

*Performance obligations and revenue recognition policies*

Revenue is measured based on the consideration specified in the contract with the customer. ACMI recognises revenue when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of goods or services to the customer are satisfied.

- Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have been accepted at their premises.
- Revenue from the sale of goods are recognised when the goods are delivered and have been accepted by the customer at their premises.
- Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

Customers are invoiced and revenue is recognised when the goods are delivered and accepted by customers. For other customers that are only able to consume the services when they have been completed, revenue is only recognised upon completion and delivery of the services.

In rare circumstance where there may be a change in the scope of services provided, the customer will be provided with a new contract for the additional services to be rendered and revenue is recognised consistent with accounting policy above. For contracts that permit the customer to return an item, revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur. Therefore, the amount of revenue recognised is adjusted for the expected returns, which are estimated based on the historical data, and assessed as being immaterial. As the sales are made with a short credit term, there is no financing element present. There has been no change in the recognition of revenue from the sale of goods as a result of the adoption of AASB 15.

Consideration received in advance of recognising the associated revenue from the customer is recorded in Other liabilities as a contract liability (Note 5.4). Where the performance obligations is satisfied but not yet billed, a contract asset (Receivables) is recorded (Note 5.1).

*Previous accounting policy for 30 June 2019*

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

	2020 \$	2019 \$
Sponsorship	253,093	324,799
In-kind revenue	41,918	629,828
Other grants from Victorian Government entities	147,637	426,360
Other grants	111,937	203,679
<b>Total sponsorship and grants</b>	<b>554,585</b>	<b>1,584,666</b>

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	2020 \$	2019 \$
Employee expenses	3.2.1	(15,464,116)	(17,674,904)
Rental and associated outgoings	3.3	(2,350,256)	(5,454,059)
Cost of goods sold		(5,776)	(297,313)
Capital asset charge	3.4	(5,289,320)	(2,505,000)
Other operating expenses	3.5	(4,146,438)	(7,630,062)
<b>Total expenses incurred in delivery of services</b>		<b>(27,255,906)</b>	<b>(33,561,338)</b>

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**

		2020 \$	2019 \$
<b>Employee expenses</b>			
Defined contribution superannuation expense	3.2.2	(1,093,191)	(1,227,137)
Defined benefit superannuation expense	3.2.2	(4,218)	(5,446)
Termination benefits		(393,434)	(986)
Salaries, wages, annual and long service leave		(13,973,273)	(16,441,335)
<b>Total employee benefits</b>		<b>(15,464,116)</b>	<b>(17,674,904)</b>

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

	2020	2019
	\$	\$
<b>Defined benefit plan</b>		
Emergency Services & State Super	(4,218)	(5,446)
<b>Defined contribution plans</b>		
VicSuper	(563,547)	(649,515)
Other	(529,644)	(577,622)
<b>Total superannuation</b>	<b>(1,097,409)</b>	<b>(1,232,583)</b>

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

	2020	2019
	\$	\$
<b>Current provisions</b>		
Employee benefits - annual leave:		
Unconditional and expected to be wholly settled within 12 months	912,098	793,312
Unconditional and expected to be wholly settled after 12 months	90,207	78,459
Employee benefits - long service leave:		
Unconditional and expected to be settled within 12 months	153,094	141,632
Unconditional and expected to be settled after 12 months	1,354,707	1,266,383
Employee benefits - EBA	139,270	-
	<b>2,649,376</b>	<b>2,279,786</b>
Provisions related to employee benefit on-costs:		
Unconditional and expected to be settled within 12 months	57,396	52,434
Unconditional and expected to be settled after 12 months	72,997	71,021
	<b>130,393</b>	<b>123,455</b>
<b>Total current provisions</b>	<b>2,779,769</b>	<b>2,403,241</b>
<b>Non-current provisions</b>		
Employee benefits	482,424	439,026
Provisions related to employee benefit on-costs	30,856	29,021
<b>Total non-current provisions</b>	<b>513,280</b>	<b>468,047</b>
<b>Total provisions for employee benefits</b>	<b>3,293,049</b>	<b>2,871,288</b>

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

	2020 \$
Opening balance	152,476
Additional provisions recognised	29,731
Reduction due to transfer out	(20,958)
Closing balance	161,249
Current	130,393
Non-current	30,856
	161,249

*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**

	2020	2019
	\$	\$
Facilities rental payments <sup>(a)</sup>	-	(2,892,670)
Rental outgoings <sup>(b)</sup>	(2,129,747)	(2,059,023)
Equipment rental <sup>(c)</sup>	(220,509)	(502,366)
<b>Total rental and associated outgoings</b>	<b>(2,350,256)</b>	<b>(5,454,059)</b>

Notes:

<sup>(a)</sup> From 1 July 2019, with the adoption of AASB 16 *Leases*, ACMI recognises a right-of-use leased assets on the Federation Square and the Australian Ballet Centre leases, resulting in the reduction in Facilities rental payments from 2018-19.

<sup>(b)</sup> Outgoings associated with leased premises are recognised as an expenses in the financial year to which they relate.

<sup>(c)</sup> The reduction in equipment rental expenses reflects the transfer of equipment leases as right-of-use leased assets in accordance with AASB 16.

From 1 July 2019, the following lease payments are recognised on a straight-line basis:

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

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

*Rental and associated outgoings and other expenses up until 30 June 2019*

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

*Operating lease payments up until 30 June 2019*

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**

	2020	2019
	\$	\$
<b>Total capital asset charge</b>	<b>(5,289,320)</b>	<b>(2,505,000)</b>

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**

	2020	2019
	\$	\$
Programming and marketing	(1,400,844)	(3,180,078)
Facilities and technology	(1,539,825)	(2,499,374)
Commercial	(154,296)	(222,264)
Sponsorship in-kind	(41,918)	(629,828)
Administration costs	(1,009,555)	(1,098,518)
<b>Total other operating expenses</b>	<b>(4,146,438)</b>	<b>(7,630,062)</b>

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 <sup>(a)</sup>**

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Leasehold improvements – fair value	22,862,071	22,521,333	(21,017,291)	(20,355,340)	1,844,780	2,165,993
Property, plant & equipment – fair value	52,864,557	23,606,100	(24,959,557)	(21,492,199)	27,905,000	2,113,901
Work in progress – at cost	33,640,666	5,137,786	-	-	33,640,666	5,137,786
Collections – at fair value	9,245,082	9,367,304	-	-	9,245,082	9,367,304
<b>Net carrying amount</b>	<b>118,612,376</b>	<b>60,632,523</b>	<b>(45,976,848)</b>	<b>(41,847,539)</b>	<b>72,635,528</b>	<b>18,784,984</b>

Note:

<sup>(a)</sup> AASB 16 *Leases* has been applied for the first time from 1 July 2019.

*Property, plant & equipment and collections*

All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. The 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 & equipment and collections previously recognised as an expense (other economic flows) in the net result.

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

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

**4.1 Total property, plant & equipment and collections (cont.)***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 Total right-of-use assets: property, plant & equipment**

	Property (Leased premises)	Plant & equipment	Total
Opening balance – 1 July 2019 <sup>(a)</sup>	27,853,715	198,576	28,052,291
Additions	1,236,188	-	1,236,188
Disposals	-	-	-
Depreciation	(2,400,784)	(113,472)	(2,514,256)
Closing balance – 30 June 2020	26,689,119	85,104	26,774,223

Note:

<sup>(a)</sup> This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019.

*Right-of-use asset acquired by lessees (Under AASB 16 Leases from 1 July 2019) – Initial measurement*

ACMI recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

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

*Right-of-use asset – Subsequent measurement*

ACMI depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

**4.1.2 Carrying values by 'purpose' group**

	Public administration	
	2020	2019
	\$	\$
<b>Nature based on classification</b>		
Leasehold improvements – fair value	1,844,780	2,165,993
Property, plant & equipment – fair value	27,905,000	2,113,901
Work in progress – at cost <sup>(a)</sup>	33,640,666	5,137,786
Collections – at fair value	9,245,082	9,367,304
<b>Net carrying amount</b>	<b>72,635,528</b>	<b>18,784,984</b>

Note:

<sup>(a)</sup> Significant movement in work in progress relates to ACMI's redevelopment due for completion late 2020.

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.

#### 4.1.3 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 \$	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Opening 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
Recognition of right-of-use assets on initial application of AASB 16 <sup>(a)</sup>	-	-	28,052,291	-	-	-	-	-	28,052,291	-
Adjusted balance at 1 July 2019	2,165,993	2,817,098	30,166,192	3,481,091	5,137,786	1,843,848	9,367,304	9,412,815	46,837,275	17,554,852
Additions	340,738	-	1,241,574	491,400	28,502,880	3,293,938	-	-	30,085,192	3,785,338
Transfers between classes	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	(4,274)	(156,323)	-	-	(122,222)	(45,511)	(126,496)	(201,834)
Depreciation expense	(661,951)	(651,105)	(3,498,492)	(1,702,267)	-	-	-	-	(4,160,443)	(2,353,372)
Closing balance	1,844,780	2,165,993	27,905,000	2,113,901	33,640,666	5,137,786	9,245,082	9,367,304	72,635,528	18,784,984

Note:

<sup>(a)</sup> This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 relating to operating leases - refer to Note 8.7.1.

#### 4.2 Intangible assets

	Computer software at cost \$		Screen Worlds exhibition rights at cost \$		Total at cost \$	
	2020	2019	2020	2019	2020	2019
Gross carrying amount						
Opening balance	686,477	686,477	-	160,918	686,477	847,395
Additions	-	-	-	-	-	-
Disposals	-	-	-	(160,918)	-	(160,918)
Closing balance	686,477	686,477	-	-	686,477	686,477
Accumulated amortisation and impairment						
Opening balance	(686,477)	(686,477)	-	(140,785)	(686,477)	(827,262)
Amortisation expense	-	-	-	(14,741)	-	(14,741)
Disposal	-	-	-	155,526	-	155,526
Closing balance	(686,477)	(686,477)	-	-	(686,477)	(686,477)
Net book value at the end of the financial year	-	-	-	-	-	-

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

	2020	2019
	\$	\$
<b>Depreciation</b>		
Property, plant & equipment	(3,498,492)	(1,702,267)
Leasehold improvements	(661,951)	(651,105)
<b>Total depreciation</b>	<b>(4,160,443)</b>	<b>(2,353,372)</b>
<b>Amortisation</b>		
Screen Worlds exhibition rights/software	-	(14,741)
<b>Total amortisation</b>	<b>-</b>	<b>(14,741)</b>
<b>Total depreciation and amortisation</b>	<b>(4,160,443)</b>	<b>(2,368,113)</b>

Note:

<sup>(a)</sup> The table incorporates depreciation of right-of-use assets as AASB 16 Leases has been applied for the first time from 1 July 2019.*Depreciation*

Depreciation is 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.

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

	Useful life (years)
<b>Asset</b>	
Leasehold improvements <sup>(a)</sup>	5 – 12
Property, plant & equipment	3 – 12
Collections	Indefinite useful life

Note:

<sup>(a)</sup> 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)
<b>Asset</b>	
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**

	2020	2019
	\$	\$
<b>Current receivables</b>		
<b>Contractual</b>		
Trade debtors	156,588	298,779
Allowance for impairment of trade debtors	(3,565)	(3,160)
Accrued revenue	-	39,226
Other receivables	66,589	51,452
	219,612	386,297
<b>Statutory</b>		
Amount owing from Victorian Government	75,685	1,115,400
GST input tax credit recoverable	237,606	-
	313,291	1,115,400
<b>Total current receivables</b>	<b>532,903</b>	<b>1,501,697</b>

*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	
	\$	\$	\$	\$	\$	\$	\$
<b>2020</b>							
<b>Receivables</b>							
Trade debtors and allowance for impairment losses of contract receivables <sup>(a)</sup>	153,023	147,464	-	4,226	1,333	-	-
Accrued revenue	-	-	-	-	-	-	-
Other receivables	66,589	66,589	-	-	-	-	-
<b>Total contractual financial assets</b>	<b>219,612</b>	<b>214,053</b>	<b>-</b>	<b>4,226</b>	<b>1,333</b>	<b>-</b>	<b>-</b>
<b>2019</b>							
<b>Receivables</b>							
Trade debtors and allowance for impairment losses of contract receivables <sup>(a)</sup>	295,619	100,680	-	163,510	31,429	-	-
Accrued revenue	39,226	39,226	-	-	-	-	-
Other receivables	51,452	51,452	-	-	-	-	-
<b>Total contractual financial assets</b>	<b>386,297</b>	<b>191,358</b>	<b>-</b>	<b>163,510</b>	<b>31,429</b>	<b>-</b>	<b>-</b>

Note:

<sup>(a)</sup> 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

	2020	2019
	\$	\$
<b>Current payables</b>		
<b>Contractual</b>		
Trade creditors <sup>(a)</sup>	310,677	661,084
Accrued expenses	571,768	435,191
	<b>882,445</b>	<b>1,096,275</b>
<b>Statutory</b>		
Taxes payable	81,067	54,555
GST tax payable	-	370,242
<b>Total current payables</b>	<b>963,512</b>	<b>1,521,072</b>

Note:

<sup>(a)</sup> 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
	\$	\$	\$	\$	\$	\$
<b>2020</b>						
<b>Payables</b>						
Trade creditors and accrued expenses <sup>(a)</sup>	882,445	882,445	882,445	-	-	-
<b>Total payables</b>	<b>882,445</b>	<b>882,445</b>	<b>882,445</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2019</b>						
<b>Payables</b>						
Trade creditors and accrued expenses <sup>(a)</sup>	1,096,275	1,096,275	1,096,275	-	-	-
<b>Total payables</b>	<b>1,096,275</b>	<b>1,096,275</b>	<b>1,096,275</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note:

<sup>(a)</sup> The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

## 5.3 Inventories

	2020	2019
	\$	\$
<b>Current inventories</b>		
Supplies and consumables		
At cost	103,969	42,862
Publications held for sale		
At cost	28,293	31,263
<b>Total inventories</b>	<b>132,262</b>	<b>74,125</b>

*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**

	2020	2019
	\$	\$
Contract liabilities	3,641,816	2,800,107
Sundry liabilities	296,753	247,278
Lease incentive liability <sup>(a)</sup>	-	93,000
<b>Total current other liabilities</b>	<b>3,938,569</b>	<b>3,140,385</b>
Lease incentive liability <sup>(a)</sup>	-	534,750
<b>Total non-current other liabilities</b>	<b>-</b>	<b>534,750</b>
<b>Total other liabilities</b>	<b>3,938,569</b>	<b>3,675,135</b>

Note:

<sup>(a)</sup> From the 1 July 2019, the lease incentive liability was recognised as a reduction to the opening balance of the right-of-use assets: property, plant & equipment in accordance with AASB 16.

**Contract liabilities**

Opening balance brought forward from 30 June 2019 adjusted for AASB 15	2,800,107
Add: Payments received for performance obligations yet to be completed during the period	6,337,311
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(5,495,602)
<b>Total contract liabilities</b>	<b>3,641,816</b>
Current contract liabilities	3,641,816
Non-current contract liabilities	-
<b>Total contract liabilities</b>	<b>3,641,816</b>

Contract liabilities recognises deposits received from Australian and international hirers to secure exhibition and venue hire dates; and Government service agreement contribution for future activities. Invoices are raised once the goods and services are delivered/provided to them.

*Previous accounting policy for 30 June 2019 - 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 Borrowings

6.2 Cash flow information and balances

6.3 Commitments for expenditure

**6.1 Borrowings****6.1.1 Leases**

	2020	2019
	\$	\$
<b>Current lease liabilities</b>		
Lease liabilities <sup>(a)</sup>	3,105,566	-
<b>Total current lease liabilities</b>	<b>3,105,566</b>	<b>-</b>
<b>Non-current leases liabilities</b>		
Lease liabilities	24,821,166	-
<b>Total non-current liabilities</b>	<b>24,821,166</b>	<b>-</b>
<b>Total lease liabilities</b>	<b>27,926,732</b>	<b>-</b>

Note:

<sup>(a)</sup> Secured by the assets leased. Lease liabilities are effectively secured as the rights to the leased assets which revert to the lessor in the event of default.

**Maturity analysis of borrowings**

	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1-3 months	3 months-1 year	1-5 years	5+ years
	\$	\$	\$	\$	\$	\$	\$
<b>2020</b>							
Lease liabilities	27,926,732	35,525,772	273,659	547,319	2,441,670	12,964,942	19,298,182
<b>Total</b>	<b>27,926,732</b>	<b>35,525,772</b>	<b>273,659</b>	<b>547,319</b>	<b>2,441,670</b>	<b>12,964,942</b>	<b>19,298,182</b>
<b>2019</b>							
Lease liabilities	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Interest expenses**

	2020	2019
	\$	\$
Interest on lease liabilities	1,235,281	-
<b>Total interest expense</b>	<b>1,235,281</b>	<b>-</b>

Information about leases for which ACMI is a lessee is presented below.

#### *Leasing activities*

ACMI's 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 lease liability recognises the option to extend to 2032. ACMI recognises leases for computer equipment, as right-of-use assets and lease liabilities, based on the original value of the asset when new, and an operating lease expenses for leases for computer equipment having a lease term of less than 12 months and/or assessed as being of low value in accordance with AASB 16.

At 30 June 2020, the commitment to short term leases and the total commitment at that date was \$87,876.

#### *Leases at significantly below-market terms and conditions*

ACMI has no leases at or below market value.

#### *Right-of-use assets*

Right-of-use assets are presented at Note 4.1.1.

#### Amounts recognised in the comprehensive operating statement relating to leases

	2020 \$
Interest on lease liabilities	1,235,281
Expenses relating to short term leases	98,958
Expenses relating to leases of low-value assets	121,551
<b>Total amount recognised in the comprehensive operating statement</b>	<b>1,455,790</b>

#### Amounts recognised in the statement of cashflows

	2020 \$
<b>Total cash outflows for leases</b>	<b>3,234,531</b>

For any new contracts entered into on or after 1 July 2019, ACMI considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition ACMI assesses whether the contract meets three key evaluations:

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

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



**Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)***Lease Liability – initial measurement*

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

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

*Lease Liability – subsequent measurement*

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

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

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

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

*Recognition and measurement of leases (under AASB 117 until 30 June 2019)*

In the comparative period, leases of property, plant and equipment were classified operating leases and were not recognised in the balance sheet. Operating lease payments were recognised as an operating expense in the comprehensive operating statement on a straight-line basis over the lease term.

**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.

	2020	2019
	\$	\$
Total cash and deposits disclosed in the balance sheet	20,902,886	21,795,701
Balance as per cash flow statement	20,902,886	21,795,701

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

	2020 \$	2019 \$
Net result for the period	(698,248)	4,790,772
<b>Non-cash movements</b>		
(Gain)/loss on sale or disposal of non-current assets		
Impairment of assets	126,496	207,228
Depreciation and amortisation of non-current assets	4,160,443	2,368,113
<b>Movements in assets and liabilities</b>		
(Increase)/decrease in receivables	968,793	(832,263)
(Increase)/decrease in inventories	(58,137)	163,170
(Increase)/decrease in prepayments	(191,047)	(89,700)
(Decrease)/increase in payables	(1,136,595)	332,487
(Decrease)/increase in unearned revenue	1,479,973	1,993,378
(Decrease)/increase in current provisions	286,321	435,103
(Decrease)/increase in non-current provisions	135,440	115,970
Net cash flows from/(used in) operating activities	5,073,439	9,484,258

## 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

	2020 \$	2019 \$
<b>Capital expenditure commitments payable</b>		
Less than 1 year	3,785,875	3,086,136
Longer than 1 year and not longer than 5 years	-	-
	3,785,875	3,086,136
<b>Operation and maintenance commitments payable</b>		
Less than 1 year	1,041,582	1,135,868
Longer than 1 year and not longer than 5 years	774,770	283,357
Longer than 5 years	-	14,824
	1,816,352	1,434,049
<b>Other lease payables <sup>(a), (b)</sup></b>		
Less than 1 year	331,650	3,461,633
Longer than 1 year and not longer than 5 years	665,161	8,654,089
Longer than 5 years	-	1,399,571
	996,811	13,515,293
<b>Total commitments (inclusive of GST)</b>	<b>6,599,038</b>	<b>18,035,478</b>

Notes:

<sup>(a)</sup> Other lease payables represent short-term leases and leased assets of low-value which are not recognised on the balance sheet (AASB 16).

<sup>(b)</sup> Operating leases commitments (under AASB 117 until 30 June 2019).

## 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*.

#### 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 interest.

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 liabilities

##### *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); and
- borrowings (lease liabilities).

##### *Impairment of financial assets under AASB 9*

ACMI records the allowance for expected credit loss for the relevant financial instruments, applying AASB 9's expected credit loss approach. Subject to AASB 9 impairment assessment include 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.

##### *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.

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 2020.

## 7.1.1 Financial instruments: Categorisation

2020	Notes	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
<b>Contractual financial assets</b>					
Cash and deposits	6.2	20,902,886	-	-	20,902,886
Receivables <sup>(a)</sup>	5.1	-	219,612	-	219,612
<b>Total contractual financial assets <sup>(b)</sup></b>		<b>20,902,886</b>	<b>219,612</b>	<b>-</b>	<b>21,122,498</b>
<b>Contractual financial liabilities</b>					
Payables <sup>(c)</sup>	5.2			882,445	882,445
<b>Borrowings</b>					
Lease liabilities	6.1.1			27,926,732	27,926,732
<b>Total contractual financial liabilities <sup>(d)</sup></b>		<b>-</b>	<b>-</b>	<b>28,809,177</b>	<b>28,809,177</b>
2019	Notes	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
<b>Contractual financial assets</b>					
Cash and deposits	6.2	21,795,701	-	-	21,795,701
Receivables <sup>(a)</sup>	5.1	-	386,297	-	386,297
<b>Total contractual financial assets <sup>(b)</sup></b>		<b>21,795,701</b>	<b>386,297</b>	<b>-</b>	<b>22,181,998</b>
<b>Contractual financial liabilities</b>					
Payables <sup>(c)</sup>	5.2			1,096,275	1,096,275
<b>Total contractual financial liabilities <sup>(d)</sup></b>				<b>1,096,275</b>	<b>1,096,275</b>

Notes:

<sup>(a)</sup> Receivables include trade debtors, interest receivable and other receivables.<sup>(b)</sup> The total amount of financial assets disclosed here excludes statutory receivables (i.e. amounts owing from Victorian Government and GST input tax credit recoverable).<sup>(c)</sup> Payables include trade creditors and accrued expenses.<sup>(d)</sup> 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	2020 \$	2019 \$
<b>Contractual financial assets</b>			
Cash and deposits - net holding gain/(loss) on financial instruments	8.2	40,009	(19,659)
		<b>40,009</b>	<b>(19,659)</b>

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 2019-20.

*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*

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 \$
<b>2020</b>				
Cash and deposits	20,896,328	-	6,558	20,902,886
Receivables	-	-	219,612	219,612
<b>Total contractual financial assets <sup>(a)</sup></b>	<b>20,896,328</b>	<b>-</b>	<b>226,170</b>	<b>21,122,498</b>
<b>2019</b>				
Cash and deposits	21,785,635	-	10,066	21,795,701
Receivables	-	-	386,297	386,297
<b>Total contractual financial assets <sup>(a)</sup></b>	<b>21,785,635</b>	<b>-</b>	<b>396,363</b>	<b>22,181,998</b>

Note:

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

*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 2020, ACMI had no forward exchange contracts (2019: 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 \$
2020					
Cash and bank deposits					
Bank deposits	1.05%	20,896,328	-	20,896,328	-
Cash on hand		6,558	-	-	6,558
Receivables					
Trade debtors and allowance for impairment losses of contract receivables		153,023	-	-	153,023
Other receivables		66,589	-	-	66,589
Total financial assets		21,122,498	-	20,896,328	226,170
Payables					
Trade creditors and accrued expenses		882,445	-	-	882,445
Borrowings					
Lease liabilities	4.32%	27,926,732	27,926,732		
Total financial liabilities		28,809,177	27,926,732	-	882,445
2019					
Cash and bank deposits					
Bank deposits	1.70%	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 <sup>(a)</sup>		90,678	-	-	90,678
Total financial assets		22,181,998	-	21,473,648	708,350
Payables					
Trade creditors and accrued expenses		1,096,275	-	-	1,096,275
Total financial liabilities		1,096,275	-	-	1,096,275

Note:

<sup>(a)</sup> 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 (2019: nil).

*Contingent liabilities*

There are no contingent liabilities (2019: 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.

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;
- payables; and
- borrowings (lease liabilities).

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 2020*

	Carrying amount as at 30 June 2020 \$	Fair value measurement at end of reporting period using		
		Level 1 \$	Level 2 \$	Level 3 \$
Leasehold improvements at fair value	1,844,780	-	-	1,844,780
Property, plant & equipment at fair value	27,905,000	-	-	27,905,000
Collections at fair value	9,245,082	-	6,331,335	2,913,747
<b>Total property, plant &amp; equipment and collections</b>	<b>38,994,862</b>	<b>-</b>	<b>6,331,335</b>	<b>32,663,527</b>

*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
<b>Total property, plant &amp; equipment and collections</b>	<b>13,647,198</b>	<b>-</b>	<b>6,453,557</b>	<b>7,193,641</b>

*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 & 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 107,431 collection 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 and therefore no managerial revaluation was undertaken.

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 2019	2,165,993	2,113,901	2,913,747
Recognition of right-of-use assets on initial application of AASB 16	-	28,052,291	-
Purchases	340,738	1,241,574	-
Transfers from work in progress	-	-	-
Gains or losses recognised in net result			
Depreciation	(661,951)	(3,498,492)	-
Loss on disposal	-	(4,274)	-
Subtotal gains or losses recognised in net result	(661,951)	(3,502,766)	-
Gain or losses recognised in other economic flows - other comprehensive income	-	-	-
Subtotal	-	-	-
Closing balance 30 June 2020	1,844,780	27,905,000	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 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	-	-	-
Subtotal	-	-	-
Closing balance 30 June 2019	2,165,993	2,113,901	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 2018-19.

**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 Changes in accounting policies
- 8.8 Glossary

**8.1 Ex gratia expenses**

ACMI had no ex gratia payments (2019 : 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.

	2020	2019
	\$	\$
<b>Net loss on financial instruments <sup>(a)</sup></b>		
Net FX gain/(loss) arising from financial instruments	40,009	(19,659)
Impairment of financial assets at amortised cost	(405)	(3,160)
	39,604	(22,819)
<b>Net loss on non-financial assets <sup>(b)</sup></b>		
Net loss on disposal of property, plant & equipment and collections	(126,496)	(207,228)
<b>Other gain/(loss) from other economic flows <sup>(c)</sup></b>		
Net gain/(loss) arising from revaluation of long service leave liability	146,840	374,014
<b>Total other economic flows included in net result</b>	<b>59,948</b>	<b>143,967</b>

Notes:

- <sup>(a)</sup> 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.
- <sup>(b)</sup> Net loss on non-financial assets include realised losses from the disposal of non-current physical assets.
- <sup>(c)</sup> Revaluation gain/(loss) due to changes in bond rates.

**8.3 Reserves**

	2020	2019
	\$	\$
<b>Physical asset revaluation surplus <sup>(a)</sup></b>		
Balance at beginning of financial year	(2,405,543)	(2,405,543)
Balance at end of financial year	(2,405,543)	(2,405,543)

Note:

- <sup>(a)</sup> 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 Assistant Treasurer 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 2019 to 30 June 2020
Accountable Officer	Katrina Sedgwick OAM, Director & Chief Executive Officer	1 July 2019 to 30 June 2020

##### Governing Board

Janet Matton AM, Board President	1 July 2019 to 30 June 2020
Tasneem Chopra OAM	1 July 2019 to 30 June 2020
Karen Corry	1 July 2019 to 30 June 2020
Darren Dale	1 July 2019 to 30 June 2020
Ian Forsyth	1 July 2019 to 30 June 2020
Rachel Griffiths AM	1 July 2019 to 30 June 2020
Rachael Maza AM	1 July 2019 to 30 June 2020
Linda White	1 July 2019 to 30 June 2020
Paul Wiegard	1 July 2019 to 30 June 2020
Dr Terry Wu	1 July 2019 to 30 June 2020

##### 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 \$310,000-\$320,000 (\$300,000-\$310,000 FY2018-19).

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<sup>(b)</sup> 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)	2020	2019
	\$	\$
Short-term employee benefits	584,201	612,607
Post-employment benefits	53,437	55,493
Termination benefits	49,038	-
<b>Total Remuneration <sup>(a)</sup></b>	<b>686,676</b>	<b>668,100</b>
<b>Total Number of Executives</b>	<b>3</b>	<b>3</b>
<b>Total annualised employee equivalent <sup>(b)</sup></b>	<b>2.41*</b>	<b>2.88^</b>

Notes:

<sup>(a)</sup> 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).

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

\* there was one part time employee terminated during the period (2019-20).

^ there was one part time employee during the period (2018-19).

## 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 OAM
- Deputy CEO/Executive Director, Commercial and Operations, Graham Jephcott
- Chief Experience Officer, Sebastian Chan
- Director of Brand & Marketing, Emma Levy (resigned 19 November 2019)

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

Compensation of KMPs	2020	2019
	\$	\$
Short-term employee benefits	897,933	898,728
Post-employment benefits	73,898	75,660
Termination benefits	49,038	-
<b>Total <sup>(a)</sup></b>	<b>1,020,869</b>	<b>974,388</b>

Note:

<sup>(a)</sup> KMPs 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 \$24.2m (\$30.7m FY2018-19) from Creative Victoria.
- ACMI received operating funding for educational programs of \$135k (\$240k FY2018-19) from Department of Education and Training.

*Transactions and balances with key management personnel and other related parties*

During the year, related parties of key management personnel (KMP) were awarded contracts on terms and conditions equivalent for those that prevail in arm's length transactions under ACMI's procurement process. All other transactions that have occurred with KMP and their related parties have not been considered material for disclosure.

Payments to related parties	2020	2019
	\$	\$
Entity		
Madman Entertainment Pty Ltd	974	28,628
Paul Wiegard is Managing Director of Madman Entertainment Pty Ltd which ACMI made purchases from on normal commercial terms.		
<b>Total</b>	<b>974</b>	<b>28,628</b>

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.

**8.5 Remuneration of auditors**

	2020	2019
	\$	\$
Victorian Auditor-General's Office		
Audit of the financial statements	32,800	32,000
	32,800	32,000

**8.6 Subsequent events**

ACMI has no material or significant events occurring after the reporting date (2019: 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.

The impact of the COVID-19 pandemic is ongoing and while it has a financial impact on ACMI up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. No other matter or circumstances has arisen since 30 June 2020 that has significantly affected, or may significantly affect ACMI's operations, the results of those operations, or ACMI's state of affairs in future financial years.

## 8.7 Changes in accounting policies

### 8.7.1 Leases

This note explains the impact of adopting of AASB 16 *Leases* on these financial statements. ACMI has applied AASB 16 with a date of initial application of 1 July 2019 and has elected to apply this standard using the modified retrospective approach, as per the transitional provisions for all leases as lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated.

#### *Leases classified as operating leases under AASB 117 - accounting policy for 30 June 2019*

As a lessee, ACMI previously classified leases as operating leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset. Under AASB 16, ACMI recognises right-of-use assets and lease liabilities for all leases except where an exemption is availed in respect of short-term and low-value leases.

On adoption of AASB 16, ACMI has recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using an incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

ACMI has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

#### *Impacts on financial statements*

On transition to AASB 16, ACMI recognised \$28,052,291 of right-of-use assets (net of lease incentive) and \$28,680,041 of lease liabilities. When measuring lease liabilities, ACMI discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 4.32 per cent.

	Notes	
Total operating lease commitments disclosed at 30 June 2019 (including GST)	6.3.1	13,515,293
Total operating lease commitments disclosed at 30 June 2019 (excluding GST)		12,286,630
Discounted using the incremental borrowing rate at 1 July 2019		11,717,429
Less: short-term leases not recognised as a liability		(115,788)
Less: low-value leases not recognised as a liability		(98,958)
Add/(less): adjustments as a result of a different treatment of extension and termination options		17,177,358
<b>Lease liabilities recognised at 1 July 2019</b>		<b>28,680,041</b>
Represented by		
Current lease liabilities		1,848,582
Non-current lease liabilities		26,831,459
<b>Total</b>		<b>28,680,041</b>

**8.7.2 Revenue from Contracts with Customers**

In accordance with FRD 121 requirements, ACMI has applied the transitional provisions of AASB 15, under the modified retrospective method and assessed the impact as immaterial. Note 2.2.2 Sales of goods and services includes details about the transitional application of AASB 15 and how the standard has been applied to revenue transactions.

The adoption of AASB 15 did not have an impact on other comprehensive income and the statement of cash flows for the financial year.

**8.7.3 Income of Not-for-Profit Entities**

In accordance with FRD 122 requirements, ACMI has applied the transitional provision of AASB 1058, under modified retrospective method and assessed the impact as immaterial. Under this transition method, ACMI applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application. Note 2.2.3 Grants includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions.

The adoption of AASB 1058 did not have an impact on other comprehensive income or the statement of cash flows for the financial year.

**8.7.4 Transition impact on financial statements**

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

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

Impact on balance sheet due to the adoption of AASB 15, AASB 1058 and AASB 16 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards at 1 July 2019:

	Notes	Before new accounting standards opening 1 July 2019	Impact of new accounting standards – AASB 16, 15 and 1058	After new accounting standards opening 1 July 2019
Total financial assets		23,297,398	-	23,297,398
Total non-financial assets	4.1.1	19,025,437	28,052,291	47,077,728
<b>Total assets</b>		<b>42,322,835</b>	<b>28,052,291</b>	<b>70,375,126</b>
Payables and contract liabilities				
Borrowings	8.7.1	-	28,680,041	28,680,041
Other liabilities		8,067,495	(627,750)	7,439,745
<b>Total liabilities</b>		<b>8,067,495</b>	<b>28,052,291</b>	<b>36,119,786</b>
Accumulated surplus/(deficit)		(6,314,088)	-	(6,314,088)
Physical revaluation surplus	8.3	2,405,543	-	2,405,543
Other items in equity		38,163,885	-	38,163,885
<b>Total equity</b>		<b>34,255,340</b>	<b>-</b>	<b>34,255,340</b>



#### 8.7.5 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2019-20 reporting period. These accounting standards have not been applied to the Model Financial Statements. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

##### *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*

This Standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

ACMI is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

##### *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 *Classification of Liabilities as Current or Non-Current – Deferral of Effective Date* with the intention to defer the application by one year to periods beginning on or after 1 January 2023. ACMI is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods, but are considered to have limited impact on reporting.

- AASB 17 *Insurance Contracts*.
- AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C)*.
- AASB 2018-6 *Amendments to Australian Accounting Standards – Definition of a Business*.
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*.
- AASB 2019-3 *Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*.
- AASB 2019-5 *Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*.
- AASB 2020-2 *Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*.

## 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.

### *Leases*

Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

### *Net result*

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.



