Australian Centre for the Moving Image

Annual Report 2017–18
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 2018.

Peter Lewinsky
President
On behalf of the members (Board) of the Australian Centre for the Moving Image
30 August 2018
Australian Centre for the Moving Image

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ACMI is... The national museum of film, TV, videogames, digital culture and art, located in the heart of Melbourne in Fed Square

Our Mission

ACMI’s mission is to illuminate the myriad moving images and technologies that define our age – embracing the future, understanding the past and unlocking new forms of creativity.
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 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
On behalf of the Board, it is my pleasure to present to you the 2017–18 Annual Report. It has been another successful year for ACMI with a record 1.55 million visitors to our museum, and an additional 460,000 visitors to our exhibitions through our national and international exhibition touring program.

Since 2002 we’ve welcomed more than 14 million visitors. ACMI is an institution that is evolving at a rapid pace. We are attracting industry leaders, refreshing our spaces for optimum performance, and constantly experimenting with ideas. It plays a vital part in establishing Melbourne as a global cultural destination. This year has seen a vibrant calendar of diverse and innovative programs presented across our museum – in our galleries, cinemas, studios and public spaces – and off-site through our education and touring arms. Our partnerships with many organisations enable these programs to blossom and we thank them for these fruitful collaborations.

In April the Victorian Government committed an additional $31.6m funding over the next two years, in addition to the $5m committed in the 2017–18 budget, to enable our visionary $40m museum redevelopment. This investment will transform our museum of the moving image into one of the world’s leading hubs for screen culture, education and innovation – expanding its reach, impact and public value, and matching visitor experiences to the very best culture, education and innovation – and a major asset to Melbourne. Thank you to Federation Square for the ongoing constructive relationship.

ACMI’s hardworking Board have been tireless in working towards this vision. I would like to acknowledge Esther Anatolitis, who left the Board in September, and welcome three new members who joined the Board in December – Rachael Maiz, Taoneem Chopra and Paul Wegard. Thank you to all of our Board members, and those too who contribute so energetically to our committees – the Audit Committee (and thank you also to independent committee member Alison Parker), the Development Committee (ably chaired by our former Board member Ricci Swart), and the Indigenous Advisory Group.

I would like to thank the executive team and our dedicated and passionate staff for their hard work to deliver a tremendously successful year for ACMI.

I am delighted to share this record of our achievements in our 2017–18 Annual Report.

Peter Lewinsky
Board President

Over the past year the ACMI team has been working tirelessly to deliver our strategic goals – to think holistically, build our brand, leverage our assets and build our sustainability. Our renewal vision has successfully gained government support and we are deep in our design process for an architectural, programmatic and experiential transformation for visitor engagement with ACMI and the stories we tell. But the renewal is only one part of a process we have been undergoing over the past three years – and will be ongoing for the next few years – to transform our organisation and leverage this wonderful museum and its talented staff to serve our publics even better. We are constantly interrogating how we work together, where collaboration and partnership can take us and how we can engage with our three core audiences – the public, education and industry sectors – in a truly innovative and valuable way, deepening our value and impact.

In a year of highlights outlined in the pages of this report, I want to mention two. I loved the Wallace & Gromit and Friends: The Magic of Aardman exhibition – but ACMI’s own homegrown Melbourne Winter Masterpieces exhibition Wonderland brings to life many of our guiding principles. It is a traditional museum style exhibition with over 350 objects, costumes, sketches, media – but it is an imaginative and immersive experience through an overtly theatrical and playful, physical and digital design approach. The exhibition is attracting strong audiences and critical acclaim and after leaving ACMI will tour the world for the next five years, leveraging our investment to bring significant return for ACMI and Victoria on multiple levels.

Another highlight for me, Code Breakers: Women in Games sought to challenge the stereotypes around the games industry by celebrating the work of one New Zealand and 10 Australian women working in games – from art based adventures to first person shooters. It attracted almost 50,000 visitors over its run – including many school groups – and thanks to Creative Victoria is now touring through regional Victoria, and will go national and international in the future.

And finally, ACMI X is now two years old. This year it has hosted many businesses through our co-working space, industry programs, partner events, and fostered wonderful collaborations with our tenants and vitally our two foundational partners RMIT and the University of Melbourne. With the support of LaunchVic we ran ACMI Xcel – a ground breaking program supporting creative tech start-ups through a bootcamp and an accelerator program. This new arm of our business has been hugely successful and we look forward to hosting another Xcel program in 2018–19.

As this report demonstrates it has been an ambitious year for ACMI and I want to thank our Board, led by Peter Lewinsky, for their unswerving support and clear guidance. Thank you to our Minister Martin Foley MP, and to Andrew Abbott and Creative Victoria who have made so much of our vision possible. We are very grateful to the many individual and organisational supporters whose generosity directly contributes to our achievements. And finally but most vitally thank you to the ACMI staff – the commitment, energy and passion of this remarkable group of people is inspiring to work with every day.

Katrina Sedgwick
Director & CEO
### ACMI by Numbers 2017–18

**Highlights**

<table>
<thead>
<tr>
<th>Category</th>
<th>2017–18 Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visits to ACMI's Fed Square museum in 2017–18</td>
<td>1.55m</td>
</tr>
<tr>
<td>Admissions to an ACMI-curated cinema screening</td>
<td>57,093</td>
</tr>
<tr>
<td>Students and teachers participated in our education programs</td>
<td>85,205</td>
</tr>
<tr>
<td>Visits to ACMI's touring exhibition across five international and six regional locations</td>
<td>454,238</td>
</tr>
<tr>
<td>Visits to an ACMI-curated exhibition</td>
<td>57,093</td>
</tr>
<tr>
<td>Students and teachers participated in our education programs</td>
<td>85,205</td>
</tr>
<tr>
<td>ACMI members</td>
<td>4,898</td>
</tr>
<tr>
<td>Festivals were hosted at ACMI</td>
<td>21</td>
</tr>
<tr>
<td>Events in the ACMI X industry program</td>
<td>88</td>
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<tr>
<td>Shop transactions</td>
<td>36,546</td>
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<tr>
<td>95% visitor satisfaction</td>
<td></td>
</tr>
<tr>
<td>Revenue generated directly through website</td>
<td>$2.5m</td>
</tr>
<tr>
<td>Record website sessions</td>
<td>1.987m</td>
</tr>
<tr>
<td>Page views</td>
<td>9.5m</td>
</tr>
<tr>
<td>Email subscribers</td>
<td>58,382</td>
</tr>
<tr>
<td>Followers across our social media</td>
<td>145,000</td>
</tr>
<tr>
<td>Growth in our Instagram followers</td>
<td>63%</td>
</tr>
<tr>
<td>Video views on YouTube</td>
<td>1.3m</td>
</tr>
<tr>
<td>Minutes watched on YouTube</td>
<td>858,670</td>
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### Web and Social Media

<table>
<thead>
<tr>
<th>Social Media</th>
<th>2017–18 Data</th>
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<tbody>
<tr>
<td>Facebook followers</td>
<td>65,000</td>
</tr>
<tr>
<td>Twitter followers</td>
<td>51,000</td>
</tr>
<tr>
<td>Instagram followers</td>
<td>20,000</td>
</tr>
</tbody>
</table>
Corporate Goal: Think Wholistically

—Animate, energise and connect the whole of our museum with unique experiences that define ACMI as a destination and build an ongoing conversation with our public
—Adopt new ways of working that harness ACMI’s knowledge and resources for the development and delivery of an integrated cultural offer for our audiences
—Leverage our resources into the creative industries to support experimentation, production and distribution
—Evolve our organisational structure and systems to be more efficient and agile
World-Class Audience Experiences

In 2017–18 ACMI continued to thrill and delight audiences. We delivered five world-class exhibitions, including the much anticipated ACMI conceived and developed *Wonderland*. We continued to enhance our permanent exhibition, *Screen Worlds*, highlighting exciting new gaming and VR works.

**Wonderland**

**GALLERY 1**

5 April – 7 October 2018

*Wonderland* is a wholly ACMI conceived and developed world premiere exhibition celebrating Lewis Carroll’s timeless tale and charting the history of special effects in cinema, in parallel to the myriad interpretations of Alice’s adventures on screen. Since first gracing the silver screen in 1903, Alice has delighted audiences in more than 40 arthouse and blockbuster cinematic odysseys. Created by ACMI’s world-class curatorial, exhibition design and programming team, *Wonderland* explores how this curious and courageous heroine inspired revolutionary filmmaking, from ground-breaking special effects and animation to evocative storytelling and technological development.

Offering an exciting new visitor proposition for ACMI audiences, through an immersive, experiential and theatrical journey down the rabbit hole, *Wonderland* demonstrates the wonder of the Alice stories and the magic of screen craft from the virtual realm to the physical world and back again. This Melbourne Winter Masterpieces exhibition also gave teams throughout ACMI an opportunity to collaborate across the full *Wonderland* offer via a multi-layered, consistent and wholistic approach.

Working with a huge array of Australian industry talent, including exhibition designer Anna Tregloan, Sandpit, Grumpy Sailor and Masster, ACMI delivered a unique audience experience that leveraged our resources into the screen industry to push new boundaries in exhibition design.

*Wonderland* closes on 7 October 2018.
Code Breakers: Women in Games

GALLERY 2
25 July – 5 November 2017

Code Breakers: Women in Games is the first Australian exhibition celebrating the achievements of women working in the games industry as directors, programmers, developers, artists, writers, producers and designers. Featuring games made by emerging and established makers, this exhibition also reflects on the sometimes challenging journey these women have made in a male dominated industry. Curated in collaboration with an advisory committee of key industry figures Kate Inabinet, Helen Stuckey and Leena van Deventer, Code Breakers explores the integral and under-recognised role that women have played in shaping gaming. With the support of Creative Victoria, Code Breakers is now touring regional Victoria.

48,535 saw Code Breakers: Women in Games across associated public programs and ancillary events.

Wallace & Gromit and Friends: The Magic of Aardman

GALLERY 1
29 June 2017 – 29 January 2018

We opened the year with Wallace & Gromit and Friends: The Magic of Aardman in full swing, as part of the prestigious Melbourne Winter Masterpieces series.

From Wallace & Gromit to Shaun the Sheep, Chicken Run and many more, multi-award winning studio, Aardman, have been enchanting audiences world-wide with their claymation creations for over four decades. Created by Art Ludique – Le Musée, in close collaboration with the creators and producers of the esteemed Bristol studio, this exhibition celebrated Aardman’s rich creative legacy, artists and animators and the studio’s never-ending pursuit of excellence.

The exhibition featured over 350 objects including hand crafted plasticine models, concept drawings, character studies, storyboards and production design as well as never-before-seen treasures like the first ever drawings of Wallace & Gromit and the rocket from A Grand Day Out. ACMI reconceived elements of the original exhibition for an Australian audience and added a dedicated family activity space, where visitors played with modelling clay, made their own Aardman-inspired characters and created a short stop-motion animation, which they could email to themselves.

Wallace & Gromit and Friends: The Magic of Aardman drew a broad range of audiences into ACMI, delivering a phenomenal 100% visitor satisfaction rating across the exhibition life span. Almost 115,000 saw Wallace & Gromit and Friends across associated film programs, public programs and ancillary events.

TERROR NULLIUS

GALLERY 2
20 March – 15 July 2018

Australian video duo Soda_Jerk proudly premiered their ACMI commission TERROR NULLIUS in Gallery 2 on 20 March 2018. Equal parts political satire, eco-horror and road movie, Soda_Jerk intricately remixed fragments of Australia’s pop culture and film legacy to create a work that has attracted large, appreciative audiences and wonderful reviews.

Constructed entirely from existing film, TV and audio sources, the 54-minute work is both ‘a love letter to Australian cinema’ and a brash reworking of some iconic themes and moments from our collective viewing history. Overtly political, yet driven by an infectious, idiosyncratic sense of energy and humour, TERROR NULLIUS has been invited to play at a wide range of film festivals across Australia and internationally over the next 12 months.

TERROR NULLIUS closed on 15 July 2018.

Almost 115,000 saw Wallace & Gromit and Friends across associated film programs, public programs and ancillary events.
Screen Worlds

Screen Worlds invites people of all ages to explore historical and cutting edge moving image forms in an interactive and immersive free permanent exhibition. The collection features film, television, videogames, virtual reality (VR) and digital art.

In 2017–18, we continued our exploration of virtual reality with the creation of the VR Lounge, opening in Screen Worlds in August with The Turning Forest, commissioned by the BBC and created by ACMI X residents VRTOV. We also showed Untold Australia, three new VR works commissioned by SBS and Screen Queensland: The Thin Black Line, Inside Manus and Every King Tide. During the September school holidays, the Lightwell featured a new ACMI commission, Prehistoric VR, an immersive underwater experience made for children by Erth Visual & Physical Inc theatre company.

While Screen Worlds is still enormously popular and influential, attracting more than 568,000 visitors in 2017–18 and consistently driving much of our education visitation, the exhibition is nearly a decade old. Designed and conceived before the advent of the smart phone era, Screen Worlds requires updating with new technology and a renewed curatorial vision, to ensure that ACMI can continue to deliver a visitor experience in line with the world’s top tier museums.

568,276 visits to Screen Worlds
Spotlight: Series Mania

Small Screen, Big Ambition

Series Mania is the key international television festival in Europe and over its eight-year history it has the reputation of bringing both industry and fans together to celebrate the best in drama and comedy, long and short form television and web series. In 2017, Melbourne was the first city to host the Series Mania program outside of France. Jointly presented by ACMI and Film Victoria and in collaboration with our international partner, Forum des Images, the inaugural Series Mania Melbourne showcased some of the best television across the globe that has never been seen by Australian audiences.

Series Mania Melbourne officially opened with the world premiere screening of acclaimed SBS production Sunshine, a high-stakes crime drama based in Melbourne’s outer-west, starring Anthony LaPaglia and introducing emerging local talent, Wally Elnour. The gripping story charts the journey of aspirant South Sudanese-Australian basketballer Jacob Garang, whose dreams of becoming an NBL star are dashed when he gets caught up in a police investigation. Sunshine deftly explores the hopes, dreams and often insurmountable challenges that face those forging a new life in a foreign land. It was wonderfully received by the opening night crowd and set an exceptional tone for the rest of the festival.

Alongside a real who’s who of Australian front and back of camera TV talent, Vince Gilligan, the acclaimed showrunner for Breaking Bad – arguably one of the most iconic television series in recent memory – was the festival’s special guest. Gilligan presented two sold out In Conversation events attended by members of both Australia’s thriving TV industry and the general public, offering a unique insight into the writers’ room and what it takes to create an evolving television story of this calibre.

The inaugural festival was a great success and it brought industry and public together to view both regional and world premieres of the world’s best television.

“Series Mania Melbourne was one of the most informative, and creatively focused, industry events I’ve attended.”
— Rick Kalowski, Head of Comedy, ABC Television

“Series Mania [Melbourne] is a vital festival for our industry. ACMI and Film Victoria, in partnership with Series Mania, have delivered a terrific first Australian entry in this now truly global event.”
— Darren Dale, Producer, Blackfella Films

23 screenings of long format and web series accompanied by a Q&A
2 masterclasses with festival guests
68 presenters were involved in the Series Mania Festival and Industry Day, of which 43 were female and 14 were international
A Bold Vision

The ACMI Renewal Project

In April 2018, the Minister for Creative Industries, Martin Foley MP, announced that ACMI would be awarded a further $31.6m from the State Government of Victoria in addition to the $5m committed in the 2017–18 budget to undergo a visionary transformation. We are embarking on a redevelopment that will transform the institution into the leading global museum of the moving image, one that seeks to reimagine and redefine the role that the museum plays in today’s fast-paced, hyper-connected, screen-first culture. The ambitious project will overhaul our permanent exhibition, integrate cutting edge technology and expand our public and education programs, enhancing the reach, impact and public value of ACMI, matching visitor experiences to the top tier museums around the world.

The project team, made up of expert consultants and ACMI staff, has worked to deliver some significant milestones. This year we have seen the formal appointments of Root Partnerships as project managers, Melbourne-based architectural practice BKK Architects alongside wayfinding and design studio Büro North, Second Story (part of SapientRazorfish) as the experience and exhibition designers, and Slattery as the quantity surveyors. A branding and design studio will be appointed to the project team in September 2018.

BKK Architects, Büro North, Second Story, and the ACMI project team have worked collaboratively to complete the Masterplan review phase. Second Story are completing the final stages of the concept design, and BKK Architects and Büro North are finalising the schematic design and wayfinding.

At this stage, ACMI expects to close its Fed Square site for redevelopment for much of 2019.

Flinders Street Greening Project

In 2017–18, as part of the first phase of funding received for the ACMI renewal project, ACMI received investment from the State Government to improve and green its Flinders Street entrance. Collaborating with key stakeholders including Fed Square Pty Ltd, City of Melbourne and the National Gallery of Victoria, this project will also build a stronger connection between Fed Square and the city, creating a welcoming public gathering space that complements the planned Metro Tunnel Project CBD South (Town Hall) Station entrance at Fed Square. Working with McGregor Coxall as the landscape architects on the project, design development is in its final stages.
Putting Our Audience First

**Listen and Learn**

The experience team and our visitor services officers researched and tested prototypes for the ACMI renewal with museum visitors, sharing what we learned with our industry peers as part of our commitment to competing via openness and collaboration.

ACMI continues to lead by embedding product management methodologies and user experience thinking across the organisation, ensuring that audience need is driving our decision making. This year we tested prototypes of the Lost Map of Wonderland to ensure visitors understood how to use the exhibition map to optimise their experience.

We challenged an assumption that our generally older matinee film audiences were not a core target for virtual reality programming by conducting group testing in our VR Lounge in Screen Worlds. Audiences responded positively to both the content and the experience, in the process becoming advocates for both VR and ACMI.

As a result of these successful experiments, test and learn methodology – including visitor prototyping – is increasingly applied as best practice across ACMI.

**Using Technology to Surprise and Delight**

As part of the Wonderland exhibition we designed and built a post-visit web experience, where visitors can use the special key on their Lost Map of Wonderland to revisit the exhibition and explore articles, videos and films related to their character and the history of Alice in Wonderland on screen. Visitors can view the “soldier” they created within the exhibition, save it to their device and share online. 10% of visitors to the exhibition have logged onto the website and half of those make it to the very end. This has been terrific learning for the post-visit experience in the renewed ACMI where visitors will get to see what they collected, played, made and watched during their visit.

**Unique Audience Experiences**

As part of a process of reimagining how we connect audiences with our content on their terms and to embed the ACMI and National Film and Sound Archive collections throughout the building, we developed and installed a video on demand interface across the museum to trial a replacement of the Mediatheque.

A magazine-style experience was developed and delivered to visitors on both iPads and larger touch screens in the cafe and Lightwell areas. Visitors who want to view feature films can do so in a purpose-designed space with sofas.
Test, Learn, Adapt, Evolve

ACMI is committed to evolving our organisational systems to be more efficient and agile, embedding a culture of constantly testing new approaches, learning from all projects and iterating in response.

Systems That Support Flexibility

Among many ICT improvements, we upgraded to Office 365 and Windows 10 to support the technology needs of our increasingly mobile staff. These changes enable our staff to have efficient remote access to key systems, modern file and data sharing, supporting a more agile and fast-paced workflow. Our internal helpdesk and knowledge base systems have also been upgraded to keep pace with increasing demands on them.

Celebrating Success and Learning Together

This year we have introduced formal project debriefs as a standard part of every major activity. All project team members and stakeholders prepare personal reflections and then meet for a facilitated discussion on what was done well, what could have been done better and what can be done differently in future. This has led to improvements in processes, but the deep impact is felt through staff capability and a growth mindset. A culture of shared reflection builds understanding across departments, with incremental improvements in teamwork leading to the development of a stronger, well delivered public offer.

Innovation That Pays

We developed a new online ticketing experience which has streamlined our online purchasing for single event tickets. It allows visitors that would like to attend a film, event or exhibition to quickly book a ticket without having to remember logins – taking the purchase path from seven clicks to just three. There has been a sizeable increase in online purchasing as a result of this change. Online developer, Andrew Serong developed the system in-house from start to finish and then co-authored and presented a paper with senior staff at the Minneapolis Institute of Art on museum ticketing systems at the Museums and the Web conference in Vancouver.
Corporate Goal:
Build Our Brand,
Extend Our Reach

—Deliver unique and surprising audience experiences, interweaving multiple layers of programming and interactions – both physical and virtual
—Be responsive, active, transparent and audience facing in our daily practice
—Enrich and extend conversations with our audience through ground-breaking digital strategies
—Build our reputation for powerful collaborations and partnerships in Australia and around the globe
—Recognise the challenge of reconciliation in Australia through the development of policies and programs that promote the experiences of Australia’s First Nations peoples across ACMI’s business
—Strengthen our engagement with culturally diverse artists and audiences

University Partnerships

ACMI worked with our university partners RMIT and the University of Melbourne to develop new products, experience and knowledge for creative industries. RMIT staff and students (BA Textile Design) collaborated with our design studio to produce an exclusive range of ACMI merchandise inspired by videogames. University of Melbourne research staff and graduate students collaborated with ACMI staff and ACMI X residents on research projects including the “Museum Soft Power Map” which uses geographical information technologies to geo-visualize museums’ ability to generate economic activity and attract international investment.

These successful collaborations provided a series of positive real-world outcomes for both parties, with students gaining industry knowledge from their first commercial brief to the establishment of new partnerships and pathways between students, researchers, creative practitioners and screen and cultural industries.

Read All About It

Collaborative media engagement is key to not only extending the reach and impact of our marketing and communications strategies, but also to maximising our budgets to generate the best return on investment. ACMI works collaboratively and creatively with our media partners to deliver our messages to key audience segments. Valued partners including The Age, APN Outdoor, Adshel Street Furniture, The Herald Sun, Melbourne Airport, The Saturday Paper and Broadsheet together provided significant in-kind advertising, along with extensive promotional support, which enabled us to achieve maximum impact and audience reach.

Brand New

As ACMI embarks on the next exciting stage of its renewal project, significant work was completed in 2017–18 to define ACMI’s brand, voice and point of view. In collaboration with DDB Melbourne and Interbrand, ACMI completed an important piece of strategy work that has not only clarified our brand purpose and assisted in consolidating our position in the market, but has also provided an important platform from which to effectively engage new audiences, bringing together a connected community of watchers, players and makers under the ACMI brand.

Conversations with our Audience

At the start of 2017–18, the brand and marketing team rolled out a year-long audience research program designed to measure our audience satisfaction levels and learn from visitor experiences within our institution. Implemented by our dedicated team of volunteers and visitor services officers, this project amassed significant insights from over 650 detailed visitor surveys, enabling us to better understand our visitors and provide them with the optimal experience.
Spotlight: Down the Rabbit Hole Together

Collaboration and establishing rich and rewarding creative relationships with our corporate partners is intrinsic to ACMI’s practice. We’ve been thrilled to collaborate with a range of exciting brands to present Wonderland, creating some incredible audience experiences while promoting our exhibition and building our brand.

A true highlight of the exhibition is the full-room projection mapped Mad Hatter’s Tea Party. This exceptional immersive experience is the result of a multi-way partnership between ACMI, creative studio Grumpy Sailor and our Technology Partner, Panasonic. Through collaboration and the sharing of expertise, we have been able to deliver an experience that has surprised and delighted audiences of all ages.

An exclusive tea flavour, Mad Berry Choc, and an exquisite tea set were created especially for Wonderland by our Principal Partner, T2. We showcased a large-scale 3D printed T2 teapot, teacup and saucer in our Lightwell which has been a hit with our visitors.

Our Supporting Partner, Archie Rose, designed a sumptuous cocktail for ACMI called Paint the Roses Red using Archie Rose Signature Dry Gin infused with T2 x ACMI Mad Berry Choc tea. Our guests enjoyed this delicious treat at the Wonderland opening night celebrations and during a series of Wonderland high teas.

We worked closely with Emporium Melbourne to bring Wonderland to life via a highly visible brand partnership that not only delivered broad customer reach but also media and marketing support via their digital screens in the cafe court and on Lonsdale Street. Emporium Melbourne shoppers were also treated to a life size activation, the Curiouser and Curiouser room. This gorgeous Ames room was activated at Emporium Melbourne for three weeks and was a key feature of Shop The City on 18 May, a VIP event with over 100 offers and experiences. The extended opening hours during the event delivered a 30% spike in visitation with the average weekly foot traffic of the centre at 423,076 people, enabling us to introduce Wonderland to a huge, highly relevant audience as well as building the ACMI brand offsite. Emporium Melbourne shoppers could take an optical illusion selfie, treat themselves to a Paint the Roses Red cocktail and an ‘Eat Me’ cookie and share their experience on social media.

423,076
Emporium average weekly foot traffic

415,931
confirmed Ames room reach
Spotlight: ACMI Commissions

ACMI commissions support the creation of ambitious new work by providing artists with the time and resources to nurture and develop ideas, to pursue cross disciplinary collaborations and to work at a scale that would not otherwise be possible.

Through partnerships with philanthropic and cultural organisations, ACMI has developed a suite of commissions that are having a significant impact on contemporary Australian moving image practice.

**TERROR NULLIUS**

A year in the making, Soda_Jerk’s 54 minute opus TERROR NULLIUS was resourced by a commission valued at $100,000. Soda_Jerk, a two-person art collective, realised a long-held ambition to create a work that addressed Australian identity in depth through a dynamic reworking of our national cinematic legacy. The commission supported their extensive research and consultation process, as well as the opportunity to work, for the first time, with expert post production sound designers. The impact of the commission has been game changing for the artists. After its wildly popular premiere at ACMI, TERROR NULLIUS is in demand in many venues both nationally and internationally.

**The Mordant Family VR Commission**

In 2016, ACMI brought together the City of Melbourne and Catriona and Simon Mordant AM to launch the Mordant Family VR Commission, a three year $240,000 commitment to mid-career and established Australian visual artists seeking to experiment with VR and associated technology.

The second Mordant Family VR Commission was awarded to Joan Ross, for her proposed work *Did you ask the river?*, an immersive exploration of Ross’ vibrant landscapes of colonial Australia. *Did you ask the river?* will place participants in the shoes of an 18th century colonial woman, and prompt them to explore and occupy Ross’ dynamic and unsettling contested landscapes. *Did you ask the river?* will be completed early in 2019.

**The Artbank + ACMI Commission**

In 2017 we launched the Artbank + ACMI Commission, a three year partnership that will provide support for Australian artists and filmmakers to make a new, ambitious and experimental screen-based work, and to explore new forms and methodologies in their practice. Each year one artist or filmmaker will be awarded $70,000 and an ACMI X industry membership.

Zanny Begg was selected as the recipient of the inaugural $70,000 Artbank + ACMI Commission for her proposed video installation *The Beehive*, an experimental documentary about the life and death of Sydney activist Juanita Nielsen. *The Beehive* will premiere in Gallery 2 in July 2018.

**Prehistoric VR**

During the September school holidays, we launched the world premiere of Prehistoric VR, commissioned by ACMI, and developed by Erth Visual & Physical Inc with assistance from Create NSW in partnership with the Australian Film Television & Radio School (AFTRS), Handmaid Media and Start VR. Prehistoric VR is an immersive encounter by internationally renowned makers of large-scale puppetry experiences Erth Visual & Physical Inc, and award winning visual artist and filmmaker Samantha Lang. Based on Erth’s stage show Prehistoric Aquarium, this ground-breaking VR experience connects audiences to the science of palaeontology by inviting young people to travel back 200 million years to get up close and personal with an amazing array of aquatic creatures from the Ediacaran to the Cretaceous periods.
**In 2017–18 ACMI X has continued to go from strength to strength with the introduction of ACMI Xcel.**

In 2016 we launched ACMI X, a site that not only houses 80 ACMI staff but established the first-ever co-working space dedicated to the screen industries. ACMI X residents are small to medium enterprises including film and VR production companies, web, game and app developers, screenwriters and arts administrators. In addition, founding partners the University of Melbourne and RMIT University each hold desks for postgraduate students, PhD candidates and researchers in the fields of design, animation, games and digital media, providing valuable industry immersion to inform future thinking and enable collaboration in the sector.

Established this year, ACMI Xcel is an Australian-first program in partnership with LaunchVic, dedicated to offering creative entrepreneurs opportunities to skill-up and bring their products and services into the creative tech marketplace. The first accelerator of its kind to be designed and delivered by an Australian museum, ACMI Xcel compresses years of business experience into an immersive learning program.

Following a two-week ACMI Xcel Bootcamp in February 2018, participants undertook the three-month ACMI Xcel Accelerator program resulting in one of the teams, MagicPi, developing “Maggie”, the world’s first AI tour guide which will be piloted in *Screen Worlds*.

The accelerator graduated five exceptional projects that span the breadth of creative technologies including AR, VR, AI and Near Field Communication, through image enhancing software, training simulators and personalised museum experiences. These products were also showcased at ACMI.

Now in its third year, ACMI X hosts 293 creative tech practitioners and we continue to collaborate with them, including Mosster and Sandpit – ACMI Xcel alumni – who worked with ACMI’s exhibition team to co-design digital experiences for *Wonderland*.

A range of regular community meetups are also supported at ACMI X including Experimenta Social, monthly meetups exploring contemporary media art, research and creative technology; OpenLAB and DemoLAB, Media Lab Melbourne’s monthly meetups that bring together artists working with digital technologies to share and showcase their work; and the VRCC Networking and Demo Meetup, an annual event for VR content creators that showcases VR projects and makers.

<table>
<thead>
<tr>
<th>ACMI X</th>
<th>ACMI Xcel</th>
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<tbody>
<tr>
<td>30 businesses at ACMI X across the year excluding university partnerships</td>
<td>11 companies involved in ACMI Xcel Bootcamp</td>
</tr>
<tr>
<td>156 Industry Memberships and 11 events within the business program</td>
<td>23 participants in ACMI Xcel Bootcamp</td>
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<tr>
<td>37 university residents</td>
<td>5 companies involved in ACMI Xcel Accelerator</td>
</tr>
<tr>
<td>134 university Industry Members</td>
<td>14 participants in ACMI Xcel Accelerator</td>
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<tr>
<td>11 research projects undertaken in ACMI X</td>
<td>30 mentors, coaches and industry representatives were involved in the program</td>
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<tr>
<td>88 events took place at ACMI X</td>
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Diversity on Screen

ACMI tells a global story of the moving image, presenting and hosting screenings, talks and festivals that reflect our diverse society.

This year one-fifth of our film program comprised films directed by women, however few are as universally beloved and vital as French filmmaker Agnès Varda. Across summer, her Academy Award-nominated documentary *Faces Places* screened daily to a wide array of audiences. Alongside, ACMI presented a thoughtful selection of works by Varda, creating a highly visible program to provide greater context for the new release film. By highlighting our curatorial distinctiveness, ACMI introduced Varda to new audiences while allowing devoted fans to experience her films in the cinema once again.

The flagship film in spring was the Academy Award-nominated *I Am Not Your Negro*. This exclusive release was launched via a series of programs which provided context for the film, facilitated conversations and strengthened our engagement with culturally diverse artists and audiences. Events included *Race, Politics and Identity* with former Kansas State Senator Donald Betts Jr and American history professor Michael Ondaatje, an electric live performance with Sampa The Great and Abe Nouk and Nayuka Gorrie’s essential opinion piece, *Why does it take black trauma for you to believe us?* where she shared her response to the film.

*We Don’t Need A Map* is an irreverent ride through Australia’s cultural and political landscape and examines the darker side of nationalism. Multi-award winning filmmaker Warwick Thornton launched the film at ACMI, engaging in a lively discussion with a diverse audience from punk fans to astronomy buffs. In addition, a new exhibit was launched in Screen Worlds allowing audiences to see film props and learn more about the production. The ACMI shop also launched a range of *We Don’t Need A Map* merchandise, allowing fans to take home a piece of this unique Australian documentary.

A Celebration of Global Film

Our multicultural festivals included the Indonesian Film Festival, Czech and Slovak Film Festival, Iranian Film Festival in Australia, Japanese Film Festival, Korean Film Festival and the Russian Resurrection Film Festival. We also profiled sexuality, politics and global issues with festivals such as the Environmental Film Festival Australia, Human Rights Arts and Film Festival and the Melbourne Queer Film Festival.

Australian International Documentary Conference

Since 2015, ACMI has been a major partner to the Australian International Documentary Conference (AIDC), an organisation who promote networking, facilitate business and provide industry relevant professional development opportunities for the documentary, factual and unscripted screen sector. ACMI’s partnership with AIDC is extensive, ranging from housing the AIDC team year round at ACMI X to hosting the four day conference at Fed Square and collaborating on programming to support industry development. ACMI’s ongoing support has enabled significant growth in the reach and impact of the conference across partnerships, attendance and programming to strengthen the documentary film sector.

First Nations Voices

First Nations curator Eugenia Flynn and First Nations assistant curator Kat Clarke joined the renewal curatorial team in May 2018. Eugenia and Kat each bring with them a wealth of knowledge and experience. Eugenia has longstanding experience in the arts and cultural sector, and is on the boards of Blak Dot Gallery, Peril magazine and Ilbijerri Theatre Company. She is also an author, speaker and social commentator. Kat Clarke has worked at the University of Melbourne, Footscray Community Arts Centre, and Koorie Heritage Trust. She is co-facilitator of Blak Writers at Writers Victoria and is on the program advisory committee of the RMIT Creative Writing course.

Eugenia and Kat are working across a range of areas and projects, including leading ACMI’s Indigenous Advisory Committee established in April, which currently includes ACMI Board member Rachael Maza, alongside prominent contributors such as Aunty Carolyn Briggs, Aunty Joy Murphy, Wandin, Penny Smallacombe and John Harvey. The committee will work in an advisory capacity with Second Story and BKK Architects throughout ACMI’s renewal project.
Spotlight: Public Programs

We Welcome Visitors From All Walks of Life

In 2017–18, ACMI has focused on increasing accessibility to ensure that ACMI, and the moving image, is accessible to all. We partnered with autism awareness group AMAZE to audit both the building and the Wonderland exhibition, and for the first time offered specially designed low-sensory visits to the exhibition. To assist visitors with autism and their families in planning their visit to ACMI, the team created a social script available from the website and ticket desk. ACMI also began offering descriptive tours of the exhibition for visually impaired visitors, ensuring that we are inclusive and audience facing in our programming and practice.

Universal Access

Our vibrant program should be available for all visitors. We are a national and international hub for culture, innovation, debate and discussion, presenting and championing the art and culture of the moving image as it evolves both locally and globally.

We are committed to improving access for all watchers, makers, players and employees. This commitment is entrenched in how we work every day, and is formally recognised in our Disability Action Plan (DAP), overseen by our Universal Access Steering Group. Reviewed and updated in 2017–18, ACMI’s DAP has been created in the spirit of our organisational values and behaviours. It is founded on the concept of universal access and social inclusion and is applied holistically to our organisation in planning and programming, and in our physical spaces and service provision.

ACMI Conversations

From industry masterclasses, to live game play events and Late Nights, our program of live events celebrates the moving image in its diversity.

In 2017–18, the public programs team led the development of ACMI Conversations, a seasonal program of weekly talks discussing the moving image and its connections to our world, politics, society, culture and art. With a view to building ACMI’s curatorial voice and increasing opportunities for audience engagement with our work across our public offer, it featured renowned international and Australian speakers as well as building partnerships with Digital Writers Festival, Freeplay Independent Games Festival, The Guardian, Typecast Entertainment, SBS, Screen Queensland and AIDC.

The program also strengthened our engagement with Indigenous and culturally diverse artists, workers and audiences, with topics including gender, ability and cultural diversity on screen. In particular, The Decolonising of Aboriginal Representation on our Screens held during Reconciliation Week was a provocative discussion on Aboriginal identity and the Australian film and television industry, and included Indigenous speakers Leila Gurruwiwi, Crystal McKinnon, Bruce Pascoe and Tracey Rigney.

Mainstreaming Disability and Appearance Diversity on Screen was hosted by appearance activist Carly Findlay and included Indigenous speakers Leila Gurruwiwi, Crystal McKinnon, Bruce Pascoe and Tracey Rigney.

Responding to the success of these programs across audience engagement and self-generated revenue, the public programs team experimented with new modes of programming including the Grand Night In sleepover event for Wallace & Gromit and Friends which supported the extended season; and a Wonderland Family Night, enabling exclusive up-late opportunities for our family audiences to experience ACMI.

As we move towards redevelopment, public programs will build on this work to further identify opportunities to generate income from the family market across ACMI’s cultural offer.

Families at the Museum

2017–18 has also been a record year for ACMI’s family programs. Our fantastic Family Sundays saw record attendance of over 50,000 and generated partnerships with ABC For Kids, Disney and Koorie Heritage Trust, while our school holiday workshops on everything from YouTube to coding provided engaging creative activities for 3,150 young people.

ACMI also worked closely with the Wonderland exhibition, and for Wonderland exhibitions for visually impaired visitors, ensuring that we are inclusive and audience facing in our programming and practice.

White Night

ACMI programmed a playful White Night for 2018 with several whimsical artist installations, including a ping pong inspired Light Duel and a work by artists Antony Hamilton and Byron Perry that gave audiences the ability to manipulate two digital facial close ups and to play them like a musical instrument. After the smashing success of ACMI’s Cat Video Festival in 2016, ACMI curated a battle royale of cuteness where cats were pitted against dogs, humans, boxes, cucumbers, gravity and everything in between. Also showcased at White Night was a 14-minute film titled The Was, a collaboration between artist duo Soda_Jerk and electronic music group The Avalanches. The film was constructed from over one hundred rotoscoped film samples and accompanied by the sonic landscape of The Avalanches’ acclaimed album, Wildflower.

50,000+

attendances at
Family Sundays

Image — Grand Night In sleepover event for Wallace & Gromit and Friends, credit ACMI photographer.

1,171

total attendees to
ACMI Conversations events
In 2017–18, ACMI’s touring exhibition program had one of its most successful years on record, with over 450,000 visits to our exhibitions across Australia and around the world. All our partner venues exceeded their own visitation targets and reported back that our exhibitions admirably met their audience development goals by attracting new first-time family audiences with very high visitor satisfaction levels.

Regional Australian touring was a notable success this year, with grant funding secured for new tours of Del Kathryn Barton: The Nightingale and the Rose and Code Breakers: Women in Games. These exhibitions will tour to 15 venues across five states in the next three years. Our highly successful regional tours of both War Pictures: Australians at the Cinema 1914–1918 and Shaun Tan’s The Lost Thing: From book to film concluded this year after touring to a combined 16 regional venues.

The touring team continues to build highly successful partnerships, with five new high profile international museum partnerships developed this year and successful presentations at international museum conferences in Phoenix and Geneva. The touring team also managed the new relationship with NBCUniversal, who purchased DreamWorks Animation studio in 2017 and successfully negotiated an extension to the touring licence for that exhibition for a further 2.5 years.

On top of work extending the lifespan of both the Game Masters and DreamWorks Animation exhibitions through recent refreshes, the touring team developed a new five year business case and forward strategy to increase revenue and embed the sustainability of the touring program. ACMI touring is very well placed to build on the success of the partnerships developed over the last five years to take the touring program into a highly successful future.

### Spotlight: Taking the ACMI Brand to the World

Our touring exhibitions are a vital part of our business. Not only do they extend our reach and impact nationally and internationally, they build our brand and reputation, and that of Victoria, while bringing in substantial revenue.

### In Brief

**Funding**

- Creative Victoria grant: Code Breakers: Women in Games Victorian regional tour
  - $68,000 over two years
- Visions of Australia grant: Del Kathryn Barton: The Nightingale and the Rose national tour
  - $235,600 over three years

**Highlights**

- 5 international locations for ACMI exhibitions
- 6 regional Australian centres
- 423,483 visitors to ACMI exhibitions in international venues
- 30,755 visitors to ACMI exhibitions in regional Australia

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*Image — Above: DreamWorks Animation: The Exhibition, Museo de Arte Contemporáneo de Monterrey, Mexico*

*Image — Below: Game Masters, Fleet Science Center, USA*
Corporate Goal: Leverage Our Assets

—Value and invest in our staff and share their expertise
—Be a world leader in moving image education
—Leverage and highlight our collection, and create links to the global network of moving image collections, to deliver a dynamic and accessible interface for our audiences to explore, share and remix their histories
—Embed a culture of experimentation that embraces risk, valuing iterative improvement, testing and learning
Valuing Our People

Our people are at the centre of everything we do. ACMI's staff are its most valuable asset and in 2017–18 the human resources team continued to lead the way in ensuring ACMI sets new standards in supporting our people, embedding a high-performing, collaborative culture that values diversity, and invests in our staff and their expertise.

Secondment Program

The first year of our internal secondment program was a huge success. We offered four secondment opportunities to employees to help them learn new skills, enhance existing capabilities and increase their capacity to perform a wider range of roles. The program also encouraged greater collaboration between teams. Staff have been highly engaged with the process and the initial secondments led to internally sourced backfilling opportunities which further increased the impact.

Continual Improvement

We invested in a tailored Leadership Development Training Program for our management cohort. This involved a combination of structured learning and coaching and the development of leadership expectations which have helped our managers lead their people consistently, work more collaboratively and put organisational outcomes first.

Recognising Performance

We implemented a new performance review process that placed greater value on staff development. Managers took on a coaching role to help staff recognise and leverage their strengths and encourage growth through development opportunities which delivered organisational activities. It also provided opportunities for cross functional development and encouraged regular and meaningful dialogue between managers and employees. The process has been reviewed and will be refined to better meet operational needs.

A Winning Formula

ACMI’s talented design team was recognised with prestigious awards again this year, including accolades for moving image productions. At the 2018 MAPDA (Museums Australasia Multimedia and Publication Design Awards), ACMI’s online short documentary for the Code Breakers exhibition, Steph Plays, won best in show for multimedia. At the 2017 Premier’s Design Awards, the ACMI x RMIT Merchandise Collaboration was a finalist in the student work category for the design and production of an original and profitable line of merchandise for the ACMI shop around the theme of the ‘moving image’.

ACMI won the best new bespoke product range award at September’s Museum Shop Association of Australia & New Zealand awards. This award was presented for our inaugural merchandise collaboration with RMIT BA Textiles Design students.
Our Welcoming Committee

The visitor services team continues to ensure the quality of our visitor experience on a daily basis. The team comprises almost 80 visitor services officers, 119 volunteers and six supervisors from diverse backgrounds. Around a quarter of the team speaks a language other than English and, across the whole team, more than 25 languages are represented.

Wonderland is a new type of exhibition for ACMI, requiring our staff to have a different level of engagement with visitors. With its Lost Map of Wonderland, the Mad Hatter’s Tea Party and the Queen’s Croquet Garden activity – and huge visitor numbers – the delivery of the exhibition has been a herculean feat for the visitor services officers, volunteers and supervisors who have done a fantastic job managing operations in the gallery over the first half of the exhibition. Mystery shopper results across 2017–18 sat at an average of 90% satisfaction with staff and volunteers.

“We cannot wait to go back. The experience was made enjoyable by the staff... each person we engaged with was playful, friendly and informative.”
— Mystery Shopper, July 23, 2017

“Wow! ACMI far exceeded my expectations! The volunteers and staff were amazing.”
— Mystery Shopper, August 27, 2017

“Each interaction with staff was met with great eye contact, attentiveness and a smile.”
— Mystery Shopper, March 29, 2018

Part of ACMI’s offer for Wonderland has been an extra ticket desk in the Lightwell area, which we experimented with at peak periods during Wallace & Gromit and Friends: The Magic of Aardman and which has been a permanent fixture during Wonderland. While Wonderland ticket sales have consistently been split at 40% web versus 60% over-the-counter, approximately 35% of all counter sales for the exhibition are being sold from the Lightwell ticket desk – an indication of just how much our visitors have embraced it.

In 2017–18, visitor services officers continued to work across other parts of the organisation, providing short and long-term support in the events, finance, education, exhibitions, experience, marketing and bio box teams. Due to the huge contribution that ACMI’s volunteers have made to Wonderland, we have had a record number of volunteer hours this financial year.

Ticketing Collaborations

Over summer, the ticketing arm of visitor services operations entered into a commercial agreement with Fed Square Pty Ltd to deliver ticketing for their summer offer, Arboria. Over 30,000 tickets were sold across 23 days, and over 17,000 of these were sold at ACMI’s ticket desk. This arrangement was wonderfully successful and had a huge impact on the performance of the ACMI shop and cafe in January. The ticketing team sold 934 Wallace & Gromit and Friends add-on tickets as part of a package and the team received extremely positive feedback from Arboria.

11,233 hours contributed by ACMI volunteers in 2017–18
Digitisation

Our collections team is now undertaking digitisation at scale, with the purchase of new equipment and additional project staff thanks to Creative Victoria project funding over a three year period. This year we focused on fragile legacy formats facing deterioration such as magnetic tape – with 677 significant and at risk items sent to be externally digitised. Selected items that had not been catalogued were able to be processed by a dedicated cataloguer. With additional generous support from donors, a restoration project to colour-grade selected films was also completed. ACMI is now re-licensing works for widest possible access with a shift in focus from home movie collections to independent filmmakers and artists including a significant donation from Melbourne artist, Stelarc.

Extending our Reach

ACMI continues to make the collection more widely and easily accessible through a mix of onsite and online channels. The Amazing Amateurs web series now contains nine featured articles and many hours of digitised works. Our YouTube channel content is growing and we’ve produced playful remixes for social media and our Arts-Ready Indigenous Trainee. New touchscreen access points throughout the building in the foyer and cafe have also opened up access inside the building. The global release of our collection data and inclusion in the National Library’s Trove, has resulted in an increase in requests by our peers locally and internationally.

Media Preservation Lab

ACMI is developing a public facing Media Preservation Lab as part of its renewal. This year we have focused on preparations for the lab with new staff skills, workflows and procedures. New hardware and automation is allowing a scaling up of activities as well as an exploration of new types of preservation practices that ACMI needs to now perform. We undertook a digital archaeology and restoration project of Troy Innocent’s 2004 ACMI commissioned artwork lifeSigns: eco-system of signs & symbols which revealed some of the complexities of preserving software works that are just over a decade old. As ACMI’s commissions and acquisitions grow, we have identified a need to keep pace with contemporary time-based and interactive media preservation practices as well as collaborating with other institutions on the preservation of emerging platforms. To this end, one of our staff collaborated with the Netherlands Institute for Sound and Vision on a research paper on VR preservation.

ACMI’s film collection laid out could cover the length of a 42km marathon 2,150 times
ACMI’s immersive, screen-focused digital education programs integrate STEM with arts learning.

Our programs spark young imaginations, inspire creativity, and build thinking skills, capabilities and competencies for now and for the future. Whenever possible, we connect learners with digital technologies and industry professionals through real-world experiences.

Recognition and Funding

In 2017–18, we delivered or hosted educational programs to a record number of 84,147 students and 1,058 teachers. Learning with ACMI is all about creating compelling school and lifelong learning experiences that build screen, digital and media literacy and inspire creativity and critical thinking. Our real-world learning experiences connect learners with digital technologies and industry professionals, and are facilitated by expert educators using specialist resources and online tools to support interpretation and creation of moving image works.

ACMI’s leadership in school education programs was recognised by the Victorian Department of Education and Training (DET) through a significant uplift in Strategic Partnerships Program triennial funding for 2018–2020. A total of $670,983 in funding will be provided to ACMI to support our continued delivery of quality education programs to both students and teachers.

Professional Learning

The education team significantly exceeded the target for teacher professional learning programs in 2017–18, delivering to 1,058 teachers compared to a target of 300. This was achieved by offering new programs to meet the specific needs of senior English teachers following the introduction of new film texts to the VCE English Study Design. Our relationship with the Victorian Association for the Teaching of English (VATE) enabled us to successfully extend our reach to deliver these programs to a new cohort of teachers.

Additionally, both primary and secondary teachers responded to our emphasis on STEM and implementation of the recently introduced Digital Technologies curriculum which saw an increased take-up of programs exploring games, technologies and animation.

Our success related also to our focus on building strong partnerships more broadly with professional subject associations, museum professionals, Government agencies and commercial organisations to deliver targeted professional learning conferences and summits, including a sold out Growing Audiences Summit.

Programs and Resources

Our rich program of workshops, screenings and talks support teaching and learning across important curriculum areas while offering students and their teachers unique opportunities to bolster screen, media and digital literacy. Highlights of our program include the new Make a 360º Movie workshop which challenges secondary students to rethink the representation of space, and the immersive Fairytales and Fantasy workshop with hilarious moments of pantomime which introduces primary students to important skills related to performance, communication and collaboration.

Screen It 2017, ACMI’s national competition for school-aged filmmakers, animators and game developers, saw a 40% increase in submissions on the previous year. This success, as well as our commitment to increasing screen and film literacy, informed the development of a new online resource, Film It: The filmmaker’s toolkit.

Developed with financial support from DET, this resource provides online access to modules and activities and further extends our on-site offer to post-visit, enabling us to deliver a cohesive package of learning skills to both students and teachers on-site, online and in the classroom.

The development of Film It: The filmmaker’s toolkit built on our history of creating online tools for students and teachers, and deployed meaningful user testing to ensure the resource met student and teacher needs.

Spotlight: ACMI Education

Recognition and Funding

Professional Learning

Programs and Resources
Corporate Goal: Build Sustainability

—Increase and diversify self-generated revenue
—Ensure strong environmental performance
—Strengthen business systems and capital infrastructure planning and investment
—Nurture our stakeholder relationships to align strategies and maximise mutual benefit

Environmentally Conscious in Everything We Do

The ACMI Green Team have continued to lead our staff, volunteers, stakeholders, partners, clients and suppliers in responsible environmental management.

This year the Green Team have focused on the implementation of sustainability practices at our Fed Square and ACMI X sites. We reviewed all waste removal processes, and implemented significant changes to the eWaste and plastic recycling process. The roll out of new recycling streams was staged gradually over the two sites, and staff were educated about best practice recycling at ACMI staff meetings. We have continued to use environmentally friendly and sustainable Who Gives A Crap toilet paper across our sites.

We have continued the deaccessioning of 2,170 VHS tapes (430kgs) from our collection. The plastic cases have been completely recycled and the cassettes will be sent to an eWaste recycling plant, where the various components will be separated and recycled.

The ACMI Cafe & Bar have examined all packaging, and where possible, are switching to eco-friendly versions. They are working with suppliers to cut excess waste and co-fund eco alternatives. This has included an audit of the use of palm oil, and all products are now palm oil free or sourced responsibly.

As part of our ongoing commitment to reducing our environmental footprint and promoting sustainable practices we launched a range of commercially successful exclusive ACMI Keep Cups. Designed with key colourways within our building and programming in mind, these products also contribute to strong visual merchandising in the ACMI Shop.
New Initiatives in Fundraising

In 2017–18, ACMI increased cash and in-kind corporate support by 88% through a program of innovative, collaborative partnerships.

We were successful in achieving the highest amount of corporate sponsorship and philanthropic support for an exhibition in ACMI’s history for Wonderland. T2 was the Principal Partner for Wonderland which resulted in significant creative activations while other Wonderland partnerships provided substantial additional marketing value for the exhibition allowing us to engage broader audiences.

Panasonic generously supported the exhibition, provisioning top specification projectors as our Technology Partner. We collaborated closely to deliver the highest quality full-room projection mapping experience in the Mad Hatter’s Tea Party room within the exhibition. This partnership will continue to positively impact audiences globally as Wonderland joins our touring offer from 2019.

We launched a trial Donation Point Tap unit on-site to gauge the appetite of our visitors for contactless donations. The project responds to the rise of contactless payments and augments the existing donation box offering. Since introduction in February 2018, we have seen over 100 interactions and will continue to trial messaging, locations and donation amounts.

A refinement of the ACMI Advocates annual donor program improved stewardship effectiveness instituting a monthly donor e-newsletter, a benefits matrix based on annual donation level, and a more targeted events program to build a donor pipeline.

ACMI Members

ACMI has 3,326 active memberships with 4,898 active members. Income from members across all programming and commercial areas contributed over $620,000 to ACMI.

A diverse range of member events attracted 1,779 attendees. The nine member events held in 2017–18 included preview screenings of films such as Sami Blood and Boom for Real, exclusive previews from partner festivals like the Human Rights and Arts Film Festival and Russian Resurrection, and curated tours of our exhibitions TERROR NULLUS and Wonderland.

The membership team has developed co-membership offers with Melbourne Filmoteca, The Czech and Slovak Film Festival Australia, and the Centre for Contemporary Photography over the past year. Through successful marketing campaigns to new audiences via The Monthly and The Saturday Paper, we increased revenue to our film membership with targeted offers for our Studio Ghibli and Essential film seasons.

Commercial Success

ACMI’s events team, the Cafe & Bar, and our shop, with its online retail facility, cumulatively saw ACMI exceed commercial revenue targets for the year. These self-generated revenue streams are increasingly important to support our financial sustainability, and the increases year on year reflect an emphasis on growth and acknowledges the key role they play in supporting our brand awareness programs. In 2017–18:

- Shop revenue totalled $1,108,000, increasing by 110% on last year
- Events revenue totalled $663,000
- ACMI royalty for the Cafe & Bar totalled $197,000
- We successfully hosted 21 festivals which attracted 129,237 visitors to ACMI and generated $419,000 in revenue

This year we successfully collaborated with the licensing team at Aardman Animations, producing a bestselling range of unique and bespoke merchandise for ACMI. We sold a total of 13,888 exclusive items during the run of Wallace & Gromit and Friends: The Magic of Aardman including a custom Morph model created exclusively for ACMI by the Aardman Animations team.

Our Wonderland exhibition merchandise range saw us collaborate with artist Brooke Shaden, creating a limited edition t-shirt which was also worn by our visitor services team. As a collaboration between the retail and development teams, we partnered with both Dangerfield and T2 to produce exclusive ranges of merchandise. The three t-shirt designs produced in collaboration with Dangerfield have been so successful we have reprinted these designs to keep up with the additional demand.

We worked in close collaboration with acclaimed publisher Thames & Hudson to produce the exhibition book Wonderland, which has been distributed externally, extending the reach of the ACMI brand.

ACMI total visitation at Fed Square

- 1,551,366 total visitation
- 259 third-party events held at ACMI
- 940 festival sessions
- 31,411 units of licensed Aardman merchandise sold during Wallace & Gromit and Friends: The Magic of Aardman

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

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

Film Act 2001

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

a. to promote, whether in Victoria or elsewhere, the moving image to the public or to any sector of the public;

b. to develop, control, manage and promote ACMI and any facilities under the control of ACMI;

c. to promote, whether in Victoria or elsewhere, ACMI as a national centre for the creation and exhibition of the moving image and promotion of events or activities including festivals, conferences, publications or exhibitions, where film or other screen-based programs are made, seen or discussed;

d. to establish, maintain, conserve, develop, promote and exhibit, whether in Victoria or elsewhere, the collection of moving images;

e. to make, whether in Victoria or elsewhere, any item from the collection of moving images available for study or loan to persons or institutions, subject to any conditions that ACMI determines;

f. to promote, whether in Victoria or elsewhere, public education and discussion with reference to the moving image;

g. to develop and create, whether in Victoria or elsewhere, exhibitions of the moving image;

h. to develop and create, whether in Victoria or elsewhere, materials for educational or other programs conducted by ACMI;

i. to conduct, whether in Victoria or elsewhere, research and development in relation to the moving image;

j. to develop relationships or enter into partnerships with other organisations, including Government bodies, whether in Victoria or elsewhere, to promote public education in relation to the moving image.

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

(1) ACMI has power to do all things necessary or convenient to be done for or in connection with, or as incidental to, the performance of its functions;

(2) Without limiting sub-section (1), ACMI may, in connection with the performance of its functions:

a. enter into contracts, agreements or arrangements with any person or body and do everything, including the payment of money, that is necessary or expedient for carrying the contracts, agreements or arrangements into effect;

b. subject to this Act, acquire, hold and dispose of real or personal property;

c. be a member of a body corporate, association, partnership, trust or other body;

d. form, or participate in the formation of, a body corporate, association, partnership, trust or other body;

e. enter into a joint venture with another person or other persons;

f. do all things necessary or convenient to be done for, or in connection with, a joint venture in the performance of its functions;

g. accept gifts, grants, bequests and devises made to it and act as trustee of money or other property vested in it on trust;

h. provide consultancy and project management services;

i. acquire, or enter into agreements or arrangements with respect to the acquisition of, the copyright, or an interest in the copyright, in any film, television or multimedia program;

j. make available for public use items from the collection of moving images.

Performance Summary

Summary of Financial Results

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating result</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government grants *</td>
<td>21,565,415</td>
<td>20,734,703</td>
<td>20,685,024</td>
<td>20,323,000</td>
<td>20,750,000</td>
</tr>
<tr>
<td>Self generated revenue</td>
<td>12,537,551</td>
<td>7,389,265</td>
<td>11,598,510</td>
<td>6,803,209</td>
<td>8,522,944</td>
</tr>
<tr>
<td>Total revenue</td>
<td>34,102,966</td>
<td>28,123,968</td>
<td>32,243,534</td>
<td>27,126,209</td>
<td>29,272,944</td>
</tr>
<tr>
<td>Total expenses from transactions</td>
<td>(31,417,862)</td>
<td>(28,611,924)</td>
<td>(29,810,386)</td>
<td>(26,955,610)</td>
<td>(27,283,030)</td>
</tr>
<tr>
<td>Operating surplus/(deficit) before depreciation &amp; capital items **</td>
<td>2,685,104</td>
<td>(487,956)</td>
<td>2,433,148</td>
<td>170,599</td>
<td>1,989,914</td>
</tr>
<tr>
<td>Less net depreciation &amp; capital items</td>
<td>(2,308,447)</td>
<td>(1,131,684)</td>
<td>(1,840,906)</td>
<td>(3,258,813)</td>
<td>(2,934,201)</td>
</tr>
<tr>
<td>Result from operating activities after depreciation &amp; capital items</td>
<td>376,657</td>
<td>1,485,061</td>
<td>4,899,020</td>
<td>1,492,602</td>
<td>1,055,713</td>
</tr>
<tr>
<td>Cash flow</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow from/(used in) operating activities</td>
<td>1,896,867</td>
<td>4,899,020</td>
<td>1,492,602</td>
<td>2,305,740</td>
<td></td>
</tr>
<tr>
<td>Cash flow used in investing activities</td>
<td>(2,709,802)</td>
<td>(3,605,372)</td>
<td>(735,954)</td>
<td>(1,501,238)</td>
<td></td>
</tr>
<tr>
<td>Cash flow from financial activities</td>
<td>2,702,700</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net increase/(decrease) in cash and cash equivalents</td>
<td>1,862,765</td>
<td>240,794</td>
<td>1,293,648</td>
<td>756,648</td>
<td>804,502</td>
</tr>
</tbody>
</table>

Balance sheet

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>27,435,123</td>
<td>25,138,933</td>
<td>25,922,156</td>
<td>25,263,813</td>
<td>26,247,870</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>5,190,565</td>
<td>5,973,723</td>
<td>5,137,366</td>
<td>4,999,799</td>
<td>2,859,550</td>
</tr>
<tr>
<td>Total equity</td>
<td>22,244,558</td>
<td>19,165,210</td>
<td>20,784,789</td>
<td>20,264,014</td>
<td>23,388,320</td>
</tr>
</tbody>
</table>

Notes (Summary of Financial Results)

The operating result before depreciation 2017–18 was a profit of $2.68m (loss of $0.49m 2016–17). Factors contributing to the favourable operating result are outlined below:

- Government grants includes recurring funding and other operating project funding from the Department of Economic Development, Jobs, Transport and Resources.
- Self generated revenue increased compared to previous period due to the success of our Melbourne Winter Masterpieces exhibitions, Wallace & Gromit and Friends: The Magic of Aardman and in particular Wonderful, and our revenue growth in commercial programs.
- Expenses from transactions were in line with budget expectations. Costs were maintained at budgeted levels with an increase compared to prior year in program costs due to the timing of the Melbourne Winter Masterpieces exhibition.

Notes (Summary of Financial Results)

The operating result before depreciation 2017–18 was a profit of $2.68m (loss of $0.49m 2016–17). Factors contributing to the favourable operating result are outlined below:

- Government grants includes recurring funding and other operating project funding from the Department of Economic Development, Jobs, Transport and Resources.
- Self generated revenue increased compared to previous period due to the success of our Melbourne Winter Masterpieces exhibitions, Wallace & Gromit and Friends: The Magic of Aardman and in particular Wonderful, and our revenue growth in commercial programs.
- Expenses from transactions were in line with budget expectations. Costs were maintained at budgeted levels with an increase compared to prior year in program costs due to the timing of the Melbourne Winter Masterpieces exhibition.

Net increase in cash flows includes the first instalment of the renewal funding and equity contribution from Government.

Total assets have increased due to an increase in fixed assets net carrying amount with the renewal capital works in progress. Total liabilities have decreased due to a decrease in trade creditors at year end.

*Government grants represents the Government funding, excluding capital, received from the Department of Economic Development, Jobs, Transport and Resources.
**In accordance with ACMI’s Financial Sustainability Policy, our operating result before depreciation & capital items is balanced over a three year rolling period.
### Key Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>30 June 2018</th>
<th>30 June 2017</th>
<th>30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitation (Federation Square)</td>
<td>1,551,366</td>
<td>1,286,549</td>
<td>1,455,094</td>
</tr>
<tr>
<td>Visitation (offsite)</td>
<td>458,113</td>
<td>561,442</td>
<td>548,212</td>
</tr>
<tr>
<td>Total visitation</td>
<td>2,009,479</td>
<td>1,847,991</td>
<td>2,003,306</td>
</tr>
<tr>
<td>Online visitation</td>
<td>1,987,627</td>
<td>1,593,204</td>
<td>1,771,887</td>
</tr>
</tbody>
</table>

### Outputs and Other Statistics

<table>
<thead>
<tr>
<th></th>
<th>30 June 2018</th>
<th>30 June 2017</th>
<th>30 June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Memberships</td>
<td>3,326</td>
<td>3,602</td>
<td>3,581</td>
</tr>
<tr>
<td>Volunteer hours</td>
<td>11,233</td>
<td>9,617</td>
<td>10,442</td>
</tr>
<tr>
<td>Students participating in education programs</td>
<td>70,294</td>
<td>59,699</td>
<td>62,732</td>
</tr>
</tbody>
</table>

### Quality

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Collection stores to industry standard</td>
<td>68%</td>
<td>68%</td>
<td>63%</td>
</tr>
<tr>
<td>Visitors satisfied with visit overall</td>
<td>95%</td>
<td>96%</td>
<td>96%</td>
</tr>
</tbody>
</table>

### ACMI’s Minister

Martin Foley MP was appointed as the Minister for Creative Industries in December 2014. He is also the Minister for Housing, Disability & Ageing, Mental Health and Equality. The Minister for Creative Industries is responsible for promoting the development of the creative industries sector in Victoria.

### ACMI’s Board

Peter Lewinsky (Board President)

Esther Anatolitis (until 5 September 2017)

Jan Chapman AO

Tasneem Chopra (from 5 December 2017)

Karen Corry (Chair of Audit Committee)

Rachel Griffiths

Rachael Maza (from 5 December 2017)

Michael Wachtel

Linda White

Paul Wiegard (from 5 December 2017)

Dr Terry Wu

### Attendance by Board members at meetings:

<table>
<thead>
<tr>
<th>Director</th>
<th>Number of meetings</th>
<th>Number of meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter Lewinsky</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Esther Anatolitis</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Jan Chapman AO</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Tasneem Chopra</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Karen Corry</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Rachel Griffiths</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Rachael Maza</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Michael Wachtel</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Linda White</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Paul Wiegard</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Dr Terry Wu</td>
<td>8</td>
<td>7</td>
</tr>
</tbody>
</table>

1 Rachel Griffiths is on leave of absence
ACMI’s Senior Executives

Katrina Sedgwick, Director & CEO
Graham Jephcott, Deputy CEO/Commercial & Operations Director
Paul Bowers, Director of Exhibitions (from August 2017)
Russell Briggs, Director of Exhibitions (until July 2017)
Seb Chan, Chief eXperience Officer
James Hewison, Head of Film Programs (until March 2018)
Emma Levy, Director of Brand & Marketing (from April 2018)

Governance Structure

Audit Committee Membership and Roles:

The Audit Committee consists of the following members:
- Karen Corry (Chair of Audit Committee) (independent member)
- Peter Lewinsky (Board President) (independent member)
- Alison Parker (independent member)
- Linda White (independent member)
- Paul Wiegard (from 22 March 2018) (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:

<table>
<thead>
<tr>
<th>Director</th>
<th>Number of meetings</th>
<th>Number of meetings attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter Lewinsky</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Karen Corry</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Alison Parker</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Linda White</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Paul Wiegard</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
Human Resources Management and Occupational Health & Safety

ACMI continued to support training and development opportunities in 2017–18 providing staff with over 5,116 hours to attend internally and externally facilitated training events. We offered organisational development opportunities such as leadership development and indigenous cultural awareness training as well as technical and individual role specific training.

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ACMI continued to support training and development opportunities in 2017–18 providing staff with over 5,116 hours to attend internally and externally facilitated training events. We offered organisational development opportunities such as leadership development and Indigenous cultural awareness training as well as technical and individual role specific training.

Incident management

We continue to review all accidents, incidents and hazards and put in place central measures to eliminate or reduce risk. There were no high risk OH&S hazards or incidents reported during 2017–18.

Incidents across the organisation increased significantly in 2017–18 as a result of improved training regarding reporting of incidents and incident identification. Incidents include injuries and other non-injury related incidents.

There were two minor claims for medical and like expenses and one lost time injury claim that did not progress to a standard claim. Our WorkCover premium for 2017–18 decreased by approximately $10,000. This was as a result of decreased claims and changes in the average industry performance.

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There were two minor claims for medical and like expenses and one lost time injury claim that did not progress to a standard claim. Our WorkCover premium for 2017–18 decreased by approximately $10,000. This was as a result of decreased 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.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Incidents</td>
<td>No. of incidents</td>
<td>33</td>
<td>13</td>
<td>43</td>
</tr>
<tr>
<td></td>
<td>Rate per 100 FTE</td>
<td>22.7</td>
<td>8.7</td>
<td>25.8</td>
</tr>
<tr>
<td>Claims</td>
<td>No. of standard claims</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Rate per 100 FTE</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>No. of lost time claims</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Rate per 100 FTE</td>
<td>0.7</td>
<td>1.3</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td>No. of claims exceeding 13 weeks</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Rate per 100 FTE</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fatalities</td>
<td>Fatality claims</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Claims cost</td>
<td>Average cost per standard claim ($)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Return to work</td>
<td>Percentage of claims with RTW plan &lt;30 days</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Policy currency</td>
<td>OH&amp;S Policy current</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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 established the Victorian Public Sector Commission (VPSC). The VPSC’s role is to strengthen public sector efficiency, effectiveness and capability, and advocate for public sector professionalism and integrity.

ACMI continues to apply and uphold the Code of Conduct for Victorian Public Sector Employees.
### Workforce Data

#### June 2018

<table>
<thead>
<tr>
<th>Gender</th>
<th>Number (headcount)</th>
<th>FTE</th>
<th>Full-time (headcount)</th>
<th>Part-time (headcount)</th>
<th>FTE</th>
<th>Number (headcount)</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>135</td>
<td>98.33</td>
<td>41</td>
<td>21</td>
<td>55.73</td>
<td>73</td>
<td>42.60</td>
</tr>
<tr>
<td>Men</td>
<td>88</td>
<td>68.22</td>
<td>35</td>
<td>8</td>
<td>40.47</td>
<td>45</td>
<td>27.75</td>
</tr>
<tr>
<td>Self-described 1</td>
<td>1</td>
<td>0.09</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>0.09</td>
</tr>
</tbody>
</table>

#### Demographic data

**Gender**
- Women: 135 (98.33 FTE), Part-time: 41 (21 FTE)
- Men: 88 (68.22 FTE), Part-time: 35 (8 FTE)
- Self-described 1: 1 (0.09 FTE)

**Age**
- 15–24: 19 (9.66 FTE)
- 25–34: 72 (48.84 FTE)
- 35–44: 79 (60.22 FTE)
- 45–54: 33 (28.89 FTE)
- 55–64: 19 (17.37 FTE)
- 65+: 2 (1.66 FTE)

#### Classification data

**VPS 1-6 grades**
- VPS 1: -
- VPS 2: 94 (52.54 FTE)
- VPS 3: 59 (47.10 FTE)
- VPS 4: 39 (35.60 FTE)
- VPS 5: 39 (35.60 FTE)
- VPS 6: 13 (14.80 FTE)

**Senior employees**
- STS: -
- PS: -
- SMA: -
- SRA: -
- Executives: 4 (3.80 FTE)

**Other**
- Total employees: 224 (166.64 FTE)

#### Notes:
1 Staff who identify with a gender other than male or female have been included in the self-described gender descriptor.
FTE means full-time equivalent staff. All figures reflect employment levels during the last full pay period of June each year inclusive of overtime hours.
Excluded staff are those on leave without pay, external contractors/consultants and temporary staff employed by employment agencies. Included are staff engaged to undertake projects for which ACMI has received external funding and staff to cover extended leave.
There has been a significant increase in fixed term and casual staffing levels as a result of the ACMI renewal project and ACMI’s Melbourne Winter Masterpieces exhibition, Wonderland.

#### June 2017

<table>
<thead>
<tr>
<th>Gender</th>
<th>Number (headcount)</th>
<th>FTE</th>
<th>Full-time (headcount)</th>
<th>Part-time (headcount)</th>
<th>FTE</th>
<th>Number (headcount)</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>110</td>
<td>84.24</td>
<td>38</td>
<td>20</td>
<td>51.88</td>
<td>52</td>
<td>32.35</td>
</tr>
<tr>
<td>Men</td>
<td>88</td>
<td>65.48</td>
<td>37</td>
<td>15</td>
<td>47.21</td>
<td>36</td>
<td>18.27</td>
</tr>
<tr>
<td>Self-described 1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Demographic data

**Gender**
- Women: 110 (84.24 FTE)
- Men: 88 (65.48 FTE)
- Self-described 1: -

**Age**
- 15–24: 10 (4.31 FTE)
- 25–34: 60 (40.41 FTE)
- 35–44: 72 (56.91 FTE)
- 45–54: 34 (29.63 FTE)
- 55–64: 18 (15.47 FTE)
- 65+: 4 (2.99 FTE)

#### Classification data

**VPS 1-6 grades**
- VPS 1: -
- VPS 2: 83 (43.04 FTE)
- VPS 3: 50 (45.38 FTE)
- VPS 4: 39 (35.60 FTE)
- VPS 5: 39 (35.64 FTE)
- VPS 6: 11 (10.04 FTE)

**Senior employees**
- STS: -
- PS: -
- SMA: -
- SRA: -
- Executives: 5 (4.95 FTE)

**Other**
- Total employees: 198 (149.72 FTE)

#### Notes:
1 Staff who identify with a gender other than male or female have been included in the self-described gender descriptor.
FTE means full-time equivalent staff. All figures reflect employment levels during the last full pay period of June each year inclusive of overtime hours.
Excluded staff are those on leave without pay, external contractors/consultants and temporary staff employed by employment agencies. Included are staff engaged to undertake projects for which ACMI has received external funding and staff to cover extended leave.
Annualised total salary by $20,000 bands for Executive and other senior non-executive staff

<table>
<thead>
<tr>
<th>Income Band (Salary)</th>
<th>Executives</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$160,000</td>
<td>1*</td>
</tr>
<tr>
<td>$160,000 – $179,999</td>
<td>-</td>
</tr>
<tr>
<td>$180,000 – $199,999</td>
<td>-</td>
</tr>
<tr>
<td>$200,000 – $219,999</td>
<td>1</td>
</tr>
<tr>
<td>$220,000 – $239,999</td>
<td>-</td>
</tr>
<tr>
<td>$240,000 – $259,999</td>
<td>-</td>
</tr>
<tr>
<td>$260,000 – $279,999</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
</tr>
</tbody>
</table>

Note: Salaries reported above is for the full financial year, at a 1-FTE rate, and excludes superannuation.  
* There is one employee employed on a part time basis at 0.8 FYE.

Executive Officer data

<table>
<thead>
<tr>
<th>EO Level</th>
<th>All</th>
<th>Women</th>
<th>Men</th>
<th>Self-described</th>
</tr>
</thead>
<tbody>
<tr>
<td>EO1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EO2</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EO3</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Reconciliation of Executive Officers

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives with total remuneration over $100,000 (Financial Statement Note 8.4.1)</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Add Vacancies</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Executives employed with total remuneration below $100,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Accountable Officer</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Less Separations</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Executive numbers at 30 June 2018</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

Consultancy expenditure

Details of consultancies over $10,000
In 2017–18, there were two consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure during 2017–18 in relation to these consultancies is $66,625 (excluding GST). Details of individual consultancies are outlined below.

<table>
<thead>
<tr>
<th>Name</th>
<th>Purpose of consultancy</th>
<th>Total approved project fee (excluding GST)</th>
<th>Expenditure 2017–18 (excluding GST)</th>
<th>Future expenditure (excluding GST)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aalto Pty Ltd</td>
<td>Review of Asset Management Accountability Framework assessment and development of work plan</td>
<td>$17,600</td>
<td>$17,600</td>
<td>-</td>
</tr>
<tr>
<td>SGS</td>
<td>Business case for renewal of content delivery spaces at ACMI</td>
<td>$49,025</td>
<td>$49,025</td>
<td>-</td>
</tr>
</tbody>
</table>

Details of consultancies under $10,000
In 2017–18, there were two consultancies where the total fees payable to the consultants were less than $10,000. The total expenditure during 2017–18 in relation to these consultancies is $9,875 (excluding GST).

Details of Information and Communication Technology (ICT) expenditure
For the 2017–18 reporting period, ACMI had a total ICT expenditure of $1,709,442 with the details shown below.

<table>
<thead>
<tr>
<th>All operational ICT expenditure</th>
<th>ICT expenditure related to projects to create or enhance ICT capabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business as Usual (BAU) ICT Expenditure</td>
<td>Non-BAU ICT expenditure</td>
</tr>
<tr>
<td>Total</td>
<td>Total + A + B</td>
</tr>
<tr>
<td>$1,709,442</td>
<td>$-</td>
</tr>
</tbody>
</table>

Disclosure of major contracts
ACMI did not enter into any contracts greater than $10 million in 2017–18.
Freedom of Information

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

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

The Act allows ACMI to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessible 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 (FoI) processing time for requests received from 45 to 30 days. In some cases, this time may be extended.

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

For the 12 months ending 30 June 2018, ACMI received no applications.

Making a request

FoI requests can be lodged online at www.foi.vic.gov.au. An application fee of $28.40 applies. Access charges may also be payable if the document pool is large, and the search for material, time consuming.

Access to documents can also be obtained through a written request to the Department’s Freedom of Information team, as detailed in section 1.7 of the Freedom of Information Act 1982. When making a FoI 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 (FoI Officer), as detailed in section 1.7 of the Freedom of Information Act 1982. In summary, the requirements for making a request are:

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

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

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

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

Freedom of Information Officer
Australian Centre for the Moving Image
Phone: (03) 8663 2200 Fax: (03) 8663 2275
Street address: 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.

FoI statistics/timeliness

During 2017–18, ACMI received no applications.

Further information

Further information regarding the operation and scope of FoI can be obtained from the Act, regulations made under the Act, and www.foi.vic.gov.au.

Compliance with the Building Act 1993

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

National Competition Policy

The Competitive Neutrality Policy Victoria applies to significant business activities of publicly owned entities and not the non-business non-profit activities of those entities. During 2017–18 ACMI did not commence or alter any significant business activities.

Compliance with the Protected Disclosure Act 2012

The Protected Disclosure Act 2012 encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

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

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

Reporting procedures

ACMI is no longer considered a public body which can receive disclosures. Disclosures of improper conduct or detrimental action relating to ACMI should be made to the Independent Broad-based Anti-Corruption Commission (IBAC). Further information about making disclosures to the IBAC can be found at www.ibac.vic.gov.au. As required by s.58B(B) of the Act, ACMI makes available on its website procedures for protecting those people who make protected disclosures from detrimental action by ACMI or its staff, at the following link: www.acmi.net.au/media/447635/ACMI_Protected_Disclosure_Guidelines_Procedures.pdf

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

Compliance with the Carers Recognition Act 2012

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

- a planned program to ensure our staff have an awareness and understanding of the care relationships principles set out in the Act, as well as;
- considering the carer relationships principles set out in the Act when setting our policies and in providing our services. We 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 Act.

Office based environmental impacts

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

Environmental performance

<table>
<thead>
<tr>
<th></th>
<th>2017-18</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity (kWh)</td>
<td>1,544,054</td>
<td>1,425,149</td>
<td>1,512,834</td>
</tr>
<tr>
<td>Natural gas (GJ)</td>
<td>919.2</td>
<td>849.9</td>
<td>946.7</td>
</tr>
<tr>
<td>Greenhouse gas</td>
<td>3,478.1</td>
<td>3,272.7</td>
<td>3,238.5</td>
</tr>
<tr>
<td>emissions (tCO2e)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landfill waste (kg)</td>
<td>22,000</td>
<td>19,000</td>
<td>21,450</td>
</tr>
<tr>
<td>Recycled waste (kg)</td>
<td>19,500</td>
<td>13,921</td>
<td>19,728</td>
</tr>
<tr>
<td>Paper (reams)</td>
<td>989</td>
<td>943</td>
<td>833</td>
</tr>
<tr>
<td>Water (KL)</td>
<td>Not available</td>
<td>1,473</td>
<td>2,438</td>
</tr>
</tbody>
</table>

1 Water usage data not available for 2017–18 due to site management software issues.

Additional information available on request

In compliance with the requirements of the Standing Directions, the size and contents of this report were determined by ACMI and approved by the Minister for Finance. Details of the items listed below have been retained by ACMI and are available to the relevant ministers, Members of Parliament and the public on request (subject to the Freedom of Information requirements, if applicable):

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

The information is available on request from:

Deputy CEO/Commercial & Operations Director
Phone: (03) 8663 2200
Email: governance@acmi.net.au
Postal address:
PO Box 14
Flinders Lane VIC 8009
Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

I, Peter Lewinsky, on behalf of the Responsible Body, certify that the Australian Centre for the Moving Image has complied with the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions.

[Signature]

Peter Lewinsky
President
Australian Centre for the Moving Image
30 August 2018
Disclosure Index

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

Ministerial Directions

<table>
<thead>
<tr>
<th>Legislation</th>
<th>Requirement</th>
<th>Page Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Report of Operations – FRD Guidance

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Management and structure

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Financial and other information

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| FRD 12B | Disclosure of major contracts | 67 |
| FRD 22H | Employment and conduct principles | 63 |
| FRD 22H | Occupational health and safety policy | 62 |
| FRD 22H | Summary of the financial results for the year | 57 |
| FRD 22H | Significant changes in financial position during the year | 57 |
| FRD 22H | Major changes or factors affecting performance | 57 |
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| FRD 22H | Application and operation of the Protected Disclosures Act 2012 | 68 |
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| FRD 21C | Disclosures of responsible persons, executive officers and other personnel in the financial report | 106 |
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The Australian Centre for the Moving Image (ACMI) has presented its audited general purpose financial statements for the financial year ended 30 June 2018 in the following structure to provide users with the information about ACMI’s stewardship of resources entrusted to it.

### Financial Statements

1. **ABOUT THIS REPORT**
   - Basis of accounting preparation and measurement
   - Compliance statement

2. **FUNDING DELIVERY OF OUR SERVICES**
   - Revenue recognised from grants, sales of goods and services
   - Income from transactions
     - Government grants
     - Revenue
     - Sponsorship and grants

3. **THE COST OF DELIVERING SERVICES**
   - Expenses incurred in the delivery of services
   - Employee benefits
     - Employee benefits in the comprehensive operating statement
     - Reconciliation of movement in contributions
   - Employee benefits in the balance sheet
   - Reconciliation of movement in on-cost provisions
   - Rental and associated outgoings
   - Capital asset charge
   - Other operating expenses

4. **KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY**
   - Property, plant & equipment and collections
   - Carrying values by purpose
   - Reconciliation of movements in carrying amounts
   - Intangible assets and amortisation

5. **OTHER ASSETS AND LIABILITIES**
   - Receivables
   - Ageing analysis of contractual receivables
   - Payables
   - Maturity analysis of contractual payables
   - Inventories
   - Other liabilities

6. **FINANCING OUR OPERATIONS**
   - Leases
     - Non-cancellable operating lease
   - Cash flow and balances
   - Reconciliation of net result for the period to net cash flows from (used in) operating activities
   - Commitments for expenditure
   - Total commitments payable

7. **RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS**
   - Financial instruments specific disclosures
     - Categorisation of financial instruments
     - Financial instruments – net holding gain/(loss) on financial instruments by category
   - Financial risk management objectives and policies
   - Credit quality of contractual financial assets that are neither past due or impaired
   - Interest rate exposure of financial instruments
   - Contingent assets and contingent liabilities
   - Fair value determination
   - Fair value determination of financial assets and liabilities
   - Fair value determination of non-financial physical assets

8. **OTHER DISCLOSURES**
   - Expenses
   - Other economic flows included in net result
   - Reserves
   - Related persons
   - Remuneration of executives
   - Related parties
   - Remuneration of auditors
   - Subsequent events
   - Other accounting policies
   - Changes in accounting policies
   - Australian Accounting Standards issued that are not yet effective
   - Glossary

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**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 Section 5.2 of the Standing Directions of the Minister for Finance 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 2018 and financial position of the Australian Centre for the Moving Image as at 30 June 2018.

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 30 August 2018.

Peter Lewinsky
President

Katrina Sedgwick
Chief Executive Officer

Sandra Lordanic FCPA
Head of Finance & Governance

Melbourne
30 August 2018
Independent Auditor’s Report
To the Board of the Australian Centre for the Moving Image

Opinion
I have audited the financial report of the Australian Centre for the Moving Image (the entity) which comprises the:

- balance sheet as at 30 June 2018
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including significant accounting policies
- accountable officer’s and chief financial officer’s declaration.

In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the Financial Management Act 1994 and applicable Australian Accounting Standards.

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

My independence is established by the Constitution Act 1975. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Board’s responsibilities for the financial report
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 Financial Management Act 1994, 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.

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.

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.

Simone Bohan
31 August 2018
as delegate for the Auditor-General of Victoria
<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Continuing Operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from transactions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government grants 2.2.1</td>
<td>23,760,419</td>
<td>23,845,768</td>
</tr>
<tr>
<td>Revenue 2.2.2</td>
<td>8,977,277</td>
<td>5,142,563</td>
</tr>
<tr>
<td>Sponsorship and grants 2.2.3</td>
<td>2,399,914</td>
<td>1,633,962</td>
</tr>
<tr>
<td>Other income</td>
<td>1,007,653</td>
<td>612,760</td>
</tr>
<tr>
<td><strong>Total income from transactions</strong></td>
<td>36,145,263</td>
<td>31,235,033</td>
</tr>
<tr>
<td>Expenses from transactions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee expenses 3.2</td>
<td>(16,485,965)</td>
<td>(14,385,084)</td>
</tr>
<tr>
<td>Rental and associated outgoings 3.3</td>
<td>(5,595,287)</td>
<td>(5,544,902)</td>
</tr>
<tr>
<td>Depreciation and amortisation 4.3</td>
<td>(2,398,447)</td>
<td>(2,136,930)</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(571,151)</td>
<td>(269,873)</td>
</tr>
<tr>
<td>Capital asset charge 3.4</td>
<td>(2,105,004)</td>
<td>(2,105,000)</td>
</tr>
<tr>
<td>Other operating expenses 3.5</td>
<td>(8,765,459)</td>
<td>(8,400,150)</td>
</tr>
<tr>
<td><strong>Total expenses from transactions</strong></td>
<td>(35,921,313)</td>
<td>(32,841,839)</td>
</tr>
<tr>
<td><strong>Net result from transactions (net operating balance)</strong></td>
<td>223,950</td>
<td>(1,606,806)</td>
</tr>
<tr>
<td>Other economic flows included in net result</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net gain/(loss) on financial instruments 8.2</td>
<td>40,233</td>
<td>(36,570)</td>
</tr>
<tr>
<td>Net loss on non-financial assets 8.2</td>
<td>-</td>
<td>(819)</td>
</tr>
<tr>
<td>Other gain/(loss) from other economic flows 8.2</td>
<td>112,474</td>
<td>24,565</td>
</tr>
<tr>
<td><strong>Total other economic flows included in net result</strong></td>
<td>152,707</td>
<td>12,654</td>
</tr>
<tr>
<td><strong>Net result</strong></td>
<td>376,657</td>
<td>(1,619,640)</td>
</tr>
<tr>
<td><strong>Other economic flows - other comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified to net result</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Changes in physical asset revaluation surplus 8.3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total other economic flows - other comprehensive income</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Comprehensive result</strong></td>
<td>376,657</td>
<td>(1,619,640)</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
The accompanying notes form part of these financial statements.
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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 Economic Development, Jobs, Transport and Resources.

A description of the nature of ACMI’s operations and its principal activities is included in the Report of Operations on pages 1–73 which does not form part of these financial statements.

Its principal address is:

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

1.1 Basis of accounting preparation and measurement

These financial statements are prepared 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 1014 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 owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

In the application of Australian Accounting Standards (AASs), 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 judgment 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 equal due to rounding.

1.2 Compliance Statement

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

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 AASIs 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 Economic Development, Jobs, Transport and Resources who provide them to ACMI in the form of grants.

2.1 Summary of income that funds the delivery of services

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from transactions</td>
<td>$2,21</td>
<td>$2,376,419</td>
</tr>
<tr>
<td>Government grants</td>
<td>$2,22</td>
<td>$2,376,419</td>
</tr>
<tr>
<td>Revenue</td>
<td>$2,23</td>
<td>$2,376,419</td>
</tr>
<tr>
<td>Sponsorship and grants</td>
<td>$2,24</td>
<td>$2,376,419</td>
</tr>
<tr>
<td>Other income</td>
<td>$2,25</td>
<td>$2,376,419</td>
</tr>
<tr>
<td>Total income from transactions</td>
<td>$2,26</td>
<td>$2,376,419</td>
</tr>
</tbody>
</table>

The amount of income that funds the delivery of services is recognised by reference to the stage of completion of the services being performed. 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.

Note: This includes income from commercial activities that are considered to be consistent with the core operations of ACMI. 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 Income from transactions

2.2.1 Government grants

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating funding</td>
<td>$20,733,703</td>
</tr>
<tr>
<td>Other funding</td>
<td>$83,712</td>
</tr>
<tr>
<td>Capital asset charge</td>
<td>$2,105,004</td>
</tr>
<tr>
<td>Capital funding</td>
<td>$9,000</td>
</tr>
<tr>
<td>Total government grants</td>
<td>$23,760,419</td>
</tr>
</tbody>
</table>

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.

2.2.2 Revenue

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sale of goods &amp; services</td>
<td>$11,06</td>
</tr>
<tr>
<td>Memberships</td>
<td>$11,06</td>
</tr>
<tr>
<td>Venue hire &amp; exhibition touring</td>
<td>$2,20,160</td>
</tr>
<tr>
<td>Programming – box office receipts</td>
<td>$5,118,330</td>
</tr>
<tr>
<td>Commercial operations</td>
<td>$1,374,223</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$8,977,777</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsorship</td>
<td>458,213</td>
<td>321,062</td>
</tr>
<tr>
<td>In-kind revenue</td>
<td>1,138,692</td>
<td>888,826</td>
</tr>
<tr>
<td>Other grants from Victorian Government entities</td>
<td>512,396</td>
<td>315,141</td>
</tr>
<tr>
<td>Other grants</td>
<td>293,644</td>
<td>106,923</td>
</tr>
<tr>
<td><strong>Total sponsorship and grants</strong></td>
<td><strong>2,399,914</strong></td>
<td><strong>1,633,952</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee expenses</strong></td>
<td><strong>16,485,965</strong></td>
<td><strong>14,385,084</strong></td>
</tr>
<tr>
<td>Rental and associated outgoings</td>
<td>(5,595,287)</td>
<td>(5,544,802)</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(571,151)</td>
<td>(269,873)</td>
</tr>
<tr>
<td>Capital asset charge</td>
<td>(2,105,000)</td>
<td>(2,105,000)</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(6,430,156)</td>
<td>(6,395,469)</td>
</tr>
<tr>
<td><strong>Total expenses incurred in delivery of services</strong></td>
<td><strong>33,522,866</strong></td>
<td><strong>30,704,909</strong></td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee expenses</strong></td>
<td><strong>16,485,965</strong></td>
<td><strong>14,385,084</strong></td>
</tr>
<tr>
<td>Defined contribution superannuation expense</td>
<td>(1,229,278)</td>
<td>(1,110,357)</td>
</tr>
<tr>
<td>Defined benefit superannuation expense</td>
<td>(41,721)</td>
<td>(14,090)</td>
</tr>
<tr>
<td>Termination benefits</td>
<td>(95,931)</td>
<td>(24,316)</td>
</tr>
<tr>
<td>Salaries, wages, annual and long service leave</td>
<td>(15,156,602)</td>
<td>(13,236,321)</td>
</tr>
<tr>
<td><strong>Total employee benefits</strong></td>
<td><strong>16,485,965</strong></td>
<td><strong>14,385,084</strong></td>
</tr>
</tbody>
</table>

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.
3.2.4 Reconciliation of movement in on-cost provisions

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>111,521</td>
</tr>
<tr>
<td>Additional provisions recognised</td>
<td>21,140</td>
</tr>
<tr>
<td>Reduction due to transfer out</td>
<td>(6,040)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>127,621</td>
</tr>
</tbody>
</table>

Current 104,776
Non-current 22,845
127,621

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).

Termination benefits
Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee decides to accept an offer in exchange for the termination of employment. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

3.3 Rental and associated outgoings

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities rental payments</td>
<td>(2,900,762)</td>
<td>(2,838,355)</td>
</tr>
<tr>
<td>Rental outgoings</td>
<td>(2,010,941)</td>
<td>(1,968,967)</td>
</tr>
<tr>
<td>Equipment rental</td>
<td>(683,584)</td>
<td>(737,480)</td>
</tr>
<tr>
<td>Total rental and associated outgoings</td>
<td>(5,595,287)</td>
<td>(5,544,802)</td>
</tr>
</tbody>
</table>

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

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

3.4 Capital asset charge

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total capital asset charge</td>
<td>(2,105,004)</td>
<td>(2,105,000)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programming and marketing</td>
<td>(3,358,052)</td>
<td>(3,454,990)</td>
</tr>
<tr>
<td>Facilities and technology</td>
<td>(2,730,313)</td>
<td>(2,692,903)</td>
</tr>
<tr>
<td>Commercial</td>
<td>(460,492)</td>
<td>(290,000)</td>
</tr>
<tr>
<td>Sponsorship in-kind</td>
<td>(1,135,692)</td>
<td>(888,826)</td>
</tr>
<tr>
<td>Administration costs</td>
<td>(1,080,910)</td>
<td>(1,073,431)</td>
</tr>
<tr>
<td>Total other operating expenses</td>
<td>(8,765,459)</td>
<td>(8,490,159)</td>
</tr>
</tbody>
</table>

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 the 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

<table>
<thead>
<tr>
<th>Gross carrying amount</th>
<th>Accumulated depreciation</th>
<th>Net carrying amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements - fair value</td>
<td>22,521,333</td>
<td>22,531,902</td>
</tr>
<tr>
<td>Property, plant &amp; equipment - fair value</td>
<td>27,785,285</td>
<td>26,908,221</td>
</tr>
<tr>
<td>Work in progress - at cost</td>
<td>1,843,848</td>
<td>540</td>
</tr>
<tr>
<td>Collections - at fair value</td>
<td>9,412,815</td>
<td>9,412,815</td>
</tr>
<tr>
<td>Net carrying amount</td>
<td>61,563,281</td>
<td>58,853,478</td>
</tr>
</tbody>
</table>

Property, plant and equipment and collections
All non-current physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. The fair value of property, plant and equipment is normally determined by reference to the asset’s depreciated replacement cost. For property, plant and equipment, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

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

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

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

Collection assets are measured at fair value, and in accordance with FRS 103F, revalued as at 30 June 2016 based on a valuation by Dr Vincent O’Donnell, an independent valuer approved under the Federal Government’s Cultural Gifts Program, by reference to the amounts for which assets could be exchanged based on depreciated replacement cost or market value. There has been no material movement in the fair value since last valuation.

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

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

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

4.1.1 Carrying values by ‘purpose’ group

<table>
<thead>
<tr>
<th>Nature based on classification</th>
<th>Public administration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements - fair value</td>
<td>2,817,088</td>
</tr>
<tr>
<td>Property, plant &amp; equipment - fair value</td>
<td>3,481,091</td>
</tr>
<tr>
<td>Work in progress - at cost</td>
<td>1,843,848</td>
</tr>
<tr>
<td>Collections - at fair value</td>
<td>9,412,815</td>
</tr>
<tr>
<td>Net carrying amount</td>
<td>17,554,852</td>
</tr>
</tbody>
</table>

Property, plant and equipment are classified primarily by the ‘purpose’ for which the assets are used, according to one of six purpose groups based upon Government purpose classifications. All assets in a purpose group are further sub-categorised according to the asset’s ‘nature’ (i.e. buildings, plant etc.), with each sub-category being classified as a separate class of asset for financial reporting purposes.

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

<table>
<thead>
<tr>
<th>Leasehold improvements at fair value</th>
<th>Property, plant &amp; equipment at fair value</th>
<th>Work in progress at cost</th>
<th>Collections at fair value</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Opening balance</td>
<td>3,529,708</td>
<td>3,632,697</td>
<td>4,288,351</td>
<td>4,536,065</td>
</tr>
<tr>
<td>Additions</td>
<td>50,905</td>
<td>420,693</td>
<td>876,524</td>
<td>823,035</td>
</tr>
<tr>
<td>Transfers between classes</td>
<td>-</td>
<td>-</td>
<td>540</td>
<td>523,417</td>
</tr>
<tr>
<td>Disposals</td>
<td>(61,474)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(896,041)</td>
<td>(526,882)</td>
<td>(1,684,326)</td>
<td>(1,594,166)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>2,817,098</td>
<td>3,525,708</td>
<td>3,481,091</td>
<td>4,288,351</td>
</tr>
</tbody>
</table>

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.
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

4.2 Intangible assets

<table>
<thead>
<tr>
<th></th>
<th>Computer software at cost $</th>
<th>Screen Worlds exhibition rights at cost $</th>
<th>Total at cost $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Gross carrying amount</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>686,477</td>
<td>689,918</td>
<td>160,918</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(3,441)</td>
<td>-</td>
</tr>
<tr>
<td>Closing balance</td>
<td>686,477</td>
<td>686,477</td>
<td>160,918</td>
</tr>
</tbody>
</table>

Accumulated amortisation and impairment

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>(686,477)</td>
<td>(689,918)</td>
</tr>
<tr>
<td>Amortisation expense</td>
<td>-</td>
<td>(16,082)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>(686,477)</td>
<td>(686,477)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net book value at the end of the financial year</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>20,133</td>
<td>36,215</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>(1,884,324)</td>
<td>(1,594,116)</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>(899,041)</td>
<td>(521,652)</td>
</tr>
<tr>
<td>Total depreciation</td>
<td>(2,783,365)</td>
<td>(2,115,768)</td>
</tr>
<tr>
<td>Amortisation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Screen Worlds exhibition rights/software</td>
<td>(16,082)</td>
<td>(16,082)</td>
</tr>
<tr>
<td>Total amortisation</td>
<td>(16,082)</td>
<td>(16,082)</td>
</tr>
<tr>
<td>Total depreciation and amortisation</td>
<td>(2,399,447)</td>
<td>(2,131,850)</td>
</tr>
</tbody>
</table>

Depreciation

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset’s value, less any estimated residual value, over its estimated useful life. Collection assets are deemed to have an unlimited useful life, therefore are excluded from being depreciated.

Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. Tables below provide details on the estimated useful lives that are used in the calculation of depreciation on property, plant and equipment.
### 5.1 Receivables (cont.)

**Contractual receivables**

Contractual receivables are classified as financial instruments and categorised as ‘loans and receivables’. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

**Statutory receivables**

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. This includes amounts owing from the Victorian Government, taxes and other statutory receivables.

**Doubtful debts**

Receivables are assessed for bad and doubtful debts on a regular basis. 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. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

A provision is made for estimated irrecoverable amounts from the sale of goods and services when there is objective evidence that an individual receivable is impaired. The increase in the provision for the year is recognised in the net result.

#### 5.1.1 Ageing analysis of contractual receivables

<table>
<thead>
<tr>
<th>Carrying amount</th>
<th>Not past due &amp; not impaired</th>
<th>Past due but not impaired</th>
<th>Impaired financial assets</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Less than 1 month</td>
<td>1 – 3 months</td>
<td>3 months – 1 year</td>
</tr>
<tr>
<td>2018</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Receivables</td>
<td>$1,201,194</td>
<td>$1,201,194</td>
<td>$1,201,194</td>
</tr>
</tbody>
</table>
| Note:           | (i) The average credit period on sales of goods and services is 30 days. A provision has been made for estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default.
5.3 Inventories

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current inventories</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supplies and consumables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>159,779</td>
<td>159,139</td>
</tr>
<tr>
<td>Publications held for sale:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At cost</td>
<td>77,516</td>
<td>13,891</td>
</tr>
<tr>
<td>Total inventories</td>
<td>237,295</td>
<td>173,030</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income in advance</td>
<td>702,802</td>
<td>977,762</td>
</tr>
<tr>
<td>Sundry liabilities</td>
<td>183,941</td>
<td>117,968</td>
</tr>
<tr>
<td>Lease incentive liability</td>
<td>93,000</td>
<td>93,000</td>
</tr>
<tr>
<td>Total current other liabilities</td>
<td>979,743</td>
<td>1,188,730</td>
</tr>
</tbody>
</table>

Lease incentive liability

Income in advance recognises deposits received from Australian and international Hirers to secure exhibition and venue hire dates.

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

6.1 Leases

6.1.1 Non-cancellable operating leases

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-cancellable operating leases payable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not longer than 1 year</td>
<td>3,566,027</td>
<td>3,777,996</td>
</tr>
<tr>
<td>Longer than 1 year and not longer than 5 years</td>
<td>12,081,049</td>
<td>14,894,169</td>
</tr>
<tr>
<td>Longer than 5 years</td>
<td>1,399,571</td>
<td>2,046,762</td>
</tr>
<tr>
<td>Total non-current other liabilities</td>
<td>17,046,647</td>
<td>20,718,927</td>
</tr>
</tbody>
</table>

Operating leases

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet. All incentives for the agreement of a new or renewed operating lease are recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

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

Leasing arrangements

Operating leases relate to the rental of premises, computer equipment and storage with lease terms of between 3 to 10 years, with an option to extend. The Federation Square premises lease was extended by five years in May 2017 to 15 September 2022. The Australian Ballet Centre premises lease expires 31 March 2026. All operating lease contracts contain market review clauses in the event that ACMI exercises its option to renew.

ACMI does not have an option to purchase leased assets at the expiry of the lease period.
6.2 Cash flow information and balances

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total cash and deposits disclosed in the balance sheet</td>
<td>8,876,781</td>
<td>6,994,016</td>
</tr>
<tr>
<td>Balance as per cash flow statement</td>
<td>8,876,781</td>
<td>6,994,016</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net result for the period</td>
<td>376,657</td>
<td>(1,619,640)</td>
</tr>
</tbody>
</table>

Non-cash movements:
- Impairment of assets - 819
- Depreciation and amortisation of non-current assets 2,398,447 2,136,930

Movements in assets and liabilities:
- (Increase)/decrease in current receivables (212,777) 121,820
- (Increase)/decrease in inventories (642,664) (4,123)
- (Increase)/decrease in prepayments (17,528) 12,839
- (Decrease)/increase in payables (821,121) 697,163
- (Decrease)/Increase in unearned revenue (151,353) 154,383
- (Decrease)/increase in current provisions 185,516 26,026
- (Decrease)/increase in non-current provisions 3,790 (41,156)

Net cash flows from operating activities 1,889,867 1,485,061

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

6.3.1 Total commitments payable

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure commitments payable</td>
<td>2,959,635</td>
<td>-</td>
</tr>
<tr>
<td>Long term</td>
<td>767,740</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>3,727,375</td>
<td>-</td>
</tr>
<tr>
<td>Operation and maintenance commitments payable</td>
<td>1,282,533</td>
<td>1,261,135</td>
</tr>
<tr>
<td>Less than 1 year</td>
<td>1,217,769</td>
<td>1,224,404</td>
</tr>
<tr>
<td>Longer than 1 year</td>
<td>14,824</td>
<td>33,109</td>
</tr>
<tr>
<td>Total</td>
<td>2,515,126</td>
<td>2,518,648</td>
</tr>
<tr>
<td>Total commitments (inclusive of GST)</td>
<td>6,242,501</td>
<td>2,518,648</td>
</tr>
</tbody>
</table>

7. RISKS, CONTINGENCIES AND VALUATION JUDGMENTS

7.1 Financial instruments specific disclosures

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.

Categories of financial instruments
- Receivables and cash
  Receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment).
  ACMI recognises the following assets in this category:
  - cash and deposits; and
  - receivables (excluding statutory receivables).

- Financial liabilities at amortised cost
  Financial liabilities are initially recognised on the day they are originated, and measured at fair value plus any directly attributable transaction costs.
  ACMI recognises the following liabilities in this category:
  - payables (excluding statutory payables).

7.2 Contingent assets and contingent liabilities

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

7.3 Fair value determination

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 instruments
- Receivables and cash
- Financial liabilities at amortised cost
- Contingent assets and liabilities

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

6.3.3 Contingent assets and contingent liabilities

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

7.4 Financial instruments and financial risk management

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

- Financial liabilities at amortised cost
  Financial liabilities are initially recognised on the day they are originated, and measured at fair value plus any directly attributable transaction costs.
  ACMI recognises the following liabilities in this category:
  - payables (excluding statutory payables).
7.3 Financial instruments specific disclosures (cont.)

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

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The bad debts not written off by mutual consent and allowance for doubtful receivables are classified as ‘other economic flows’.

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

7.1.1 Categorisation of financial instruments

<table>
<thead>
<tr>
<th>Notes</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and deposits</td>
<td>6.2</td>
<td>8,876,781</td>
</tr>
<tr>
<td>Loans and other receivables</td>
<td>5.1</td>
<td>527,121</td>
</tr>
<tr>
<td>Total contractual financial assets</td>
<td></td>
<td>9,403,902</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and deposits – net holding gain/(loss) on financial instruments</td>
<td>40,233</td>
<td>(36,570)</td>
</tr>
<tr>
<td>Total contractual financial assets</td>
<td></td>
<td>40,233</td>
</tr>
</tbody>
</table>

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 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 measures credit risk on a fair value basis.

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

Credit risk associated with trade receivables is managed as follows by:
- advancing credit under payment terms of 30 days; and
- debt collection policies and procedures.

Provision of impairment for financial assets is calculated based on past experience, and current and expected changes in client credit ratings. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents ACMI’s maximum exposure to credit risk.

Financial assets that are either past due or impaired

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

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

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

7.1.4 Credit quality of contractual financial assets that are neither past due or impaired

<table>
<thead>
<tr>
<th>Financial Institutions (AAA Credit Rating) (i)</th>
<th>Government Agencies (AAA Credit Rating) (ii)</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>3,861,224</td>
<td>5,000,000</td>
<td>15,557</td>
</tr>
<tr>
<td>Receivables</td>
<td>-</td>
<td>-</td>
<td>527,121</td>
</tr>
<tr>
<td>Total contractual financial assets</td>
<td>3,861,224</td>
<td>5,000,000</td>
<td>542,678</td>
</tr>
<tr>
<td>2017</td>
<td>2,975,416</td>
<td>4,000,000</td>
<td>18,600</td>
</tr>
<tr>
<td>Receivables</td>
<td>-</td>
<td>-</td>
<td>314,252</td>
</tr>
<tr>
<td>Total contractual financial assets</td>
<td>2,975,416</td>
<td>4,000,000</td>
<td>332,852</td>
</tr>
</tbody>
</table>

Notes:
(i) The total amount of financial assets disclosed here excludes statutory receivables (i.e. amounts owing from Victorian Government and GST input tax credit recoverable).
(ii) Financial assets held with Government agencies consists of cash held with Treasury Corporation of Victoria.
7.1.4 Credit quality of contractual financial assets that are neither past due or impaired (cont.)

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

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

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

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

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

At 30 June 2018, ACMI had no forward exchange contracts (2017: nil).

Interest rate risk
ACMI’s exposure to interest rate risk is insignificant.

7.1.5 Interest rate exposure of financial instruments

<table>
<thead>
<tr>
<th>Weighted average effective interest rate</th>
<th>Carrying amount</th>
<th>Interest rate exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed interest rate</td>
<td>Variable interest rate</td>
</tr>
<tr>
<td>2018</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Cash and bank deposits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank deposits</td>
<td>1.70%</td>
<td>8,861,224</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>15,557</td>
<td>-</td>
</tr>
<tr>
<td>Receivables</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Trade debtors and allowance for doubtful debts</td>
<td>424,780</td>
<td>-</td>
</tr>
<tr>
<td>Other receivables (i)</td>
<td>102,341</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>9,403,902</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade creditors and accrued expenses</td>
<td>1,201,194</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>1,201,194</td>
<td>-</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and bank deposits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank deposits</td>
<td>1.73%</td>
<td>6,975,416</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>18,600</td>
<td>-</td>
</tr>
<tr>
<td>Receivables</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Trade debtors and allowance for doubtful debts</td>
<td>225,605</td>
<td>-</td>
</tr>
<tr>
<td>Other receivables (i)</td>
<td>88,647</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>7,308,268</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade creditors and accrued expenses</td>
<td>1,970,788</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>1,970,788</td>
<td>-</td>
</tr>
</tbody>
</table>

Notes:
(i) Other receivables include interest receivable.

7.2 Contingent assets and contingent liabilities

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

Contingent assets
There are nil contingent assets (2017: nil).

Contingent liabilities
There are no contingent liabilities (2017: nil).
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

7.3 Fair value determination

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

The following assets and liabilities are carried at fair value:

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

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

Fair value hierarchy

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

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

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

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

How this section is structured

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

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

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

7.3.1 Fair value determination of financial assets and liabilities

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

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

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

These financial instruments are measured at amortised cost and include:

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

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

7.3.2 Fair value determination: non-financial physical assets

Fair value measurement hierarchy for assets as at 30 June 2018

<table>
<thead>
<tr>
<th>Carrying amount at 30 June 2018</th>
<th>Fair value measurement at end of reporting period using</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
</tr>
<tr>
<td>Leasehold improvements at fair value</td>
<td>2,817,088</td>
</tr>
<tr>
<td>Property, plant &amp; equipment at fair value</td>
<td>3,481,091</td>
</tr>
<tr>
<td>Collections at fair value</td>
<td>9,412,815</td>
</tr>
<tr>
<td>Total property, plant &amp; equipment and collections</td>
<td>15,711,004</td>
</tr>
</tbody>
</table>

Fair value measurement hierarchy for assets as at 30 June 2017

<table>
<thead>
<tr>
<th>Carrying amount at 30 June 2017</th>
<th>Fair value measurement at end of reporting period using</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Level 1</td>
</tr>
<tr>
<td>Leasehold improvements at fair value</td>
<td>3,525,708</td>
</tr>
<tr>
<td>Property, plant &amp; equipment at fair value</td>
<td>4,288,351</td>
</tr>
<tr>
<td>Collections at fair value</td>
<td>9,412,815</td>
</tr>
<tr>
<td>Total property, plant &amp; equipment and collections</td>
<td>17,226,874</td>
</tr>
</tbody>
</table>

Leasehold improvements

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

Property, plant and equipment

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

Collection

Collection assets are measured at fair value, and in accordance with Department of Treasury and Finance’s Financial Reporting Direction FRD 103F, an independent valuation of ACMI’s collections was performed at 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 115,496 collections items valued within 47 classes (2011: 114,936 collection items within 47 classes). Installation pieces, 3D objects and moving image artwork purchased or commissioned are valued 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.

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 hierarchy 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 $9,412,815 with a 95% confidence interval as at 30 June 2016.

This approach is consistent with valuation methodologies and processes undertaken in the 2012 valuation. The value of the collection could change in future financial years as a result of changes in the significant and observable 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 103F and a full revaluation normally occurs every five years, based upon the Government’s asset purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are used to conduct these scheduled revaluations and any interim evaluations are determined in accordance with the requirements of the Financial Reporting Directions. Revaluation increases or decreases arise from differences between an asset’s carrying value and fair value.

The last valuation on the collection was performed for the year ending 30 June 2016 and the next valuation will occur in the period ending 30 June 2021. There were no changes in valuation techniques arising from the 30 June 2016 valuation. For all assets measured at fair value, the current use is considered the highest and best use.
7.3.2 Fair value determination: non-financial physical assets (cont.)

Reconciliation of Level 3 fair value movements

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

Reconciliation of Level 3 fair value movements

<table>
<thead>
<tr>
<th></th>
<th>Leasehold improvements at fair value</th>
<th>Property, plant &amp; equipment at fair value</th>
<th>Collections at fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance 1 July 2016</td>
<td>3,631,697</td>
<td>4,536,065</td>
<td>2,913,747</td>
</tr>
<tr>
<td>Purchases</td>
<td>420,693</td>
<td>823,035</td>
<td>-</td>
</tr>
<tr>
<td>Transfers from work in progress</td>
<td>-</td>
<td>523,417</td>
<td>-</td>
</tr>
<tr>
<td>Gains or losses recognised in net result</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>(526,682)</td>
<td>(1,594,166)</td>
<td>-</td>
</tr>
<tr>
<td>Loss on disposal</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal gains or losses recognised in net result</td>
<td>(526,682)</td>
<td>(1,594,166)</td>
<td>-</td>
</tr>
<tr>
<td>Gain or losses recognised in other economic flows - other comprehensive income</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Revaluation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Subtotal</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Closing balance 30 June 2017</td>
<td>3,525,708</td>
<td>4,288,351</td>
<td>2,913,747</td>
</tr>
</tbody>
</table>

Description of significant unobservable inputs to Level 3 valuations

<table>
<thead>
<tr>
<th></th>
<th>Valuation technique</th>
<th>Significant unobservable inputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>Depreciated replacement cost</td>
<td>Cost per unit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Useful life of leasehold improvements</td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>Depreciated replacement cost</td>
<td>Cost per unit</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Useful life of property, plant &amp; equipment</td>
</tr>
<tr>
<td>Collections</td>
<td>Depreciated replacement cost</td>
<td>Cost per unit</td>
</tr>
</tbody>
</table>

No change from 2016–17.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

8. OTHER DISCLOSURES

8.1 Ex gratia expenses

ACMI had no ex gratia payments (2017: 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.

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.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Net loss on financial instruments</td>
<td>40,233</td>
<td>(16,570)</td>
</tr>
<tr>
<td>(b) Net loss on non-financial assets</td>
<td>-</td>
<td>(619)</td>
</tr>
<tr>
<td>(c) Other gain/(loss) from other economic flows</td>
<td>112,474</td>
<td>24,555</td>
</tr>
</tbody>
</table>

Total other economic flows included in net result | 152,707 | (12,834) |

Notes:

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

8.3 Reserves

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical asset revaluation surplus (i)</td>
<td>(2,405,543)</td>
<td>(2,405,543)</td>
</tr>
</tbody>
</table>

Balance at beginning of financial year | (2,405,543) | (2,405,543) |
Revaluation increments/(decrements) | - | - |
Balance at end of financial year | (2,405,543) | (2,405,543) |

Note:

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

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

Names

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

Minister for Creative Industries: Martin Foley MP

Accountable Officer: Katrina Sedgwick, Director & Chief Executive Officer

Governing Board

Peter LeWinsky, Board President 1 July 2017 to 30 June 2018

Esther Anastolakis 1 July 2017 to 5 September 2017

Jan Chapman AO 1 July 2017 to 30 June 2018

Tannen Chopra 5 December 2017 to 30 June 2018

Karen Corry 1 July 2017 to 30 June 2018

Rachel Griffiths 1 July 2017 to 30 June 2018

Rachael Maza 5 December 2017 to 30 June 2018

Michael Wachtel 1 July 2017 to 30 June 2018

Linda White 1 July 2017 to 30 June 2018

Paul Wiegard 5 December 2017 to 30 June 2018

Dr Terry Wu 1 July 2017 to 30 June 2018

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 $280,000–$290,000 ($270,000–$280,000 FY2016–17).

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.

<table>
<thead>
<tr>
<th>Total Number of Executives</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Remuneration(a)</td>
<td>639,530</td>
<td>722,500</td>
</tr>
<tr>
<td>Total annualised employee equivalent</td>
<td>3.06*</td>
<td>3.39*</td>
</tr>
</tbody>
</table>

Note:

* there was one employee on leave without pay for some of the period.

* there was one employee on Paid Parental Leave during some of the period.

(a) 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).

8.4.2 Related parties

ACMI is a Victorian Government statutory authority of Creative Victoria, a division of the Department of Economic, Development, Jobs, Transport and Resources. 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. 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.

Key management personnel

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

- Director & Chief Executive Officer, Katrina Sedgwick
- Deputy CEO & Commercial & Operations Director, Graham Jephcott
- Chief Experience Officer, Seb Chan
- Head of Brand & Marketing, Georgina Russell (until May 2018)
- Director Brand & Marketing, Emma Levy (from April 2018)

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

<table>
<thead>
<tr>
<th>Compensation of KMP’s</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term employee benefits</td>
<td>$849,706</td>
<td>$915,932</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>73,945</td>
<td>79,450</td>
</tr>
<tr>
<td>Total (a)</td>
<td>923,650</td>
<td>995,381</td>
</tr>
</tbody>
</table>

Note:

(a) KMP’s are also reported in the remuneration of executive officers (Note 8.4.1) and FY2017 includes executive officer with Paid Parental Leave.
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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:
- ACM received operating and capital funding of $21.7m ($21.7m FY2016–17) from Creative Victoria.
- ACM received funding for educational programs of $233k ($230k FY2016–17) from Department of Education and Training.

Transactions and balances with key management personnel and other related parties

<table>
<thead>
<tr>
<th>Payments to related parties</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Madman Entertainment Pty Ltd</td>
<td>37,014</td>
<td>-</td>
</tr>
</tbody>
</table>

Paul Wiegard (i) is Managing Director of Madman Entertainment Pty Ltd which ACMI made purchases from on normal commercial terms.

Notes:
The above transactions with related parties were carried under normal commercial terms with full disclosure of any conflicts of interest following due process. Amounts relating to Ministers are reported in the financial statements of the Department of Parliamentary Services.
(i) Paul Wiegard was appointed as a director of ACMI from 5 December 2017, and the payment amounts relate to transactions post 5 December 2017.

8.5 Remuneration of auditors

<table>
<thead>
<tr>
<th>Victorian Auditor-Generals Office</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit of the financial statements</td>
<td>31,000</td>
<td>32,498</td>
</tr>
<tr>
<td>31,000</td>
<td>32,498</td>
<td></td>
</tr>
</tbody>
</table>

8.6 Subsequent events
ACMI has no material or significant events occurring after the reporting date (2017: 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 arise after the end of the reporting period that are considered to be of material interest.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

8.7 Other accounting policies
8.7.1 Changes in accounting policies
No changes in accounting policies.

8.7.2 Australian Accounting Standards issued that are not yet effective
ACMI has adopted all of the new and revised Australian Accounting Standards (AAS) and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for reporting from 1 July 2017. As at 30 June 2018, the following AASs have been issued by the AASB but not yet effective.

<table>
<thead>
<tr>
<th>Standard/interpretation</th>
<th>Summary</th>
<th>Applicable for annual reporting periods beginning on</th>
<th>Management assessment impact on ACMI</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB 9 Financial Instruments</td>
<td>The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.</td>
<td>1-Jan-18</td>
<td>While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.</td>
</tr>
<tr>
<td>AASB 15 Revenue from Contracts with Customers</td>
<td>The core principle of AASB 15 requires an entity to recognises revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.</td>
<td>1-Jan-19</td>
<td>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The standard will also require additional disclosures on service revenue and contract modifications.</td>
</tr>
<tr>
<td>AASB 16 Leases</td>
<td>The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.</td>
<td>1-Jan-19</td>
<td>Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.</td>
</tr>
<tr>
<td>AASB 1058 Income of Not-For-Profit Entities</td>
<td>This standard replaces AASB 1014 and establishes revenue recognition principles for transactions.</td>
<td>1-Jan-19</td>
<td>The changes in revenue recognition requirements in AASB 1058 may result in changes to the timing and amount of revenue recorded in the financial statements in respect to grants.</td>
</tr>
</tbody>
</table>
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; or
(b) an equity instrument of another entity; or
(a) 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 disadvantageous 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 41 of AASB 101.

Financial liability
A financial liability is any liability that is:
(a) a contractual obligation:
– to deliver or exchange financial assets or financial liabilities with another entity; or
– to exchange financial assets or financial liabilities with another entity under conditions that are potentially disadvantageous to the entity; or
– to receive cash or another financial asset from another 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.

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 transferee a claim to receive directly benefits of approximately equal value.

Gross income
Gross income comprises revenues from financial assets and other operating income.

Internal transactions
Internal transactions are transactions between the entity and other units wholly or partly owned by the entity.

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

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

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

Net result from transactions/net operating balance
Net result from transactions or net operating balance is a key fiscal aggregate and is income from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Non-financial assets
Non-financial assets are all assets that are not ‘financial assets’.

Other economic flows
Other economic flows include changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals, evaluations 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.

Payables
Payables includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

Receivables
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
Sales refers to 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 ACMR.

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.