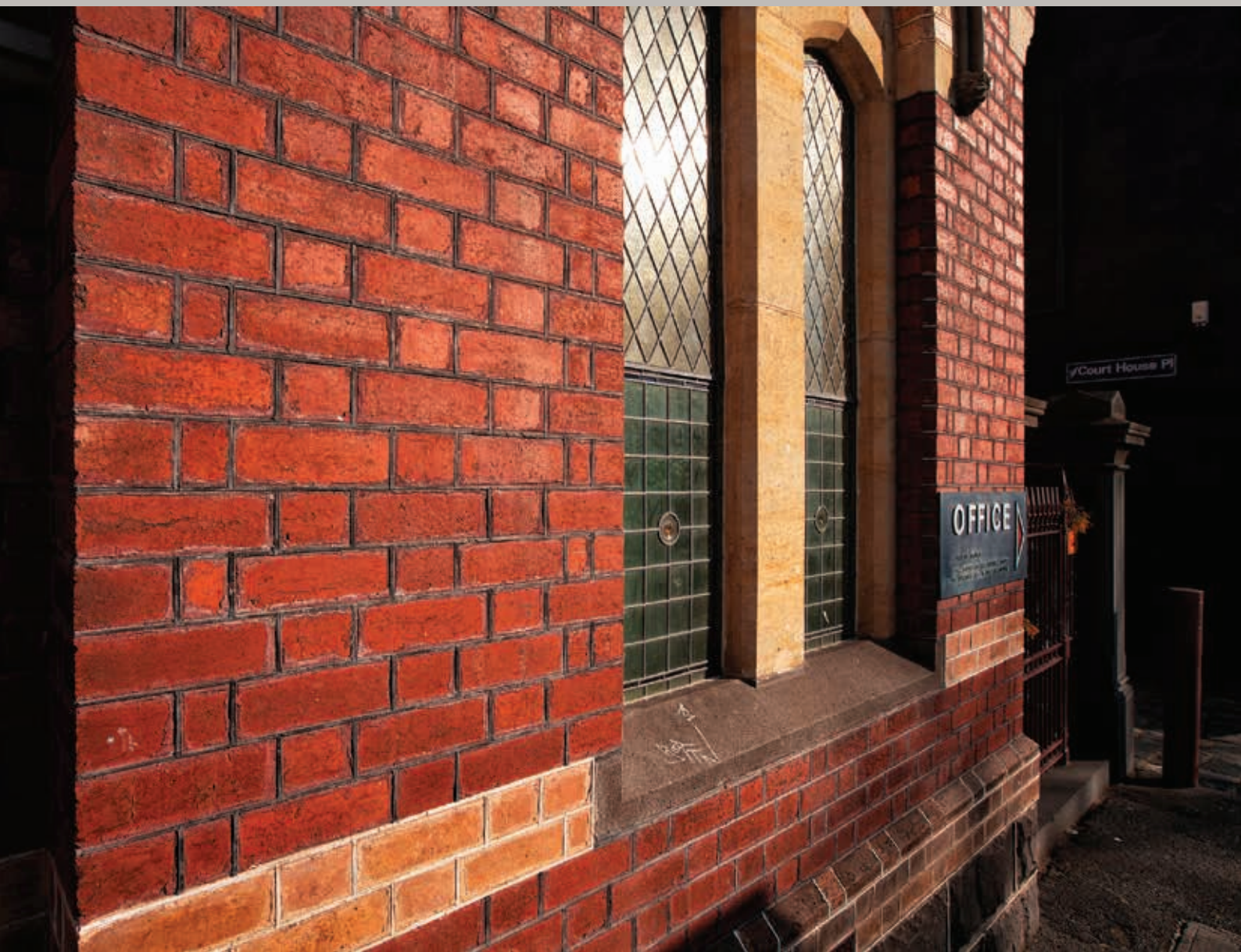


Working
Heritage

ANNUAL REPORT

2017–2018



March 2019

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Working Heritage Incorporated
280 William Street
Melbourne, Victoria 3000

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Working Heritage respectfully acknowledges Victoria's Aboriginal communities and pays respect to their Elders both past and present. The organisation acknowledges the richness of Aboriginal cultures in Victoria and their connection to country.

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CHAIRPERSON'S REPORT

I am pleased to report that 2017–18 saw further development of Working Heritage as an efficient and professional manager of properties of heritage significance in public ownership.

Of particular note during this year was the appointment by the Minister for Environment, Climate Change and Water, Hon Liliana D'Ambrosio MP, of a new nine-member Committee on 1 February 2018. This new Committee brings a more diverse range of skills and backgrounds to the organisation which will equip it well to address the increasingly complex and interesting way ahead. I would particularly like to thank the three retiring Committee members – Lorina Nervegna, Des Powell AM and Leigh Phillips – for their contributions to Working Heritage over the previous three-year term (and, in Leigh's case, the two previous terms from 2011).

As presented in this report, the financial outcome for Working Heritage was within budget and provided a surplus that could be directed to planned capital works – especially the remediation of the brick walls which surround three sides of our flagship property – the former Royal Mint in William Street, Melbourne. Through the operation of the Mint Walls Project Control Group (comprised of three Committee members and relevant staff), detailed consideration was given to assessing and finalising the design solution for this technically challenging project, related approvals and probity of the tendering process for selection of a suitable contractor.

Improvements in governance continued to be a priority for the Committee – particularly through the work of the Audit and Risk Management Subcommittee in the preparation of new and review of existing policies and oversight of our internal audit program. Work continued on the preparation of an Environmental Sustainability and Climate Change Policy – once approved, implementation of this policy will be integrated with asset management and capital works programs as appropriate.

The Committee continued to implement elements of its Strategic Plan 2016–18 ahead of a comprehensive review foreshadowed by the new Committee for the 2018–2021 period.

Suitable property activation is developing as one of Working Heritage's main areas of focus and expertise. Identifying suitable uses and selecting tenants for particular properties requires site-specific consideration of conservation, financial return, community outcomes and other relevant matters.

I would like to thank our Executive Officer, Ross Turnbull, and the staff of Working Heritage for their dedication to and enjoyment of their roles during the year.

In accordance with the *Crown Lands (Reserves) Act 1978*, I am pleased to present Working Heritage's Annual Report for the year ending 30 June 2018.



Helen Weston

Chair, Working Heritage Incorporated Committee of Management

20 November 2018

15 Properties

9 Committee of Management Members

33 Buildings

6 Staff Members...

22 Tenants

4 Sectors:

- Arts & Culture
- Hospitality
- Community
- Commercial

\$106M
Land & Buildings

\$1.82M
Expenses in 2018

\$2.16M
Income in 2018

WHAT WE DO

INTRODUCTION

The Working Heritage Incorporated Committee of Management (Working Heritage) conserves and manages heritage properties on public land on behalf of the State of Victoria. Since its inception in 1998, Working Heritage (The Mint Inc from 1998–2015) has been appointed to manage fifteen sites across Victoria, undertaking expert conservation and adaptation works so the community can benefit from these revitalised historic buildings.

Working Heritage's Strategic Plan 2016–18 sets out its vision:

The Working Heritage portfolio will consist of historic places fostering diverse activities, used and valued by a broad range of people, communities and groups.

The unique character of our places will be protected and enhanced by any change and development.

Their history and cultural significance will be conserved and celebrated. They will be financially, environmentally and socially sustainable.

and the organisation's purpose:

Working Heritage undertakes the repurposing of redundant government assets (on Crown Land) to ensure their ongoing cultural significance and provision of community benefit through continuing use into the future. We do this by:

- *Managing our whole portfolio to retain and enhance our self-funding status*
- *Conserving historic fabric*
- *Always being open to consideration of a wide range of uses and users*
- *Always considering the social impact and potential of reuse(s)*
- *Acting from the understanding that our management practices, even though only a small portion of the historical continuum, can engender the development of new relationships to place and future significances.*

OUR RESPONSIBILITIES

The Working Heritage Committee of Management (Committee) currently has nine members appointed under the *Crown Land (Reserves) Act 1978* administered by the Department of Environment, Land, Water and Planning (DEWLP). The Committee reports to the Minister for Environment, Climate Change and Water, the Hon. Liliana D'Ambrosio MP.

The Committee has responsibility to:

- manage, improve, maintain and control the land for the purposes for which it is reserved;
- report on its finances and other issues as required by the Department;
- maintain records and administer its affairs as a public body; and
- exercise its statutory powers to carry out its duties.

STRATEGIC PLAN 2016–18

In July 2016, the Committee reviewed its Strategic Plan 2013–16 against the objectives and performance measures it set. In response to changes in its operational context and development of a new business model (2015–16), the Committee adopted a new Strategic Plan for the years 2016–18 that set the following strategic directions and objectives:

Direction	Objectives
1. Manage the portfolio to optimise financial, social and environmental outcomes.	<ul style="list-style-type: none"> • Meet budget targets for revenue and expenditure • Complete annually scheduled property improvement projects • Develop implementation plans for Jack's Magazine, Farm Vigano, Carome and the Mint
2. Define, improve and structure management resources to meet the demands of expansion and achieve measured outcomes	<ul style="list-style-type: none"> • Apply the Working Heritage business model • Develop an Environmental Sustainability and Climate Change Policy • Preparation and anticipation of VEAC recommendation (R3) being accepted by the State Government
3. Establish and build critical relationships and advocacy tools.	<ul style="list-style-type: none"> • Inform and advocate for the Working Heritage portfolio • Inform and advocate for Working Heritage properties • Research

In 2017–18 these objectives were addressed and the following outcomes achieved:

1. Property Portfolio Management

- Revenue and property management expectations were met while capital improvement project commitments were in line with budget.
- The perimeter wall of the former Royal Mint was the primary focus of the Working Heritage property improvement program in 2017–18. The structural remediation and car park improvement work is the largest capital project the Committee has undertaken since the conservation and adaptation of the former Royal Mint in 2000–2001. The project was put to tender in late 2017 with work commencing on site in March 2018 and completion projected for December 2018.

The completed project will achieve the following objectives for Working Heritage:

- ensure public safety by removing the risk of structural failure of the wall;
 - conserve the 140-year-old historic Mint site walls for future generations;
 - enable Working Heritage to continue to conserve and adapt historic properties on Crown land across the state by securing the continued productivity of its key financial asset;
 - protect the economic value of the site to the State of Victoria by enabling future development of the site within a framework of protected and conserved historic built fabric; and
 - improve public amenity and increase tree cover in the central city of Melbourne.
- In making the wall remediation project our priority, a reduced program of property improvement projects was completed in 2017–18 including:
 - Carlton Court House – access and functionality upgrade works;
 - Jack's Magazine – landscape strategy and tunnel entry conservation works;
 - Geelong Telegraph Station – stone conservation works stage 3;
 - Warracknabeal Court House – landscape works; and
 - Farm Vigano – Plenty Valley Community Health Centre car park upgrade works.

- In early 2018 Working Heritage teamed with Monash University (Monash Art, Design and Architecture) to make a joint proposal to Stage 1 of Creative Victoria's Creative Commissions grant program. The proposal sought funding to design and build a new artist residential building on the Warracknabeal Court House reserve and to run a two-year program of commissioned residencies in the facility with the Court House being adapted for use as a studio. The residence would operate as an art hotel when not in use by the commissioned artists.

2. Organisation and management

- In September 2017 the Committee of Management endorsed its Financial Governance Policy adopting the revised Standing Directions issued by the Minister for Finance in June 2016. While not required to do so under the *Financial Management Act 1994*, the Committee of Management elects to follow the Standing Directions as it seeks to achieve a high standard of financial management and accountability.
- Internal Audits were completed by HLB Mann Judd, Working Heritage's contracted internal auditor, in the following areas of operation:
 - Follow up of Agreed Actions from Prior Year Internal Audit Reports
 - Review of Accounts Payable
 - Car Park Operations
 - Standing Directions 2016
- Working Heritage recognises the importance and value of developing staff capabilities. In 2017–18, staff participated in external training in Project Management (Cert IV), Records Management (Cert IV), Crown Land Leasing and Risk Management.

3. Relationships and advocacy

- Working Heritage continues to develop its network of relationships across State and Local Government, business, the arts and community sectors.
- Executive Officer Ross Turnbull and Working Heritage staff advocated for the Working Heritage model of adaptive reuse and management of historic places via:
 - Participation in Open House Melbourne 2017 which saw the following Working Heritage properties open to the public:

- ~ Jack's Magazine with guided tours provided by Working Heritage staff
- ~ South Melbourne Temperance Hall tours hosted by Executive Officer Ross Turnbull and BalletLab Director Phillip Adams
- ~ The Royal Mint (managed by our tenant, The Hellenic Museum).
- Participation in post-graduate heritage conservation education at the University of Melbourne.
- Presenting the Working Heritage strategic approach to Jack's Magazine to the Maribyrnong Council Economic Development Committee.
- Active and increasing use of social media to build awareness of Working Heritage.

HOW WE WORK

Working Heritage aims to have a balanced and diverse portfolio of heritage properties. In managing and considering expansion of the portfolio, Working Heritage considers five interrelated outcomes:

- **Heritage** – the property is appropriately conserved and its heritage significance identified, conserved and valued;
- **Financial** – most (if not all) properties are self-supporting and, ideally, contribute to Working Heritage's income stream in order to fund conservation of further properties;
- **Adaptation** – capital expenditure on adaptation of its properties is directed to a return on investment objective (where specified) tied to a lease agreement;
- **Community** – the property is used, conserved and maintained for the local community and the people of Victoria; and
- **Sustainability** – conservation of the property is undertaken in accordance with principles of environmental sustainability.

Working Heritage adopts practices in line with the Australia ICOMOS *Charter for Places of Cultural Significance* (the **Burra Charter**). This Charter sets out a standard of practice for the conservation of places of cultural significance in Australia. The Charter is accepted by both the Victorian Government in administering the *Heritage Act 2017* and the profession in conservation practice.

OUR PORTFOLIO

The following properties made up Working Heritage's portfolio in 2017–18.

Property	Tenancy	Lease Expiry
The Former Royal Mint Site	The Mint Car Park (Working Heritage)	n/a
The Former Royal Mint Building	Ryssal-One Pty Ltd	2027
The Former Royal Mint Building	Nafsika Stamoulis Hellenic Museum Limited	2027
The North Guard House	The Mint Bar Limited	2021
Horticultural Hall	Victorian Opera	2021
Carlton Court House	La Mama Theatre	2029
Geelong Telegraph Station	Geelong Performing Arts Centre	2024
Avoca Police Residence	Neelabindu Pty Ltd	2024
Skipton Court House	Skipton Historical Society	2021
Skipton Police Residence	Skipton Historical Society	2021
Beaufort Court House	Beaufort Historical Society	2020
Drysdale Free Library and Hall	Drysdale Scouts	2019
Farm Vigano: Fairview	True Italian Pty Ltd	2032
Farm Vigano: Shed	Eric Hormann	Monthly
Farm Vigano: Orchard	Not leased	n/a
Farm Vigano: Community Centre	Plenty Valley Community Health Ltd	2031
Carome	Carome Homestead Pty Ltd	2023
Ballan Court House	Ballan Shire Historical Society	2022
Clunes School of Mines	Clunes Angling Club	2024
Warracknabeal Court House	Not leased	n/a
South Melbourne Temperance Hall	BalletLab Association Inc	2032
Jack's Magazine	Renew Initiatives Australia Ltd	2019 (licence)



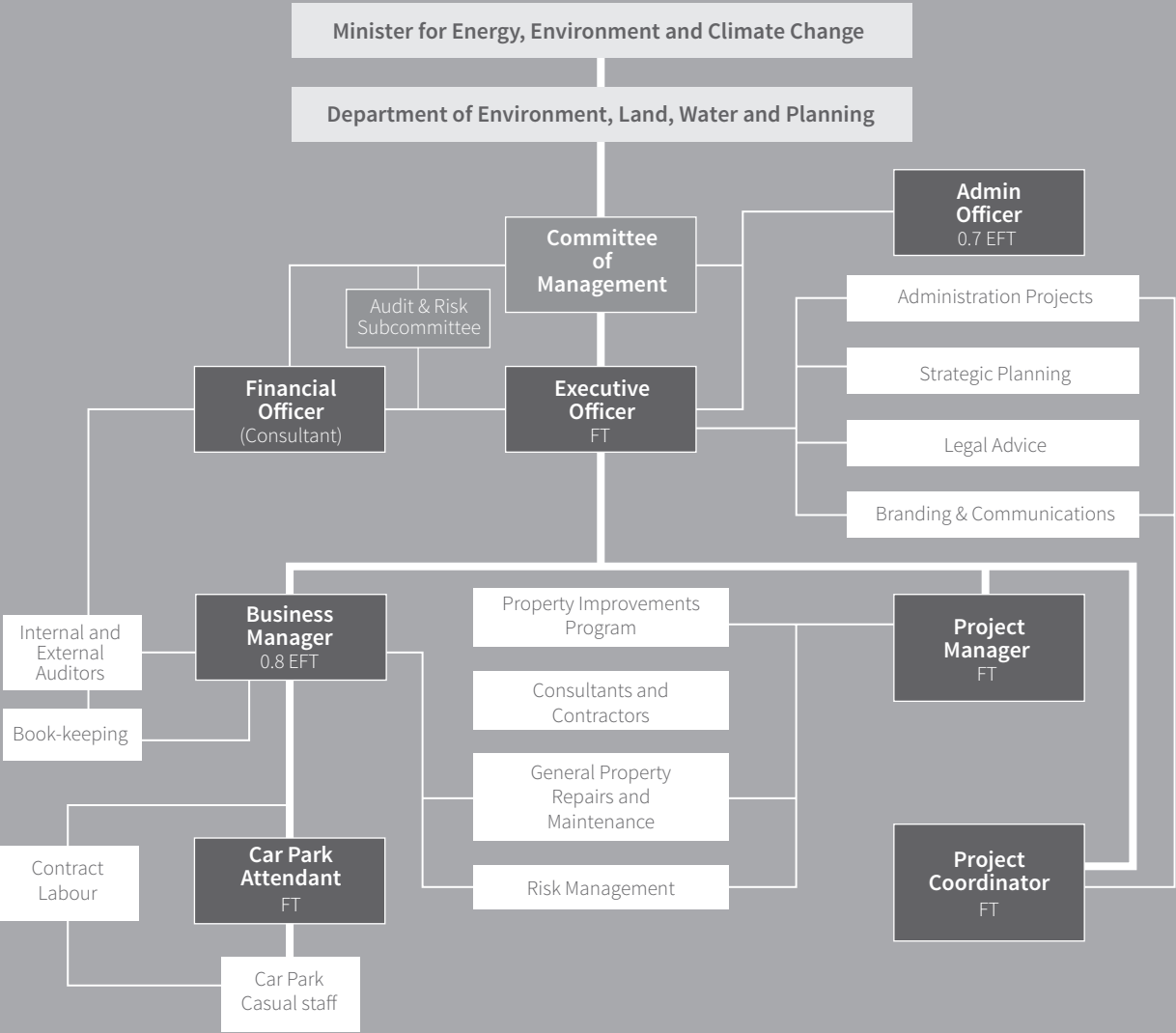
▲ DPV Health car park improvement works 2017, Farm Vigano Reserve

OUR RELATIONSHIPS

Working Heritage values its relationships with key stakeholders and works collaboratively to achieve its strategic outcomes. Our key stakeholders are:

- The Victorian Government
- The Minister for Energy, Environment and Climate Change
- Department of Environment, Land, Water and Planning
- Department of Economic Development, Jobs, Transport and Regions
- Department of Treasury and Finance:
 - Treasury Corporation of Victoria
- Heritage Victoria
- Creative Victoria
- Regional Arts Victoria
- Heritage Council of Victoria
- Victorian Environment Assessment Council
- Parks Victoria
- Registered Aboriginal Parties and other Aboriginal organisations
- Local Government:
 - City of Greater Geelong
 - City of Melbourne
 - City of Port Phillip
 - City of Whittlesea
 - Corangamite Shire Council
 - Hepburn Shire Council
 - Maribyrnong City Council
 - Moorabool Shire Council
 - Pyrenees Shire Council
 - Yarriambiack Shire Council
- Higher Education:
 - Monash Art, Design and Architecture, Monash University
 - Melbourne School of Design, University of Melbourne
 - Architecture and Urban Design, RMIT
 - School of Humanities and Social Sciences, Deakin University
- Local communities
- Our tenants
- Our suppliers
- Australia ICOMOS
- The National Trust of Australia (Victoria)
- Open House Melbourne
- Local Historical Societies

ORGANISATIONAL STRUCTURE



ORGANISATIONAL CHART

THE COMMITTEE OF MANAGEMENT

Committee of Management members are appointed for a three-year term by the Minister for Energy, Environment and Climate Change, the Hon Liliana D'Ambrosio MP (the Minister).

The Committee's three-year term expired on 31 May 2017 however, five of the members were reappointed on an ongoing basis while DELWP sought and assessed applicants for appointment to the Committee for the next three-year term. On 1 February 2018 the Minister appointed a new Committee of nine including three existing members:

Helen Weston (Chair)
Dr Timothy Hubbard
Phillip Davies

and six new members:

Kerry Anderson
Elizabeth Drozd
Haleh Homaei
Joan Ko
Adam Magennis
Borz Shahsavand

An overview of members' qualifications and experience is provided on the following pages.

Table: Committee Attendance: 1 July 2017– 30 June 2018

Committee Member	No. of eligible meetings	No. of meetings attended
Helen Weston ¹	12	12
Timothy Hubbard ¹	12	11
Phillip Davies ¹	12	10
Des Powell [^]	1	0
Lorina Nervegna [^]	8	6
Leigh Phillips [^]	8	8
Borz Shahsavand [*]	4	4
Kerry Anderson [*]	4	4
Elizabeth Drozd [*]	4	3
Haleh Homaei [*]	4	4
Joan Ko [*]	4	3
Adam Magennis [*]	4	4

¹ Committee members from CoM 2014–2018 who were reappointed to CoM 2018–2021.

[^] Committee members from CoM 2014–2018.

^{*} New Committee members of CoM 2018–2021.

The Committee is supported by an Executive Officer, Ross Turnbull, who leads the organisation.

ORGANISATIONAL EVOLUTION

Working Heritage (formerly The Mint Incorporated) was formed in 1998 to manage the Former Royal Mint site in William Street, Melbourne. Since then, the organisation has evolved to become a sustainable, professional business. With a new Committee appointed in June 2014, an inaugural Charter was developed to clarify the roles and responsibilities of the Committee and enhance its operation and decision making.

In 2017–18 Working Heritage continued to evolve through the application of its business model and further refinement of its governing policies and procedures through a process of regular internal audits conducted by HLB Mann Judd. The internal auditor reports to the Audit and Risk Management Subcommittee regarding the effectiveness of Working Heritage's documented management procedures and matters of compliance with government policies and directions.

Working Heritage's 2017–18 Annual Financial Statements were audited by bpr Audit in 2018 in accordance with the requirements of the *Public Administration Act 2004* (Section 81(1)(k)).



COMMITTEE OF MANAGEMENT AND WORKING HERITAGE EXECUTIVE OFFICER

HELEN WESTON – CHAIR

Helen is an experienced urban planner with considerable experience in statutory planning, environmental and social impact assessment and community consultation. Since 1992, she has been Director, Environmental Affairs Pty Ltd, a specialist urban and environmental planning practice.

Helen has worked on the environmental and/or social impact assessment of transport infrastructure (road, rail and airport) projects throughout Australia and has international experience in India, Vietnam, Indonesia, Kiribati and New Zealand. She also has extensive experience in the design and conduct of community consultation programs.

Helen was appointed to the Board of Parks Victoria in August 2017.

Helen is a Fellow of the Planning Institute of Australia and Certified Practicing Planner and a Member of the Environment Institute of Australia and New Zealand.

DR TIMOTHY HUBBARD

Timothy is a retired architect and planner. He completed his PhD on the Italianate villa in the colonial landscape in 2004. He was awarded the inaugural ISSI Leslie M. Perrott Travelling Fellowship in 2006 to study historic roads in the US, UK and Europe.

Before establishing his own practice in 1988, Timothy worked with the Department of Planning and the Historic Buildings Council. He has been heritage advisor to many municipalities, both metropolitan and rural.

Timothy has been a member of the Heritage Council, the Victorian Chapter of the Institute of Architects and the Australia ICOMOS Executive Committee. He continues as a member of the ICOMOS International Committee on Cultural Routes and is a sessional member of Planning Panels Victoria.

PHILLIP DAVIES

Phillip has held and continues to hold a range of senior executive management roles in both the private, legal and public sectors in Australia.

Phillip is currently Chief Executive and General Counsel of the not for profit company – Advanced Paediatric Life Support Services. He has a number of key directorships including Box Hill Institute of TAFE, Box Hill Enterprise Pty Ltd and Box Hill Institute Singapore PTE. He is a member of the Board of Trustees at the Southern Metropolitan Cemeteries Trust. Phillip is also currently Chairperson of Queen Elizabeth Centre — public hospital/community service organisation that is government owned.

He is also a long-standing member of the Board of Examiners for the Legal Profession in Victoria.

LORINA NERVEGNA

Lorina has been a registered architect in Victoria since 1993 and has expertise in design, built environment sustainability and heritage.

She has held national roles in peak industry associations (Australian Institute of Architects and the Cement and Concrete Association) and is a former board member of the Victorian Building Appeals Board. Lorina is former Director Building Policy (Victorian Government DPCD) and has consulted widely for the building and construction industry.

She is currently a sessional member of Planning Panels Victoria, an ordinary sessional member of the Victorian Civil and Administrative Tribunal and principal of her own architecture practice.



▲ BalletLab performance, South Melbourne Temperance Hall Jeff Busby



▲ South Melbourne Temperance Hall Gregory Lorrenzutti

LEIGH PHILLIPS

Leigh has over 30 years' experience with the Victorian Planning system. He has held a number of senior planning positions in various State Government departments with a particular focus on regional land use, project facilitation and management of the planning system.

His contribution to planning in Victoria has been recognised by the Victorian Planning and Environmental Law Association (VPELA) when he was presented with the 'Paul Jerome' award in 2008. He is a current member of the Victorian Coastal Council and Alpine Resorts Coordinating Council and a former member of the Central Coastal Board.

Leigh now runs his own planning consultancy business.

KERRY ANDERSON

As a small business owner and founder of the *Operation Next Gen Program*, Kerry Anderson works with rural Australian towns encouraging them to look at existing landscapes with fresh eyes to create a strong future. Committed to sharing positive stories of rural businesses, she is the author of *Entrepreneurship: It's Everybody's Business* and is frequently invited to speak at conferences and events. In 2017 Kerry was one of only two Australians invited to share best practice in building entrepreneurship ecosystems at a worldwide forum held in Kansas City, USA.

She is a long-term volunteer tour guide at Buda Historic Home & Garden in Castlemaine and a frequent visitor to heritage properties locally and across the world.

Kerry is a graduate of the Australian Company Directors Course, a current director of Castlemaine Health, and a former member of Regional Development Australia Loddon Mallee Committee.

DES POWELL AM

Des has held a range of senior executive management roles in both the private and public sectors in Australia and Asia. Des has operated his own consultancy business, Powell Management Services, since 2000 and has held a number of key appointments.

He currently is a Commissioner of the Victorian Commission for Gambling and Liquor Regulation and a Board Member of MacKillop Family Services.

Des's previous appointments include Commissioner and Deputy Chair of the National Transport Commission, Director and Deputy Chair of Port of Melbourne Corporation, Chair of Alpine Resorts Coordinating Council and Chair of Edmund Rice Education Australia.

ELIZABETH DROZD

Ms Elizabeth Drozd has been working in community services sector and local government since 1991, showing dedication to issues affecting multicultural communities, particularly in the area of migrant settlement as well as access and equity for the Victorian ethnic seniors. Ms Drozd is currently the CEO of Australian Multicultural Community Services, Board Director of Care Connect and a Chairperson of a charitable foundation for the Rotary Club of Footscray.

She was a Victorian Multicultural Commissioner between 2008–15. Community engagement, mentoring, business management and leadership are some of her key strengths. In her work-free time, she enjoys gardening, travelling, enjoying Melbourne's multicultural cuisine, and scintillating conversations with friends.

HALEH HOMAEI

Haleh Homaei is the CEO of Port Phillip Housing Association. Haleh has over 25 years of experience in housing, 12 years of which were with the Victorian Office of Housing and the rest within the Community Housing Sector.

Haleh's expertise is in the area of Social Advocacy, Strategic and Business Planning, Governance and Compliance, Leadership and stakeholder management. She has a Diploma in Social Science (Housing Management and Policy) and has is a Graduate of the Australian Institute of Company Directors (GAICD).

Haleh has been a member of the Australasian Housing Institute (AHI) since 1998 and was a Director on the National Board representing Victoria until mid- 2015. She has been a Board member of the Community Housing Federation of Victoria since 2009 and is currently serving as Chair.

ADAM MAGENNIS

Adam Magennis's career and industry experience includes the past 15 years working within the Victorian Heritage, Environmental and Communities sector within local and state government. Prior to a career in the public service, Adam's first career was in the building sector mainly a bricklayer and stone mason.

He has worked as a mason in Ontario Canada and Michigan in the US. He has qualifications as a Heritage Advisor, Archaeology (hons) 2014 and a current PhD candidature in archaeology. He enjoys investigating cultural archaeological landscapes and has a keen interest in historical brickwork, brick architecture and brick making. He has also been a professional artist for over 25 years.

JOAN KO

Joan is a Chartered Environmentalist focused on sustainability in planning and organisational strategy. Examples of her work include advising on sustainability standards for Fishermans Bend, developing the Department of Health and Human Services' first climate change adaptation action plan, and identifying circular economy opportunities for government, universities and market precincts.

Joan is Sustainability Leader for Arup in Victoria and South Australia. She currently works across Australia, New Zealand and Singapore. Joan is appointed to the Property Council of Australia's planning and infill advisory committee and is a Green Star Communities Accredited Professional.

She has previously been a Civil Engineering Teaching Fellow at Monash University and regularly provides sustainability training and coaching for government and built environment sectors.

BORZ SHAHSAVAND

Borz is the Chief Executive Officer of Sustain Group, a leading sustainability focused asset management company building and managing commercial properties. Having held senior executive positions within leading design, construction and facility management companies across Australia, he has made it his mission to leave a legacy of sustainable change in the property sector.

Borz's passion is to constantly improve on the total cost of ownership and facilitate a broader view of facility management practices that cover utilities and risk of operations.

Borz holds a Masters of Corporate Sustainability Management and undergraduate Aerospace and Mechanical engineering degrees from Monash University as well as postgraduate qualifications in contract law and project management.

ROSS TURNBULL – EXECUTIVE OFFICER

Ross has over thirty years' experience working across the fields of heritage conservation, project management and building construction in both the public and private sectors. Before joining Working Heritage, Ross worked for Root Projects Australia and the Sydney Harbour Federation Trust. He has a particular interest in cities and urbanism with a focus on how cities can conserve and adapt their historic fabric to enable the economic development and social outcomes that are critical to urban life.

Ross has degrees in architecture and heritage conservation as well as being a trade certified carpenter and joiner. He is an experienced designer, project and business manager. He initially joined the Mint Inc as Property Projects Manager in late 2013.



▲ Community consultation, Warracknabeal Court House

GOVERNANCE

As a public entity, Working Heritage is committed to good governance and includes supportive actions in its Strategic Plan, namely:

- The Committee actively manages each of the pillars of good governance: strategy and direction setting, effective relationships, risk management and integrity
- The Committee undertakes regular self-evaluation.

Working Heritage has adopted a continuous improvement approach to governance, reviewing its obligations and addressing gaps to enhance accountability.

In June 2018, the nine members of the Committee of Management and the Executive Officer participated in a Strategic Planning Workshop facilitated by Spark Strategy. The workshop saw the initial development of a strategic narrative and a set of priorities for the future direction of Working Heritage. At the end of June 2018, the organisation is at an exciting transition point with the potential to grow and increase its financial strength and positive social impact.

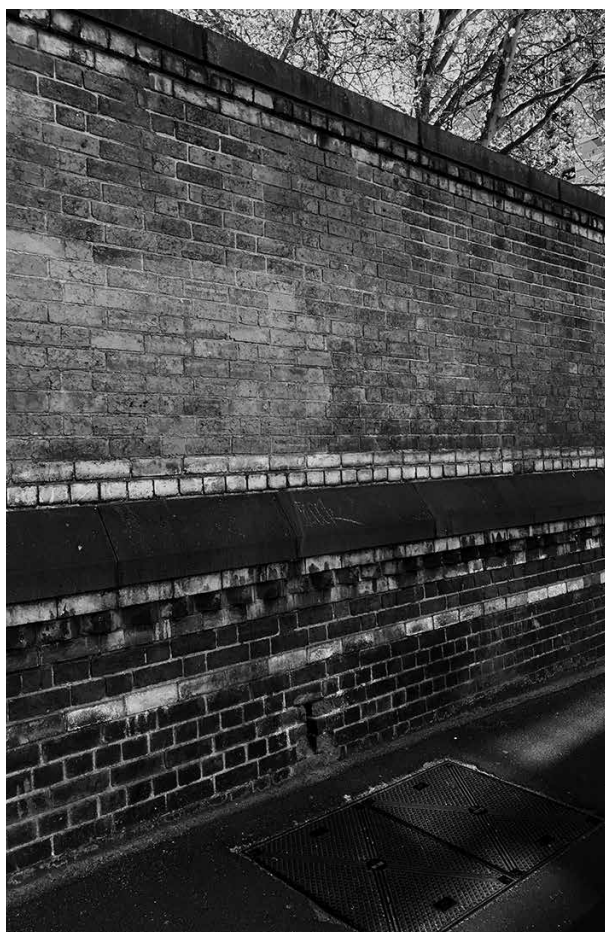
An independent Audit and Risk Management Subcommittee (ARMS) operates to assist the Committee and the organisation to fulfil governance and oversight responsibilities in:

- financial reporting;
- internal and external auditing;
- internal control systems and processes;
- risk management;
- information systems; and
- legislative and regulatory compliance.

The ARMS consists of three members, made up of two Committee of Management members and one external appointee. In 2017, the ARMS was chaired by Lorina Nervegna while the appointment of the new Committee of Management in 2018 saw Joan Ko appointed chair of the ARMS.

Table: Audit and Risk Management Subcommittee Attendance 1 July 2017– 30 June 2018

Committee Member	Eligible Meetings	Meetings Attended
Lorina Nervegna	3	2
Timothy Hubbard	4	4
Mark Anderson (external member)	4	4
Helen Weston (Committee Chair – by invitation)	4	3
Joan Ko	1	1
Kerry Anderson	1	0



► Former Royal Mint perimeter wall, Little Lonsdale Street, Melbourne

ACHIEVEMENTS IN 2017–18

BUILDING THE PROFILE OF WORKING HERITAGE

Following the change of corporate identity in 2015 from the Mint Incorporated to Working Heritage Incorporated, we have worked to raise awareness of the Committee, our properties, and our approach to the conservation and adaptation of historic places. In 2017–18 the Executive Officer and staff have delivered presentations to local Councils, community groups and university students.

Working Heritage continued its participation in Open House Melbourne and, for the first time, provided access to Jack's Powder Magazine without pre-booking on the Saturday of the Open House weekend. Just over one thousand people visited the site and it was voted into the Open House top ten sites in 2017. The South Melbourne Temperance Hall was also included in the program with tours being hosted by Executive Officer Ross Turnbull and Artistic Director of BalletLab, Phillip Adams.

PROPERTY MANAGEMENT

In 2017–18 Working Heritage conducted improvement projects at Farm Vigano, Carlton Court House, Geelong Telegraph Station, Jack's Powder Magazine and Warracknabeal Court House. A total of \$668,514 (excl. GST) was spent adapting buildings to meet the strategic goals of the organisation and conserving Victoria's historic places.

MINT WALLS STRUCTURAL REMEDIATION PROJECT

The historic masonry perimeter wall of the Mint site was built in 1870 as part of the Royal Mint complex. Over the course of its 147 years, the wall has moved slightly in response to environmental factors including changing structural loads, periods of drought and construction on adjacent sites. Working Heritage has had the wall surveyed each year since 1999 to monitor movement and manage any risk to public safety. In 2016, Working Heritage's advising structural engineer reported that:

the Walls cannot be allowed to continually move outward, as they will inevitably, at an unknown point in time, reach a dangerous state in which collapse outward onto the street footpath and onto adjoining buildings would be extremely likely.

Retention of the walls without intervention works in the long term is not considered possible.

In responding to the report in 2016–17, the Committee of Management determined that remedial measures be investigated with the intent to reduce or remove risk factors. The outcome of this process was the design and documentation of the Mint Walls Structural Remediation Project. A project team including structural, electrical, hydraulic, landscape, heritage, archaeology, environmental, traffic and cost planning consultants worked to devise a suitable solution to the risk of structural failure identified through Working Heritage's wall monitoring program. A number of design solutions were tested and a preferred solution agreed after which a permit was obtained from Heritage Victoria to undertake a \$3.9M scope of works that will protect both the safety of the public and the long-term future of the heritage wall.

In order to undertake the largest capital project the Committee has undertaken since the conservation and adaptation of the main Mint building in 2000–2001, Working Heritage sought and received a Treasurer's Guarantee for a loan from the Treasury Corporation of Victoria (TCV) to finance the construction phase of the project. Working Heritage funded the design and development phase of the project from its cash reserves and will repay the loan from TCV over a ten-year term.

In addition to addressing public safety risks and conserving significant heritage fabric, the project will deliver operational improvements to the Working Heritage commercial car park which will generate increased revenue once complete in early 2019. There will also be improvements to public amenity in the creation of a new pocket park and landscaping improvements to the site.

WARRACKNABEAL COURT HOUSE

In March 2018, the Working Heritage/Monash Art Design and Architecture 'After Warracknabeal' proposal was awarded a Creative Victoria Creative Commissions Stage 1 grant of \$20,000 to enable further development leading up to the final Stage 2 submission in May 2018. The grant enabled the team to refine the project design, have it professionally costed, conduct community and stakeholder consultations, and to produce a short film in support of the concept.

The Stage 2 submission was well received by the assessment panel and awarded a grant of \$75,000 that will be allocated to the preparation of a business plan and the conduct of a test project on site in Warracknabeal in 2019.

In developing this proposal, Working Heritage is seeking to explore and test the social and economic value to regional towns of repurposing redundant historic assets for creative, community focused activity.

CARLTON COURT HOUSE

The Carlton Court House has been a theatre venue leased and used by La Mama Theatre with great success since 2005. In 2017–18, Working Heritage undertook a program of capital works to improve the building's functionality and accessibility on its relatively small and land-locked site. Construction of a new free-standing outdoor ticket sales and bar allowed for rationalisation of space to create a new dressing room for performers, wheelchair access via the main entry, and refurbishment of the toilets and storage area. The building was a finalist in the heritage category in the Victorian Chapter of the 2018 Australian Institute of Architects Awards.

FARM VIGANÒ

The Plenty Valley Community Health Centre car park was upgraded in 2017–18 to address accessibility and safety issues for the Centre's clients, staff and visitors. The need to enable continued operation of the health facility and the Farm Vigano restaurant while undertaking the project required careful coordination and communication with all stakeholders.

JACK'S MAGAZINE

2017–18 saw Working Heritage conduct a call for Registrations of Interest (ROI) from parties interested in leasing all or part of Jack's Magazine. The ROI was advertised nationally in the print media and on line in October 2017 and a total of 18 submissions received. A second stage Request for Proposal (RFP) process will take place by invitation in 2018–19. Further preparation for long-term leasing and use of the site was undertaken in the commission of a Landscape Strategy, an Architectural Strategy and a statutory Management Plan prepared in consultation with Maribyrnong Council and Heritage Victoria.

ONGOING PROPERTY MAINTENANCE

Working Heritage carried out programmed property maintenance across all fifteen of its sites in a manner consistent with responsible property management and the Department of Treasury and Finance's Asset Management Accountability Framework.



▲ Boundary wall works, former Royal Mint

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

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 audit

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WORKING HERITAGE INC

Opinion

We have audited the financial report of Working Heritage Inc (the Entity), which comprises the balance sheet as at 30 June 2018, the comprehensive operating statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and managements' assertion statement.

In our opinion, the accompanying financial report gives a true and fair view of the financial position of the Entity as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting requirements of applicable Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Committee of Management and Those Charged with Governance for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the applicable legislation and for such internal control as management 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 Committee of Management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.



LIABILITY LIMITED BY A SCHEME
 APPROVED UNDER PROFESSIONAL
 STANDARDS LEGISLATION

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives 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 our 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.

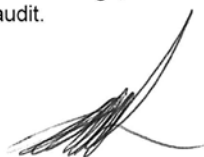
As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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 our 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 management.
- Conclude on the appropriateness of management'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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



BPR Audit Pty Ltd
(Authorised Audit Company)
Suite 16, 333 Canterbury Road
CANTERBURY VIC 3126



Bernie Rohan
Director

Dated:

23rd November 2018

HOW THIS REPORT IS STRUCTURED

Working Heritage Incorporated (Working Heritage) 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 the WH's stewardship of resources entrusted to it.

FINANCIAL STATEMENTS

- Comprehensive operating statement
- Balance sheet
- Cash flow statement
- Statement of changes in equity

NOTES TO THE FINANCIAL STATEMENTS

1. About this report

The basis on which the financial statements have been prepared and compliance with reporting regulations.

2. Funding delivery of our services

Revenue recognised from taxes, grants, sales of goods and services and other sources.

2.1 Income from transactions

2.2 Fair value of assets and services received free of charge or for nominal consideration

3. The cost of delivering services

Operating expenses of Working Heritage.

3.1 Expenses incurred in delivery of services

4. Key assets available to support service delivery

Assets, investments accounted for using the equity method, investments and other financial assets.

4.1 Total property, plant and equipment

4.2 Investments and other financial assets

5. Other assets and liabilities

Working capital balances, and other key assets and liabilities.

5.1 Receivables

5.2 Payables

6. How we financed our operations

Borrowings, cash flow information, leases and assets pledged as security.

6.1 Cash flow information and balances

6.2 Commitments for expenditure

7. Risks, contingencies and valuation judgements

Financial risk management, contingent assets and liabilities as well as fair value determination.

7.1 Financial instruments specific disclosures

7.2 Contingent assets and contingent liabilities

7.3 Fair value determination

8. Other disclosures

8.1 Other economic flows included in net result

8.2 Responsible persons

8.3 Remuneration of accountable officer

8.4 Related parties

8.5 Remuneration of auditors

8.6 Subsequent events

8.7 Australian Accounting Standards issued that are not yet effective

8.8 Glossary of technical terms

8.9 Style conventions

DECLARATION

ACCOUNTABLE OFFICER'S AND CHIEF FINANCE AND ACCOUNTING OFFICER'S DECLARATION

The attached financial statements for the Working Heritage Incorporated (Working Heritage) have been prepared in accordance with Direction 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 Committee 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 20 November 2018.



Antony Christianen
Chief Finance Officer

20 November 2018



Helen Weston
Chairperson

20 November 2018



Ross Turnbull
Executive Officer

20 November 2018

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	<i>Notes</i>	(\$) 2018	(\$) 2017
Income from transactions			
Income	2.1	2,157,551	2,297,110
Total income from transactions		2,157,551	2,297,110
Expenses from transactions			
Operational expenses	3.1	1,820,454	1,790,303
Total expenses from transactions		1,818,619	1,790,303
Net result		337,097	506,807
Comprehensive result		337,097	506,807

The accompanying notes form part of these financial statements

BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	(\$) 2018	(\$) 2017
Assets			
Financial assets			
Cash and deposits		649,537	1,720,660
Receivables	5.1	233,391	200,380
Security Deposits		7,329	7,329
Total financial assets		890,256	1,928,369
Non-financial assets			
Furniture, equipment and fit-out		33,841	36,108
Crown Land		87,749,249	81,495,630
Improvements		18,072,814	16,593,074
Total non-financial assets	4.1	105,855,904	98,124,812
Total assets		106,746,160	100,053,181
Liabilities			
Payables	5.2	56,379	67,607
Other Liabilities		72,331	62,010
Total liabilities		128,710	129,617
Net assets		106,617,450	99,923,564
Equity			
Accumulated surplus		90,699,948	90,362,851
Physical asset revaluation surplus	8.1	15,917,502	9,560,713
Net worth		106,617,450	99,923,564

The accompanying notes form part of these financial statements

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	Notes	(\$) 2018	(\$) 2017
Cash flows from operating activities			
Receipts received		2,413,273	2,560,624
Interest received		5,186	19,945
Goods and Services Tax received from the ATO (1)		(122,698)	(44,896)
Payments to suppliers and members		(1,520,131)	(1,518,387)
Net cash flows from / (used in) operating activities	6.1.1	775,630	1,017,286
Cash flows from investing activities			
Purchases of non-physical assets		(1,846,753)	(1,113,024)
Net cash flows from / (used in) investing activities		(1,846,753)	(1,113,024)
Net increase/(decrease) in cash and cash equivalents		(1,071,123)	(95,738)
Cash and cash equivalents beginning of financial year		1,720,660	1,816,398
Cash and cash equivalents at end of financial year	6.1	649,537	1,720,660

The accompanying notes form part of these financial statements

(1) Goods and Services Tax received from the Australian Taxation Office (ATO) is presented on a net basis.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

	\$)	
	Accumulated Surplus	Total
Balance as at 1 July 2016	89,856,044	89,856,044
Comprehensive result for the year	506,807	506,807
Balance as at 30 June 2017	90,362,851	90,362,851
Comprehensive result for the year	337,097	337,097
Balance as at 30 June 2018	90,699,948	90,699,948

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. ABOUT THIS REPORT

Working Heritage Incorporated is a Committee of Management and was constituted (as The Mint Incorporated) by Order in Council in March 1998 and gazetted on 5 March 1998 under the Crown Land (Reserves) Act 1978.

A description of the nature of its operations and its principal activities is included in the “Report of Operations” which does not form part of these financial statements.

The principal address is: Working Heritage Incorporated
280 Williams Street
Melbourne VIC 3000

BASIS OF PREPARATION

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

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

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

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

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

These financial statements cover Working Heritage as an individual reporting entity.

All amounts in the financial statements have been rounded to the nearest \$1 unless otherwise stated.

These financial statements have been prepared on a going concern basis.

COMPLIANCE INFORMATION

These general-purpose financial statements have been prepared in accordance with the Financial Management Act 1994 (FMA) and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 Whole of Government and General Government Sector Financial Reporting (AASB 1049).

Where appropriate, those AASs paragraphs 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

Working Heritage conserves and manages heritage properties on public land on behalf of the State of Victoria.

Whilst respecting the heritage values of the sites, Working Heritage gives properties a new lease of life for community and/or commercial use. Since its inception in 1998 (as The Mint Incorporated), Working Heritage has been appointed to manage sixteen sites across Victoria undertaking expert conservation and building works so the community can benefit from previously locked and empty buildings.

Working Heritage has a responsibility to:

- manage, improve, maintain and control the land for the purposes for which it is reserved;
- report on its finances and other issues as required by the Department;
- maintain records and administer its affairs as a public body; and
- exercise its statutory powers to carry out its duties.

Structure

2.1 Income from transactions

2.1 INCOME FROM TRANSACTIONS

	(\$) 2018	(\$) 2017
Car parking receipts	965,373	1,131,174
Rental income from properties	1,169,443	1,136,625
Interest	5,186	19,945
Other income	17,549	9,366
Total	2,157,551	2,297,110

Income is recognised to the extent it is probable the economic benefits will flow to the Working Heritage and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes.

Car Parking Receipts: Revenue is received from operating a commercial car park.

Property Income from properties: Revenue is received from leasing properties.

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

Other income: Revenue is received from sales of assets, hiring of venues and grant funding.

3. THE COST OF DELIVERING SERVICES

Introduction

This section provides an account of the expenses incurred by Working Heritage 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

3.1.1 Operating expenses

3.1.2 Employee benefits in the comprehensive operating statement

3.1.3 Employee benefits in the balance sheet

3.1.4 Superannuation contributions

3.1 EXPENSES INCURRED IN DELIVERY OF SERVICES

	(\$) 2018	(\$) 2017
Operating expenses	1,286,670	1,277,900
Employee benefit expenses	533,785	512,403
Total expenses incurred in delivery of services	1,820,454	1,790,303

3.1.1 OPERATING EXPENSES

	(\$) 2018	(\$) 2017
Administration expenses	62,575	53,513
Audit fees	9,135	18,500
Bank charges	1,122	1,224
Car Parking expenses	261,002	310,423
Committee expenses	52,799	39,277
Depreciation expenses	472,450	430,726
External Finance/Internal Audit fees	55,050	54,500
Property outgoings	223,724	228,489
Property and Administration Improvements	148,813	141,248
Total other operating expenses	1,286,670	1,277,900

3.1.2 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

	(\$) 2018	(\$) 2017
<i>Salaries and wages, annual leave and long service leave</i>	491,921	463,347
Defined contribution plans	41,864	49,056
Total employee expenses	533,785	512,403

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

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. Working Heritage does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

3.1.3 EMPLOYEE BENEFITS IN THE BALANCE SHEET

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	(\$) 2018	(\$) 2017
Current provisions:		
<i>Annual leave</i>		
Unconditional and expected to settle within 12 months	8,618	11,192
<i>Long service leave</i>		
Unconditional and expected to settle within 12 months	3,248	2,413
<i>Provisions for on costs</i>		
Unconditional and expected to settle within 12 months	1,315	915
Total current provisions for employee benefits	13,181	14,520
Non current provisions:		
Employee benefits	23,499	19,721
On costs	2,716	2,563
Total non current provisions for employee benefits	26,215	22,284
Total provisions for employee benefits	39,396	36,804
Reconciliation of movement in on-cost provision		
		(\$) 2018
Opening balance		36,804
Additional provisions recognised		2,592
Closing balance		39,396
Current		13,181
Non current		26,215

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

The liability for salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As Working Heritage 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 Working Heritage 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 Comprehensive Operating Statement as it is taken.

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

Unconditional LSL is disclosed as a current liability even where the organisation 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 Working Heritage expects to wholly settle within 12 months; or
- present value – if Working Heritage does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an ‘other economic flow’ in the net result.

3.1.4 SUPERANNUATION CONTRIBUTIONS

Employees and Committee members of the Working Heritage are entitled to receive superannuation benefits paid to defined contribution plans.

	(\$)		(\$)	
	Paid contribution for the year		Contribution outstanding at year end	
	2018	2017	2018	2017
Defined contribution plans				
VicSuper	6,937	13,886	0	0
Other	34,927	35,170	0	0
Total	41,864	49,056	0	0

4. KEY ASSETS AVAILABLE TO SUPPORT SERVICE DELIVERY

Introduction

Working Heritage controls property, plant and equipment and other investments that are utilised in fulfilling its objectives and conducting its activities. They represent the key resources that have been entrusted to Working Heritage to be utilised for delivery of its objectives and activities.

Significant judgement: Classification of investments as “Key Assets”

Working Heritage has made the judgement that investments are key assets utilised to support the Working Heritage’s objectives and outputs.

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.

Structure

- 4.1 Non-Financial assets: carrying amount
 - 4.1.1 Depreciation and impairment
 - 4.1.2 Carrying values by ‘purpose’ groups
 - 4.1.3 Reconciliation of movements in carrying amount of non-financial assets
- 4.2 Investments and other financial assets
 - 4.2.1 Ageing analysis of investments and other financial assets

4.1 TOTAL NON-FINANCIAL ASSETS: CARRYING AMOUNT

	(\$)					
	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2018	2017	2018	2017	2018	2017
Furniture, equipment and fit-out	61,144	57,120	(27,303)	(21,012)	33,841	36,108
Crown Land at fair value	87,749,249	81,495,630	0	(0)	87,749,249	81,495,630
Improvements at fair value	18,963,315	17,017,416	(890,501)	(424,342)	18,072,814	16,593,074
Net carrying amount	106,773,708	98,570,166	(917,804)	(445,354)	105,855,904	98,124,812

Initial recognition: Items of furniture, equipment and fit-out, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

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

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

Heritage assets and infrastructure are valued using the depreciated replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. However, for some heritage and iconic assets, the cost may be the reproduction cost rather than the replacement cost if those assets' service potential could only be replaced by reproducing them with the same materials.

4.1.1 DEPRECIATION AND IMPAIRMENT

Charge for the period

	(\$)	
	2018	2017
Furniture, equipment and fit out	6,291	6,384
Improvements	466,159	424,342
Total depreciation	472,450	430,726

All infrastructure assets, buildings, furniture, equipment and fit out and other non-financial physical assets that have finite useful lives, are depreciated.

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.

Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	(years)
	Useful life
Improvements	30 to 100
Furniture, equipment and fit-out	3 to 10

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

In the event of the loss or destruction 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).

Impairment: Non-financial assets, including items of furniture, equipment and fit out are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their 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 it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

4.1.2 CARRYING VALUES BY 'PURPOSE' GROUPS

	(\$)			
	Public safety and environment		Total	
	2018	2017	2018	2017
Nature based classification				
Furniture, equipment and fit out at fair value	33,841	36,108	33,841	36,108
Land at fair value	87,749,249	81,495,630	87,749,249	81,495,630
Improvements at fair value	18,072,814	16,593,074	18,072,814	16,593,074
Net carrying amount	105,855,904	98,124,812	105,855,904	98,124,812

4.1.3 RECONCILIATION OF MOVEMENTS IN CARRYING AMOUNT OF NON-FINANCIAL ASSETS

	Land at fair value		Improvements at fair value		Furniture, equipment and fit-out at fair value		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Opening balance	81,495,630	72,142,350	16,593,074	15,705,000	36,108	34,451	98,124,812	87,881,801
Revaluations	6,253,619	9,353,280	103,170	207,433	0	0	6,356,789	9,560,713
Improvements/acquisitions	0	0	1,842,729	1,104,983	4,024	8,040	1,846,753	1,113,023
Depreciation	0	(0)	(466,160)	(424,342)	(6,291)	(6,383)	(472,451)	(430,725)
Closing balance	87,749,249	81,495,630	18,072,813	16,593,074	33,841	36,108	105,855,903	98,124,812

Note: Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that movements were not material (less than or equal to 10 per cent) to justify a full revaluation. The next scheduled full revaluation for this purpose group will be conducted in 2018/2019.

4.2 INVESTMENTS AND OTHER FINANCIAL ASSETS

	(\$) 2018	(\$) 2017
Current investments and other financial assets		
Bank deposits	399,059	1,470,183
Term deposits (i)	250,478	250,478
Total current investments and other financial assets	649,537	1,720,661

Note: Term deposits under 'investments and other financial assets' class include only term deposits with maturity greater than 90 days.

4.2.1 AGEING ANALYSIS OF INVESTMENTS AND OTHER FINANCIAL ASSETS

			(\$)			
			Past due but not impaired			
	Carrying amount	Not past due and not impaired	1 month	1-3 months	3 months -1 year	1-5 years
2018						
Bank deposits	399,059	399,059				
Term deposits	250,478	250,478	-	-	-	-
Total	649,537	649,537	-	-	-	-
2017						
Bank deposits	1,470,183	1,470,183				
Term deposits	250,478	250,478	-	-	-	-
Total	1,720,661	1,720,661	-	-	-	-

5. OTHER ASSETS AND LIABILITIES

Introduction

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

Structure

- 5.1 Receivables
 - 5.1.1 Ageing analysis of contractual receivables
- 5.2 Payables
 - 5.2.1 Maturity analysis of contractual payables

5.1 RECEIVABLES

	(\$) 2018	(\$) 2017
Contractual		
Sale of goods and services	109,207	136,160
Statutory		
GST input tax credit recoverable	124,184	64,220
Total receivables	233,391	200,380
<i>Represented by:</i>		
Current receivables	233,391	200,380

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 do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments.

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 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

	(\$)		Past due but not impaired			
	Carrying amount	Not past due and not impaired	Less than 1 month	1–3 months	3 months – 1 year	1–5 years
2018						
Sale of goods and services	109,207	109,207	0	0	0	0
Total	109,207	109,207	0	0	0	0
2017						
Sale of goods and services	136,160	136,160	0	0	0	0
Total	136,160	136,160	0	0	0	0

No interest is charged for the first 30 days from the invoice date. The average credit period for sales of goods/services and for other receivables is 30 days. There are no material financial assets that are individually determined to be impaired.

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

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.

5.2 PAYABLES

	(\$) 2018	(\$) 2017
Contractual		
Supplies and services	9,000	8,250
Statutory		
GST payable	47,379	59,357
Total payables	56,379	67,607
<i>Represented by:</i>		
Current payables	56,379	67,607

Payables consist of:

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

Payables for supplies and services have an average credit period is 30 days. The terms and conditions of amounts payable to the government and agencies vary according to the particular agreements and as they are not legislative payables, they are not classified as financial instruments.

In the determination of fair value, consideration is given to factors including the overall capital management/prudential supervision framework in operation, the protection provided by the State Government by way of funding should the probability of default increase, probability of default by the guaranteed party and the likely loss to Working Heritage in the event of default.

5.2.1 MATURITY ANALYSIS OF CONTRACTUAL PAYABLES

		(\$)					
		Maturity dates					
	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months -1 year	1-5 years	5+ years
2018							
Supplies and services	9,000	9,000	0	9,000	0	0	0
Total	9,000	9,000	0	9,000	0	0	0
2017							
Supplies and services	8,250	8,250	0	8,250	0	0	0
Total	8,250	8,250	0	8,250	0	0	0

6. HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on the sources of finance utilised by Working Heritage during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of

Working Heritage.

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

Structure

6.1 Cash flow information and balances

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

6.2 Commitments for expenditure

6.2.1 Total commitments payable

6.1 CASH FLOW INFORMATION AND BALANCES

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

For cash flow statement presentation purposes, cash and cash equivalents are indicated below.

	(\$) 2018	(\$) 2017
Total cash and deposits disclosed in the balance sheet	649,537	1,720,661
Balance as per cash flow statement	649,537	1,720,661

6.1.1 RECONCILIATION OF NET RESULT FOR THE PERIOD TO CASH FLOW FROM OPERATING ACTIVITIES

	(\$) 2018	(\$) 2017
Net result for the period	337,099	506,807
Non cash movements:		
Depreciation of plant and equipment	472,450	430,726
Movements in assets and liabilities:		
Increase/decrease in receivables	(33,011)	62,025
Increase/decrease in payables	(11,229)	3,728
Increase/decrease in other liabilities	10,321	14,001
Net cash flows from / (used in) operating activities	775,630	1,017,287

6.2 COMMITMENTS FOR EXPENDITURE

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

6.2.1 TOTAL COMMITMENTS PAYABLE

Nominal Amounts: 2018

	(\$)			
	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Commitments payable	2,450,861	0	0	2,450,861
Total commitments (inclusive of GST)	2,450,861	0	0	2,450,861
Less GST recoverable from the Australian Tax Office				(222,806)
Total commitments (exclusive of GST)				2,228,055

Nominal Amounts: 2017

	(\$)			
	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Commitments payable	645,458	0	0	645,458
Total commitments (inclusive of GST)	645,458	0	0	645,458
Less GST recoverable from the Australian Tax Office				(58,678)
Total commitments (exclusive of GST)				586,780

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

Working Heritage 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 Working Heritage related mainly to fair value determination.

Structure

- 7.1 Financial instruments specific disclosures
 - 7.1.1 Financial instruments: Categorisation
 - 7.1.2 Financial risk management: objectives and policies
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination
 - 7.3.1 Fair value determination: financial assets and liabilities
 - 7.3.2 Fair value determination: Non-financial physical assets

7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. After initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). Working Heritage recognises the following assets in this category:

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

Financial instrument assets are designated at fair value through profit or loss on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows. Working Heritage does not have debt securities in this category.

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method. Working Heritage recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

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

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

Financial instrument assets that meet the definition of loans and receivables may be reclassified out of the fair value through profit and loss category into the loans and receivables category, where they would have met the definition of loans and receivables had they not been required to be classified as fair value through profit and loss. In these cases, the financial instrument assets may be reclassified out of the fair value through profit and loss category, if there is the intention and ability to hold them for the foreseeable future or until maturity.

7.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION

	(\$)		
	Contractual financial assets – loans and receivables and cash	Contractual financial liabilities at amortised cost	Total
2018			
Contractual financial assets			
Cash and deposits	649,537	0	649,537
Receivables⁽ⁱ⁾			
Sale of goods and services	109,207	0	109,207
Total contractual financial assets	758,744	0	758,744
Contractual financial liabilities			
Payables⁽ⁱ⁾			
Supplies and services	0	9,000	9,000
Total contractual financial liabilities	0	9,000	9,000

Note:

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

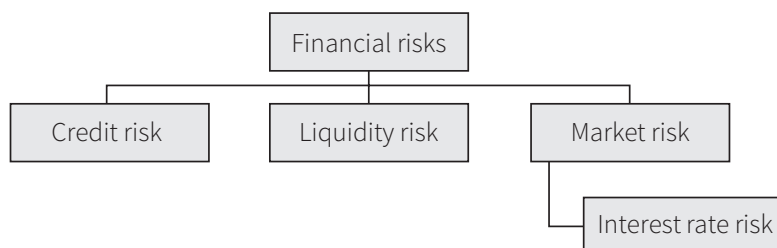
	(\$)		
	Contractual financial assets – loans and receivables and cash	Contractual financial liabilities at amortised cost	Total
2017			
Contractual financial assets			
Cash and deposits	1,720,661	0	1,720,661
Receivables⁽ⁱ⁾			
Sale of goods and services	136,160	0	136,160
Total contractual financial assets	1,856,821	0	1,856,821
Contractual financial liabilities			
Payables⁽ⁱ⁾			
Supplies and services	0	8,250	8,250
Total contractual financial liabilities	0	8,250	8,250

Note:

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

7.1.2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Working Heritage is exposed to a number of financial risks, including:



As a whole, Working Heritage’s financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 7.3.

The main purpose in holding financial instruments is to prudentially manage Working Heritage’s financial risks within the government policy parameters.

Working Heritage’s main financial risks include credit risk, liquidity risk, and interest rate risk. Working Heritage manages these financial risks in accordance with its financial risk management policy.

Working Heritage 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 Audit and Risk Management Subcommittee of Working Heritage.

7.1.2.1 FINANCIAL INSTRUMENTS: CREDIT RISK

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Working Heritage’s exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Working Heritage. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with Working Heritage’s contractual financial assets is minimal because the main debtor is an approved deposit institution. For debtors other than the Government, it is Working Heritage’s policy to only deal with entities payable in advance and to obtain sufficient guarantees or security deposits, where appropriate.

In relation to cash and deposits Working Heritage’s policy is to only deal with approved deposit institutions.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that Working Heritage will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

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

There has been no material change to the Working Heritage’s credit risk profile in 2017–18.

Credit quality of contractual financial assets that are neither past due nor impaired ⁽ⁱ⁾

	(\$)			
	Financial institutions	Government agencies	Other	Total
2018				
Cash and deposits	649,537	0	0	649,537
Receivables	0	8,340	100,867	109,207
Total contractual financial assets	649,537	8,340	100,867	758,744
2017				
Cash and deposits	1,720,661	0	0	1,720,661
Receivables	0	5,100	131,060	136,160
Total contractual financial assets	1,720,661	5,100	131,060	1,856,821

Note:

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

7.1.2.2 FINANCIAL INSTRUMENTS: LIQUIDITY RISK

Liquidity risk arises from being unable to meet financial obligations as they fall due. Working Heritage operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

Working Heritage is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. Working Heritage manages its liquidity risk by:

- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial markets; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

Working Heritage'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 liquidation of available for sale financial investments.

7.1.2.3 FINANCIAL INSTRUMENTS: MARKET RISK

Working Heritage's exposures to market risk are primarily through interest rate risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Sensitivity disclosure analysis and assumptions

Working Heritage's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding five-year period, with all variables other than the primary risk variable held constant. Working Heritage's fund managers cannot be expected to predict movements in market rates and prices. Sensitivity analyses shown are for illustrative purposes only.

The following movements are 'reasonably possible' over the next 12 months a movement of 100 basis points up and down (100 basis points up and down) in market interest rates (AUD) and the tables that follow show the impact on Working Heritage's net result and equity for each category of financial instrument held by Working Heritage at the end of the reporting period, if the above movements were to occur.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Working Heritage does not hold any interest-bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Working Heritage has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts that are at floating rate.

Working Heritage manages this risk by mainly undertaking fixed rate or non-interest-bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Working Heritage has concluded for cash at bank and bank overdraft, as financial assets that can be left at floating rate without necessarily exposing the Working Heritage to significant bad risk, management monitors movement in interest rates on a daily basis.

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

7.1.2.3 FINANCIAL INSTRUMENTS: MARKET RISK

Interest rate exposure of financial instruments

(\$)					
2018	Weighted average interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non interest bearing
Financial assets					
Cash and deposits	1.23%	649,537	250,477	399,060	0
Receivables ⁽ⁱ⁾					
Sale of goods and services		109,207	0	0	109,207
Total financial assets		758,744	250,477	399,060	109,207
Financial liabilities					
Payables ⁽ⁱ⁾					
Supplies and services		9,000	0	0	9,000
Total financial liabilities		9,000	0	0	9,000

Note:

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

Interest rate exposure of financial instruments

(\$)					
2017	Weighted average interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non interest bearing
Financial assets					
Cash and deposits	1.93%	1,720,661	250,477	1,470,184	0
Receivables ⁽ⁱⁱ⁾					
Sale of goods and services		136,160	0	0	136,160
Total financial assets		1,856,821	250,477	1,470,184	136,160
Financial liabilities					
Payables ⁽ⁱⁱ⁾					
Supplies and services		8,250	0	0	8,250
Total financial liabilities		8,250	0	0	8,250

Note:

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

Interest rate risk sensitivity

(\$)					
	Carrying amount	100 basis points		+100 basis points	
		Net result	Available for sale revaluation surplus	Net result	Available for sale revaluation surplus
2018					
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾	649,537	(6,495)	0	0	0
Total impact	649,537	(6,495)	0	0	0
2017					
Contractual financial assets					
Cash and deposits ⁽ⁱ⁾	1,720,661	(17,207)	0	0	0
Total impact	1,720,661	(17,207)	0	0	0

Note:

(i) Cash and deposits include a deposit of \$649,537 (2017: \$1,720,661) that is exposed to floating rates movements. Sensitivities to these movements are calculated as follows: 2018: $\$649,537 \times 0.01 = \$6,495$; and 2017: $\$1,720,661 \times 0.01 = \$17,207$.

7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets

Working Heritage has no contingent assets (2017: \$Nil)

Contingent liabilities

Working Heritage has no contingent liabilities (2017: \$Nil)

7.3 FAIR VALUE DETERMINATION

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

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through operating result; and
- Land, buildings, infrastructure, plant and equipment.

In addition, the fair values of other assets and liabilities which are carried at amortised cost, also need to be determined for disclosure purposes.

Working Heritage 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.

Working Heritage 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.

How this section is structured?

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

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

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

7.3.1 FAIR VALUE DETERMINATION OF FINANCIAL ASSETS AND LIABILITIES

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

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

Working Heritage currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2017–17 reporting period.

These financial instruments include:

<i>Financial assets</i>	<i>Financial liabilities</i>
Cash and deposits	Payables:
• Receivables:	• For supplies and services
• Sale of goods and services	• Other payables
• Other receivables	
Investments and other contractual financial assets	
• Term deposits	

7.3.2 FAIR VALUE DETERMINATION: NON-FINANCIAL ASSETS

Fair value measurement hierarchy

	Carrying amount as at 30 June 2018	(\$)		
		Fair value measurement at end of re-orting period using:		
		Level 1	Level 2 ⁽ⁱ⁾	Level 3
2018				
Furniture, equipment and fit-out	33,841	0	33,841	0
Crown Land	87,749,249	0	87,749,249	0
Improvements	18,072,814	0	18,072,814	0
Total of non-financial assets at fair value	105,855,904	0	105,855,904	0

Note:

(i) Classified in accordance with the fair value hierarchy see note 7.3.1

		(\$)		
		Fair value measurement at end of reporting period using:		
2017	Carrying amount as at 30 June 2017	Level	Level 2 ⁽ⁱ⁾	Level 3
Furniture, equipment and fit-out	36,108	0	36,108	0
Crown Land	81,495,630	0	81,495,630	0
Improvements	16,593,074	0	16,593,074	0
Total of non-financial assets at fair value	98,124,812	0	98,124,812	0

Note:

(i) Classified in accordance with the fair value hierarchy see note 7.3.1

There were no changes in valuation techniques throughout the period to 30 June 2018.

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

8. OTHER DISCLOSURES

Introduction

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

Structure

- 8.1 Reserves
- 8.2 Responsible persons
- 8.3 Remuneration of accountable officer
- 8.4 Related parties
- 8.5 Remuneration of auditors
- 8.6 Subsequent events
- 8.7 Australian Accounting Standards issued that are not yet effective
- 8.8 Glossary of technical terms
- 8.9 Style conventions

8.1 RESERVES

	(\$)	(\$)
	2018	2017
Physical asset revaluation surplus ^(a)		
Balance at beginning of financial year	9,560,713	0
Revaluation increments/(decrements)	6,356,789	9,560,713
Balance at end of financial year	15,917,502	9,560,713
Net changes in reserves	6,356,789	9,560,713

Note:

(a) The physical assets revaluation surplus arises on the revaluation of land and improvements.

8.2 RESPONSIBLE PERSONS

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

Names

The persons who held the positions of Ministers and Responsible Officers in Working Heritage are as follows:

- Minister for Energy, Environment and Climate Change | The Hon Lily D'Ambrosio MP | 1 July 2017 to 30 June 2018 |

The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 and is reported within the Department of Parliamentary Services' Financial Report.

The persons who held the positions of Responsible Officers in Working Heritage are as follows:

Name	Position	Period
Ms Helen Weston	Committee Chairperson	1 July 2017 to 30 June 2018
Dr Timothy Hubbard	Committee member	1 July 2017 to 30 June 2018
Mr Phillip Davies	Committee member	1 July 2017 to 30 June 2018
Mr Adam Magennis	Committee member	1 February 2018 to 30 June 2018
Mr Borz Shahsavand	Committee member	1 February 2018 to 30 June 2018
Ms Elizabeth Drozd	Committee member	1 February 2018 to 30 June 2018
Ms Haleh Homaei	Committee member	1 February 2018 to 30 June 2018
Ms Joan Ko	Committee member	1 February 2018 to 30 June 2018
Ms Kerry Anderson	Committee member	1 February 2018 to 30 June 2018
Mr Des Powell	Committee member	1 July 2017 to 28 July 2017
Mr Leigh Phillips	Committee member	1 July 2017 to 31 January 2018
Ms Lorina Nervegna	Committee member	1 July 2017 to 31 January 2018

Band Range	Total number	
	2018	2017
\$0–\$9,999	12	6
Total	12	6
Total remuneration	34,957	26,352

8.3 REMUNERATION OF ACCOUNTABLE OFFICER

The executive officer is the accountable officer and the remuneration of the accountable officer including superannuation is shown as the total annualised employee equivalents and provides a measure of full time equivalent accountable officers over the reporting period.

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

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

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

Remuneration	Total remuneration (\$)	
	2018	2017
Short-term employee benefits	143,865	129,385
Post-employment benefits	8,252	16,900
Total remuneration	152,117	146,285
Total number of accountable officers	1	1
Total annualised employee equivalents⁽ⁱ⁾	1	1

Note:

(i) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

8.4 RELATED PARTIES

The WH is a wholly owned and controlled entity of the State of Victoria.

Related parties of Working Heritage include:

- all key management personnel and their close family members;
- 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.

Significant transactions with government-related entities

Working Heritage received funding from:

Attorney General	\$7,650	(2017: \$30,727)
Court Services Victoria	\$7,650	(2017: \$10,509)
Department of Justice and Regulation	\$20,310	(2017: \$8,509)
Land Victoria	\$13,520	(2017: \$147,491)
Plenty Valley Community Health	\$97,104	(2017: \$43,380)

During the year, Working Heritage had the following government-related entity transactions:

Department of Land, Water and Planning	\$0	(2017: \$2,250)
State Revenue Office	\$165,600	(2017: \$213,980)
Victorian Auditor General's Office	\$0	(2017: \$11,000)
Victorian Government Solicitors Office	\$24,478	(2017: \$10,083)

Key management personnel (KMP) of Working Heritage include the Portfolio Minister, Committee members and the Executive Officer. The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1968 is reported within the Department of Parliamentary Services' Financial Report.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories. Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services. Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased. Other long-term benefits include long service leave, other long service benefits or deferred compensation.

	2018	2017
Short-term benefits ^(a)	177,129	155,737
Post-employment benefits	9,945	17,881
Total^(b)	187,074	173,618

Notes:

(a) Total remuneration paid to KMPs including those employed as a contractor during the reporting period through an external service provider has been reported under short-term employee benefits.

(b) Note that KMPs are also reported in the disclosure of remuneration of accountable officer (Note 8.3).

Transactions with key management personnel and other related parties

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes 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 Working Heritage and related party transactions previously disclosed, there were no related party transactions that were attributed to key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.5 REMUNERATION OF AUDITORS

	(\$)	
	2018	2017
Audit or review of the financial statements	9,000	18,500
Total remuneration of auditors	9,000	18,500

8.6 SUBSEQUENT EVENTS

Working Heritage is not aware of any subsequent events that have occurred after the reporting period and before authorisation of the financial statements.

8.7 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 30 June 2018 reporting period. DTF assesses the impact of all these new standards and advises the Working Heritage of their applicability and early adoption where applicable.

The following AASs become effective for reporting periods commencing after the operative dates stated:

Standard/ Interpretation ¹	Summary	Applicable for annual reporting periods beginning on:	Impact on public sector entity financial statements
AASB 2014-1 <i>Amendments to Australian Accounting Standards [Part E Financial Instruments]</i>	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018, and to amend reduced disclosure requirements.	1 Jan 2018	This amending standard will defer the application period of AASB 9 to the 2018–19 reporting period in accordance with the transition requirements. No impact on Working Heritage.
AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 Jan 2018	The assessment has indicated that there will be no significant impact for Working Heritage.
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	1 Jan 2018	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. As Working Heritage invoice car park fees in advance there will be no significant impact on Working Heritage.
AASB 2014-5 <i>Amendments to Australian Accounting Standards arising from AASB 15</i>	Amends the measurement of trade receivables and the recognition of dividends as follows: Trade receivables that do not have a significant financing component, are to be measured at their transaction price, at initial recognition. Dividends are recognised in the profit and loss only when: i) the entity's right to receive payment of the dividend is established; ii) it is probable that the economic benefits associated with the dividend will flow to the entity; and iii) the amount can be measured reliably.	1 Jan 2018, except amendments to AASB 9 (Dec 2009) and AASB 9 (Dec 2010) apply from 1 Jan 2018	The assessment has indicated that there will be no significant impact for Working Heritage.

Standard/ Interpretation ¹	Summary	Applicable for annual reporting periods beginning on:	Impact on public sector entity financial statements
AASB 2015-8 <i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 for for-profit entities to the 2018–19 reporting period in accordance with the transition requirements.
AASB 2016-7 <i>Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities</i>	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019–20 reporting period.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	<p>The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability.</p> <p>In the operating statement, the operating lease expense will be replaced by depreciation expense of the asset and an interest charge.</p> <p>There will be no change for lessors as the classification of operating and finance leases remains unchanged.</p> <p>The assessment has indicated that there will be no significant impact for Working Heritage.</p>

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2017–2018 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2017–6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts

Notes:

1. For the current year, given the number of consequential amendments to AASB 9 Financial Instruments and AASB 15 Revenue from Contracts with Customers, the standards/interpretations have been grouped together to provide a more relevant view of the upcoming changes.

8.8 GLOSSARY OF TECHNICAL TERMS

The following is a summary of the major technical terms used in this report.

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

Comprehensive result is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

Current grants are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

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

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

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 is any asset that is:

- (a) cash;
- (b) an equity instrument of another entity;
- (c) a contractual right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- (d) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial liability is any liability that is:

- (a) a contractual obligation:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) a contract that will or may be settled in the entity's own equity instruments and is:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements in the Model Report comprises:

- (a) a balance sheet as at the end of the period;
- (b) a comprehensive operating statement for the period;
- (c) a statement of changes in equity for the period;
- (d) a cash flow statement for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grant expenses and other transfers are transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

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

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of finance lease repayments, and amortisation of discounts or premiums in relation to borrowings.

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

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

Net acquisition of non-financial assets (from transactions) are purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net financial liabilities are calculated as liabilities less financial assets, other than equity in public non-financial corporations (PNFC) and public financial corporations (PFC). This measure is broader than net debt as it includes significant liabilities, other than borrowings (e.g. accrued employee liabilities such as superannuation and long service leave entitlements). For the PNFC and PFC sectors, it is equal to negative net financial worth.

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net lending/borrowing is the financing requirement of government, calculated as the net operating balance less the net acquisition of non-financial assets. It also equals transactions in financial assets less transactions in liabilities. A positive result reflects a net lending position and a negative result reflects a net borrowing position.

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

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those classified as ‘other non-owner movements in equity’.

Net worth is calculated as assets less liabilities, which is an economic measure of wealth.

Non-financial assets are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.

Operating result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as ‘other non-owner movements in equity’. Refer also ‘net result’.

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

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

Receivables include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

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 the Department.

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 into 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

8.9 STYLE CONVENTIONS

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

0	zero, or rounded to zero
(xxx)	negative numbers
201x	year period
201x 201x	year period

The financial statements and notes are presented based on the illustration for a government department in the 2017–2018 Model Report for Victorian Government Departments. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of Working Heritage’s annual reports.



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