

Working
Heritage

ANNUAL REPORT

2019–2020



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Front cover: **Jack's Magazine**

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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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CHAIR'S REPORT

The year 2019–20 for Working Heritage was characterised by eight months of business as usual then, like the rest of Australia, we were hit suddenly by the impacts of the Covid-19 pandemic manifesting across all sectors of our operations in mid- to late-March 2020.

Consistent with our Strategy Plan 2018–2021, some of the positive highlights of this year to mid-March 2020 included:

- continuing work towards substantial activation of Jack's Magazine through the lease process with our first major tenant (Ausmose) and commissioning of a major services upgrade to facilitate the eventual occupation by tenants;
- undertaking substantial upgrade works at the Warracknabeal Court House to achieve access and services improvements to enable the implementation of the pilot Artists in Residence program in conjunction with Monash University and Yarriambiack Shire Council supported by a grant from Creative Victoria.
- automating the car park at the rear of the former Royal Mint was achieved in February which allowed 24/7 operation and collection of parking charges;
- lodging of a comprehensive expression of interest to take on the management of the former Kyneton State School;
- achieving comprehensive and robust governance through the bi-monthly Committee meetings supported by meetings of the Audit and Risk Subcommittee, the Jack's Magazine leasing Subcommittee and the Mint Project control group;
- extending and strengthening our interactions and involvements with a wide range of stakeholders.

The virtual overnight shutdown in mid /late March 2020 of business, community services and social activities as well almost every other facet of normal life in Victoria required some rapid responses from Working Heritage in relation to its staff and tenants in particular.

The main impacts to Working Heritage of the Covid-19 pandemic as a result of implementation of the Chief Health Officer's directions during the latter third of the financial year were:

- a large reduction to our income stream particularly from our hospitality and arts sector tenants who had

to shut businesses for extended periods with only limited operations permissible at some properties. Through the Executive Officer, negotiations for rent reductions in accordance with State Government guidelines were undertaken and agreed with our key tenants.

- the very quick and efficient pivot of our staff to working from home arrangements in late March. This arrangement – with its mix of benefits and challenges – continued through to the end of the financial year and is likely to be in place for the foreseeable future;
- the flexibility provided by our automated, open air car park at the rear of the former Royal Mint site in William Street to provide safe parking for 'essential services' workers in particular at the Magistrates Courts and workers on nearby construction sites;
- the responsiveness of our governance arrangements to deal with these challenging circumstances – in particular through weekly then fortnightly 'check-in' remote meetings of the Audit and Risk Management Subcommittee to oversee critical issues including cash flow dynamics, revised budget scenarios, deferral of some planned capital works, and issues related to staff, tenants and other stakeholders.

As indicated in our financial statements, our strong cash holdings at the start of this year enabled Working Heritage to weather the impacts of the Covid pandemic on our cash flow, to continue and complete our committed major and minor construction and servicing projects uninterrupted, to maintain all staff at their previous working arrangements, and to record a small positive financial outcome at the end of the year.

On behalf of the Committee, I wish to express my sincere appreciation to our Executive Officer, Ross Turnbull and all our committed staff who pivoted very quickly and efficiently to working from home in late March in accordance with the Chief Health Officer's directions.

I would also like to pay particular tribute to our long-serving car park attendant, Sam Barotta, who left Working Heritage in February after 20 years of dedicated service as the cheerful and attentive face of the car park for all of our regular parkers along with our many casual parkers. The Committee wished Sam all the best for his future career endeavours.

In conclusion, I would like to thank the supportive and responsive Committee of Management members who have brought considerable intellectual and practical skills to bear in dealing with the strategic and other challenges presented by this most unusual of years. The Committee extends its appreciation of the on-going support of our Minister, Hon Lily D'Ambrosio MP and advice from relevant staff in her office and in the Department of Environment, Land, Water and Planning.

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 2020.

A handwritten signature in black ink, reading "Helen Weston", followed by a long, sweeping diagonal line that extends to the right.

Helen Weston
Chair, Working Heritage Incorporated
Committee of Management
20 October 2020

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 (known as The Mint Inc from 1998–2015) has been appointed to manage sixteen sites across Victoria, undertaking expert conservation and adaptation works so the community can benefit from these revitalised historic buildings and sites.

OUR RESPONSIBILITIES

The Working Heritage Committee of Management (Committee) 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. Lily 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 2018–21

In 2018 the Committee of Management adopted a new three year Strategic Plan that sets out the following priorities:

1. Government Relations

Transition from Committee of Management to a Trust for Public Heritage with a capital fund and secure income to fund operations.

2. Financial Health

Match our growth trajectory with appropriate financial resources.

3. Awareness and Influence.

Working Heritage is recognised as a leader in adaptive reuse of heritage buildings.

4. Enhanced Asset Utilisation and Culture of Innovation

Our portfolio of properties is, as a whole, in use by the community and environmentally, socially and financially sustainable.

5. Positive Social Impact

To deliver discernible and measurable community benefits overall and at a property specific level.

IMPLEMENTATION OF THE STRATEGIC PLAN DURING 2019–20

At the beginning of 2019–20, the Committee looked to progress key elements of the Strategic Plan through planned capital works projects and strategic planning activities focussed on the former Royal Mint Site. The year ended with the Committee and the Audit and Risk Subcommittee working closely with management responding to the significant and unpredicted effects of the Coronavirus pandemic on the organisation's operations and finances.

Working Heritage's operations and strategic outlook were severely tested in the latter part of 2019–20 with adverse impacts on its car park and leasing income that called for immediate and close review of operational and capital expenditure. The Audit and Risk Management Subcommittee have met fortnightly through the period April – June to assist management in key income management matters such as car park pricing and rent relief negotiations with our key tenants. Close attention to these matters has allowed

- ◀ Façade restoration works to South Melbourne Temperance Hall

Working Heritage to continue key elements of its capital program, stabilise car park income, and maintain all of its tenancies by careful application of rent relief. Working Heritage qualified for the Commonwealth Government's JobKeeper subsidy which has been valuable in enabling the organisation to retain all of its staff.

1. PROPERTY PORTFOLIO MANAGEMENT

Mint Car Park operation and automation:

The Mint site car park has been a key source of Committee income since inception in 1998. As part of our strategy to improve the organisation's financial health, automation of the car park and the shift to 24 hour all year round operation was achieved this year.

Prior to the emergence of the Coronavirus pandemic, automation implemented from 1 February 2020 had successfully delivered increased parking patronage and income. However, the "work from home" direction in late March saw our car park income drop by 75% over a two week period. In response, a \$20 per day flat rate was introduced for casual parking customers and an agreement was negotiated with Court Services Victoria to provide car park access passes that would allow essential workers in the justice system to drive to work and park in the Mint Car Park.

These two measures had the effect of stabilising income at approximately 70–75% of pre-pandemic levels and provided valuable cashflow into the business in a difficult period.



Leasing activities:

Leasing income is normally regular and consistent from year to year, however the Covid-19 pandemic saw the Commonwealth, and then the State Government, issue guidelines for provision of rent relief for tenants in commercial leases. The impact on Working Heritage's finance was such that income from rents was down by 78% in the April–June quarter.

The guidelines required that rent relief be negotiated with each individual qualifying lessee. Management were able to complete this undertaking through April and May with the Audit and Risk Management Subcommittee providing oversight and review of rental waivers. Working Heritage took the decision that it would offer waivers only, rather than deferrals that would have ongoing impact on the viability of lessees' businesses were they to emerge from the Covid-19 pandemic carrying rental debt.

Capital Works:

The Committee's planned capital works program for 2019–20 included one significantly large project at Jack's Magazine, a mid-sized project at the Warracknabeal Court House and a number of smaller projects at other sites.

When the impact of the Covid-19 pandemic became apparent in late March 2020, the Committee reviewed its finances and capital works program and determined that the projects at Jack's Magazine and Warracknabeal should proceed on the basis that they were important steps in the reactivation of these two sites. The smaller projects were put on hold until further notice to preserve cash reserves in the face of unforeseeable conditions impacting Working Heritage's income in the remainder of 2020.

The reactivation of Jack's Magazine took a major step forward in 2019–20 with the first stage of services infrastructure works commencing on the site. New electrical, fire, hydraulic and communications services have been designed to enable the use of this significant heritage site for a range of business and community uses. Umow Lai were engaged in 2019 as lead engineers and, following an open public tender, in late 2019 McCorkell Constructions were contracted to undertake the works commencing in February 2020. The impact of the Covid-19 pandemic on Working Heritage's income and cashflow led the Committee to review its commitment to the project in March 2020.

◀ Mint Car Park

The Committee determined that the works should go ahead on the basis that, in addition to the project being a critical investment in the future of a key property, it was also important to support government efforts to keep the construction industry operating and employing people. The works were affected by lockdown measures but the contractor was able to complete the project within budget.

In the Wimmera town of Warracknabeal, Working Heritage tendered and awarded a contract for Stage 1 of the court house upgrade works in early 2020. The works were able to proceed with Covid-safe procedures in place and were undertaken by a regionally based building contractor. When complete, the court house will have DDA-compliant amenities, a new front entrance with ramp access, structural repairs and an electrical upgrade.

2. ORGANISATION AND MANAGEMENT

Notable organisational initiatives in 2019–20 include:

- The engagement of a human resources consultant to undertake a review of the organisation's staff capabilities and needs. The review made recommendations that would see Working Heritage increase its capability to deliver its strategic objectives. However, due to the Covid-19 pandemic, the Committee has put a pause on implementation of the recommendations until the organisation's income returns to a level able to sustain employment of additional staff.
- Working Heritage made a submission in June 2020 to DELWP's call for Expressions of Interest to manage and activate the former Kyneton Primary School site.
- Internal Audits were completed by Working Heritage's contracted internal auditor HLB Mann Judd, in the following areas of operation:
 - Records Management
 - Cyber Risk
 - Standing Directions 2016 (Year 3)
- No adverse finding were recorded in any of the resulting reports.
- Working Heritage recognises the importance and value of developing staff capabilities. In 2019–20, staff participated in external training in:
 - Authentic Leadership (Australia and New Zealand School Of Government)
 - Creative and Cultural Futures (University of Canberra)

- Working Heritage took on a student intern from the University of Melbourne's post-graduate Cultural Heritage Masters program. The intern worked on the development of interpretation material for the former Royal Mint site and for Jack's Magazine.

3. RELATIONSHIPS AND ADVOCACY

- Working Heritage continues to develop its network of relationships across State and Local Government as well as the business, heritage professional, 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 2019 with Jack's Magazine opened to the public without restriction on the number of entrants to the site. Working Heritage added food trucks, market stalls and information panels to engage visitors as they waited to take tours or just enjoy the day out. Over 1,160 people attended a very successful event.
 - Participation in post-graduate heritage conservation education at the University of Melbourne.
 - Active and increasing use of social media to build awareness of Working Heritage and its operations.



Detail of facade restoration works,
South Melbourne Temperance Hall ►



▲ Open House Melbourne 2019, Jack's Magazine, Maribyrnong

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:

- 1) **Heritage** – the property is appropriately conserved and its heritage significance identified, conserved and valued;
- 2) **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;
- 3) **Adaptation** – capital expenditure on adaptation of its properties is directed to a return on investment objective (where specified) tied to a lease agreement;
- 4) **Community** – the property is used, conserved and maintained for the local community and the people of Victoria; and
- 5) **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.



▲ Stone Façade detail, Geelong Telegraph Station



▲ Former School of Mines, Clunes



▲ Orchard, Farm Vigano, South Morang



▲ Mernda Community Garden at Carome

38
Buildings

16
Properties

25
Tenants

9 Committee of
Management Members

6 Staff
Members

4
Sectors
Community
Commercial
Culture & Arts
Hospitality

\$2.1M
Expenses in 2019-20
(Including depreciation)

\$1.9M
Income in 2019-20

\$250K
Rent Relief
April - June 2020

\$129M
Land & Buildings

OUR PORTFOLIO

Table 1: The following properties made up Working Heritage's portfolio in 2019–20.

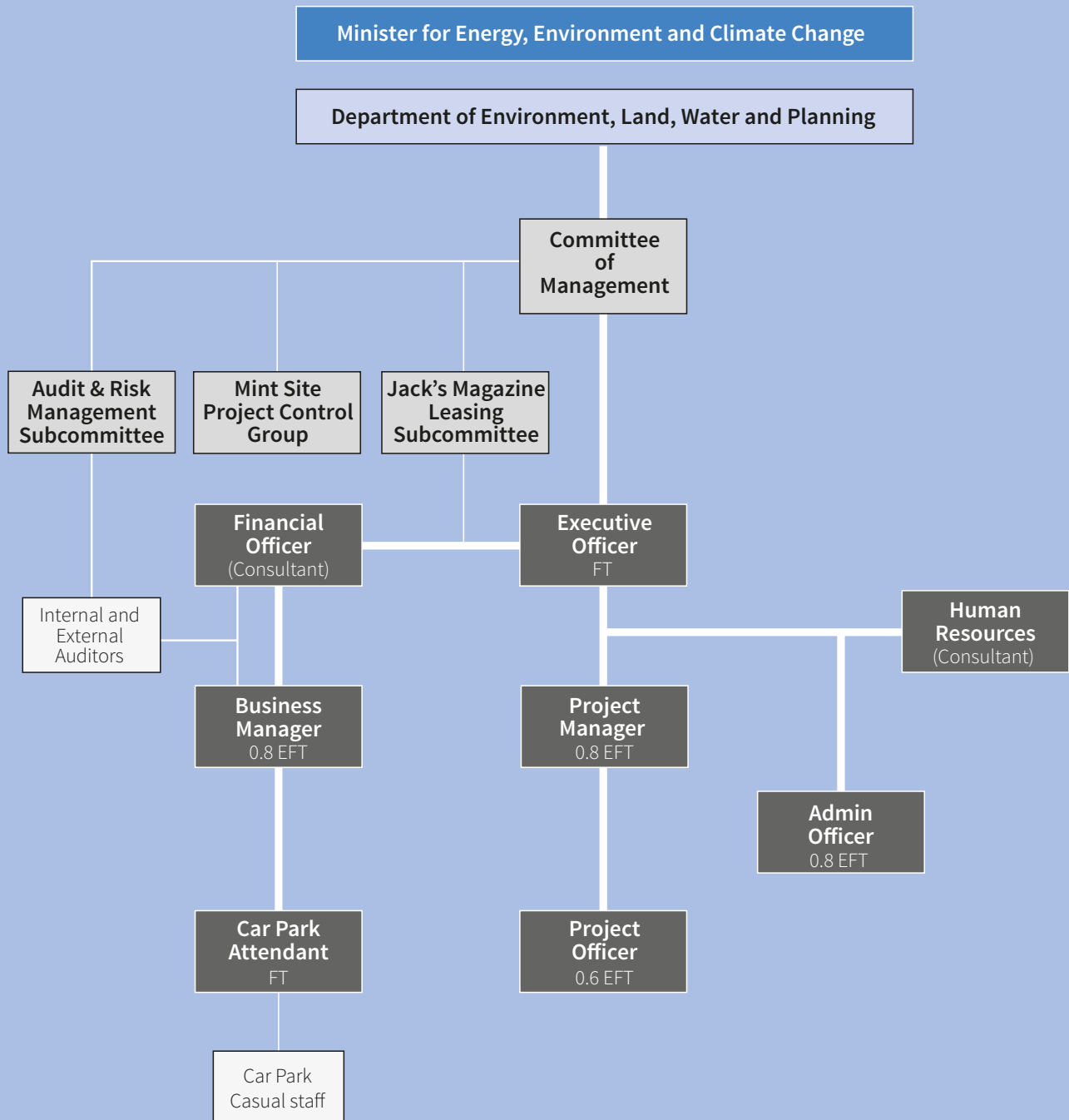
Property	Tenant	Primary Function	Lease Expiry
Former Royal Mint Site: Car Park	Working Heritage	Commercial Car Park	n/a
Former Royal Mint Site: Main Building	Stamoulis Property Group	Offices	2027
	Nafsika Stamoulis Hellenic Museum	Museum	2027
Former Royal Mint Site: North Guard House	The Mint Bar Limited	Bar and Restaurant	2021
Former Royal Mint Site: South Guard House	Working Heritage	Office	n/a
Horticultural Hall	Victorian Opera	Rehearsals and Offices	2021
Carlton Court House	La Mama Theatre	Performances and rehearsals	2032
Geelong Telegraph Station	Geelong Performing Arts Centre	Arts administration	2024
Avoca Police Residence	Neelabindu	Residence	2024
Skipton Court House	Skipton Historical Society	Museum display	2021
Skipton Police Residence	Skipton Historical Society	Museum display	2021
Beaufort Court House	Beaufort Historical Society	Meetings and displays	2020
Drysdale Free Library and Hall	Drysdale Scouts	Scout meetings, community sports and activities, gift shop	2019
Farm Vigano: Fairview	True Italian	Restaurant and function centre	2032
Farm Vigano: Shed	Hormayr Building	Workshop and store	Monthly
Farm Vigano: Cottage	Not leased		n/a
Farm Vigano: Community Centre	Dianella Plenty Valley Community Health Ltd	Community health centre	2031
Carome	Two Beans and a Farm	Restaurant	2023
	Mernda Community Garden at Carome	Community Garden	2027
Ballan Court House	Ballan Shire Historical Society	Meetings and displays	2022
Clunes School of Mines	Clunes Angling Club	Meetings	2024
Warracknabeal Court House	Not leased		n/a
South Melbourne Temperance Hall	BalletLab Association	Offices, rehearsal and performance space, accommodation	2032
Jack's Magazine	Various licensees	Offices, workshops and studios	2019
Daylesford Court House	Daylesford Neighbourhood Centre	Office, meetings, workshops and studio	Monthly

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
- ResArtis
- Heritage Council of Victoria
- Victorian Environment Assessment Council
- Parks Victoria
- Registered Aboriginal Parties and other Aboriginal organisations
- Our tenants
- 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 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 membership in 2019–20 was:

Helen Weston (Chair)
Kerry Anderson
Phillip Davies
Elizabeth Drozd
Haleh Homaei
Dr Timothy Hubbard
Joan Ko
Adam Magennis
Borz Shahsavand

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

Table 2: Committee Attendance: 1 July 2019– 30 June 2020

Committee Member	No. of Eligible Meetings	No. of Meetings Attended
Helen Weston	7	7
Kerry Anderson	7	7
Phillip Davies	7	6
Elizabeth Drozd	7	7
Haleh Homaei	7	5
Timothy Hubbard	7	7
Joan Ko	7	7
Adam Magennis	7	0
Borz Shahsavand	7	5

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

ORGANISATIONAL EVOLUTION

The current Committee of nine members was appointed for a three year term by the Minister for Environment, Energy and Climate Change, Lily D'Ambrosio MP in 2018. The Committee meets on six scheduled occasions each year while three subcommittees – Audit and Risk Management, Leasing and the Mint Site Project Control Group – meet bimonthly and report to the Committee.

The movement to online platforms for meetings in response to the Covid-19 pandemic has enabled the Committee to respond quickly and effectively to the unique challenges that have arisen in 2020. This change, adopted as a matter of necessity by governments and businesses across the world has had positive benefits for Working Heritage enabling Committee members to maintain connection and involvement regardless of location. The ability to participate in meetings and decision making without having to be in the same place at the same time will open the opportunity for membership of future Committees to a greater diversity of applicants.



▲ Former Police Residence, Daylesford

Portico Detail, former Beaufort Court House Andrew Curtis ►



COMMITTEE OF MANAGEMENT AND WORKING HERITAGE EXECUTIVE OFFICER

HELEN WESTON – CHAIR

Helen is a retired urban planner with extensive experience in statutory planning, environmental and social impact assessment and community consultation.

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. She chairs the Board's Planning Project and Asset Management Committee and is a member of the People and Safety, Conservation and Science, and Commercial Business and Engagement Committees.

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 take control of their own future by looking at existing landscapes with fresh eyes. Committed to sharing positive stories of rural businesses and communities, she is the author of *Entrepreneurship: It's Everybody's Business* and frequently speaks at national and international conferences and events. As part of her work she facilitates important community conversations with a rural emphasis.

In 2018 Kerry was named as one of Australia's Top 50 Regional Agents-of-Change and awarded the Regional Innovation Ecosystem Leadership Award.

A graduate of the Australian Company Directors Course, Kerry serves on the Board of Castlemaine Health and is a volunteer tour guide at Buda Historic Home & Garden in Castlemaine.

PHILLIP DAVIES

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

Phillip is currently Chief Executive and National Ombudsman of a not for profit company, Tolling Customer Ombudsman Ltd. He has a number of key directorships including Box Hill Institute of TAFE, Kew East Financial Services Ltd and CBLA. He is also a member of the Board of Trustees at the Southern Metropolitan Cemeteries Trust.

Phil is a member of a number of Commonwealth and State dispute, disciplinary and professional standards tribunals.

ELIZABETH DROZD

Elizabeth Drozd has been working in community services sector and local government since 1991. 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 from 2008 to 2015.

Community engagement, mentoring, business management and leadership are some of her key strengths.

In 2019, she was awarded a scholarship by the Harvard Club of Victoria to participate in the prestigious Strategic Perspectives in Non-profit Management at the Harvard Business School in Boston, USA.

HALEH HOMAEI

Haleh Homaei is the CEO of HousingFirst. Haleh has over 27 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 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 served as Chair from 2016–19. Haleh has also been a Board member of ASRC since 2018.

JOAN KO

Joan is a Chartered Environmentalist focused on sustainability in strategy and planning. She is a senior leader in Arup's consulting services and is also appointed to the Victorian Government's Sustainability Fund Committee.

Joan specialises in leading multidisciplinary teams that work across environment and economics. Examples of her work include advising policymakers on the role of infrastructure in resilient communities, helping organisations transition towards a circular economy, and identifying barriers and drivers for net zero emissions precincts in Australia.

At Working Heritage, Joan chairs the Audit and Risk Management Subcommittee. She is active in embedding sustainability and climate change resilience into Working Heritage's strategic agenda.

DR TIMOTHY HUBBARD

Timothy is a retired architect and planner. 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. Alone and with others, he has authored some thirty major reports and studies.

With the support of the Daryl Lindsay Scholarship and the Marten Bequest he was the Australian nominee to ICCROM in Rome for 1986. With the assistance of a Deakin University Scholarship, he completed his PhD 'Towering Over All, 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.

Timothy has been a member of the Heritage Council of Victoria, of the Executive Council of the Victorian Chapter of the Australian Institute of Architects and of the Australia ICOMOS Executive Committee. He continues as a member of the ICOMOS International Scientific Committee on Cultural Routes, with a special interest in air routes as cultural routes, and is a sessional member of Planning Panels Victoria.

ADAM MAGENNIS

Adam Magennis career includes 17 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 Victorian building sector as a qualified bricklayer and stone mason. He has also worked as a mason in Ontario Canada, Michigan U.S.A., New South Wales and South Australia.

Adam is a qualified archaeologist, Archaeology (Honours) 2014 La Trobe University and is undertaking a current PhD candidature in archaeology.

He enjoys coastal fossicking, investigating cultural archaeological landscapes, plays super rules footy with Peninsula Raiders and has a keen interest in historical brickwork, brick architecture and brick making. Adam has also been a professional artist for over 25 years and is director of Kaptify.

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, 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 architecture, heritage conservation, project management and building construction in both the public and private sectors. As Executive Officer at Working Heritage, Ross has embedded a new business model focused on social, financial and environmental sustainability; implemented improvements to organizational governance; and is working to establish an Artist-In-Residence program as a means to revitalise redundant government assets with heritage significance.

Before joining Working Heritage, Ross worked on nationally and internationally significance heritage places with Root Projects Australia and at 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 has been part of Working Heritage since late 2013.



▲ Former Police Residence and Lock-up, Avoca



TELEGRAPH STATION

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.

The Committee undertakes training to improve both its collective capability and the skills of individual members.

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

SUBCOMMITTEES

Three subcommittees have been constituted to advise the Committee on areas of strategic and operational importance. The subcommittees are able to examine their particular specialised area of responsibility in depth and report back to the Committee with recommendations for action. In 2019–20, the following subcommittees met every second month:

- Audit and Risk
- Jack's Magazine Leasing
- Mint Site PCG.

The 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 four members, made up of three Committee of Management members and one external appointee. In 2019–20, the ARMS was chaired by Joan Ko.

Table 3: Audit and Risk Management Subcommittee (ARMS) attendance, 1 July 2019 – 30 June 2020

ARMS Member	Eligible Meetings*	Meetings Attended*
Joan Ko (ARMS Chair)	7	7
Timothy Hubbard	7	7
Kerry Anderson	7	7
Mark Anderson (external member)	7	6

* From March 2020 onwards, the ARMS convened on a fortnightly basis to review ongoing issues associated with the Covid-19 pandemic.

The Jack's Magazine Leasing Subcommittee was convened to oversee the process of leasing the buildings and land at Jack's Magazine. The property is Working Heritage's largest and has 13 historic buildings available for lease. The Subcommittee has been delegated a role in assessing proposals for use and development, and makes recommendations to the Committee regarding leasing of land and buildings within Jack's Magazine.

Membership of the Jack's Magazine Leasing Subcommittee comprises Borz Shahsavand, Helen Weston, Elizabeth Drozd, Kerry Anderson, Dr Timothy Hubbard, Phillip Davies and Adam Magennis.

The Mint Site Project Control Group (PCG) was convened in July 2017 during the design phase of the Mint Walls Structural Remediation project to oversee the design, tendering, cost and delivery of the \$3.9M project. Following completion of the work early in 2019, the subcommittee's role has shifted to the subsequent automation of the Mint Car Park and consideration of the future of the Mint Car Park as a development site.

Membership of the Mint Site PCG in 2019–20 is as follows: Phillip Davies, Helen Weston, Dr Timothy Hubbard, Adam Magennis and Kerry Anderson.

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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 2020 in the following structure, to provide users with the information about the resources entrusted to it.

FINANCIAL STATEMENTS

- Comprehensive Operating Statement
- Balance Sheet
- Cash Flow Statement
- Statement of Changes in Equity

NOTES TO THE FINANCIAL STATEMENTS

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8.7 Australian Accounting Standards issued that are not yet effective

8.8 Glossary of technical terms

8.9 Style conventions

DECLARATION

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

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and financial position of the Committee at 30 June 2020.

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

We authorise the attached financial statements for issue on 20 October 2020.



Antony Christianen
Chief Finance Officer
20 October 2020



Helen Weston
Chairperson
20 October 2020



Ross Turnbull
Executive Officer
20 October 2020

INDEPENDENT AUDITOR'S REPORT

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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 2020, the comprehensive operating statement, statement of changes in equity and cash flow statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies and declaration in the financial statements.

In our opinion, the accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2020 and of its financial performance and its cash flows for the year ended; and
- (ii) complying with financial reporting requirements of part 7 of the Financial Management Act 1994 and 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.

Emphasis of Matter – Impact of Covid-19

We draw attention to Note 1 to the financial report, which describes the basis of preparation of the financial report, including management's current understanding of the impact of global Covid-19 pandemic and the related social distancing measures put in place by the State Government in March 2020 and July 2020 to the operations of Working Heritage Inc. The note discloses the key management assumptions to reach the conclusion that the impact of the pandemic on the Entity is manageable and the going concern basis of accounting is still appropriate. Our opinion is not modified in respect of this matter.

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.



Bernie Rohan
Director

BPR Audit Pty Ltd
(Authorised Audit Company)
Reg. No. 311673
G03, 12-14 Cato Street
Hawthorn East VIC 3123

Dated: Oct 22, 2020

COMPREHENSIVE OPERATING STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

		2020 (\$)	2019 (\$)
CONTINUING OPERATIONS	<i>Notes</i>		
Income from transactions:			
Income	2.1	1,930,591	1,998,753
Total income from transactions		1,930,591	1,998,753
Expenses from transactions:			
Employee expenses	3.1.1	587,436	552,125
Other operating expenses	3.2	778,724	928,482
Depreciation	4.1.1	688,882	518,912
Interest expense	6.1.1	66,783	33,690
Total expenses from transactions		2,121,826	2,033,208
Net result from transactions (net operating balance)		(191,235)	(34,455)
Net result		(34,455)	337,097
Comprehensive result		(34,455)	337,097

The accompanying notes form part of these financial statements

BALANCE SHEET

AS AT 30 JUNE 2020

	Notes	2019 (\$)	2018 (\$)
ASSETS:			
Financial assets			
Cash and deposits		1,185,992	1,923,494
Receivables	5.1	202,149	149,626
Security Deposits		7,329	7,329
Total financial assets		1,395,470	2,080,449
Non-financial assets:			
Furniture, equipment and fit-out		23,674	28,280
Crown Land		105,497,569	98,681,930
Improvements		23,227,012	22,688,333
Total non-financial assets	4.1	128,748,255	121,398,543
Total Assets		130,143,725	123,478,992
LIABILITIES:			
Payables	5.2	71,316	65,329
Other Liabilities		102,775	91,356
Borrowings	6.1	2,969,358	3,274,836
Total Liabilities		3,143,449	3,431,521
Net Assets		127,000,275	120,047,471
EQUITY:			
Accumulated surplus		91,562,357	90,665,493
Physical asset revaluation surplus	8.1	35,437,918	29,381,979
Net Worth		127,000,275	120,047,471

The accompanying notes form part of these financial statements

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Notes	2020 (\$)	2019 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts			
Receipts received		1,920,404	1,979,917
Goods and Services Tax received from the ATO (a)		–	105,629
Interest received		7,099	5,123
Total Receipts		1,927,503	2,090,669
PAYMENTS:			
Payments to suppliers and employees		(1,292,422)	(1,460,783)
Goods and Services Tax paid to the ATO (a)		(105,767)	–
Interest and other costs of finance paid		(66,783)	(33,690)
Total Payments		(1,464,972)	(1,494,473)
Net cash flows from / (used in) operating activities	6.3.1	462,531	596,196
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of non-physical assets		(894,555)	(2,597,074)
Net cash flows from / (used in) investing activities		(894,555)	(2,597,074)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:			
		(737,502)	1,273,957
Cash and cash equivalents beginning of financial year		1,923,494	649,537
Cash and cash equivalents at end of financial year	6.3	1,185,993	1,923,494

The accompanying notes form part of these financial statements

(a) 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 2020

	Physical asset revaluation surplus (\$)	Accumulated Surplus (\$)	Total (\$)
Balance as at 1 July 2018	15,917,502	90,699,947	106,617,450
Net result for the year	13,464,476	(34,455)	13,464,476
Balance as at 30 June 2019	29,381,979	90,665,947	120,047,471
Net result for the year	–	896,865	896,865
Transfer to accumulated surplus	6,055,939	–	6,055,939
Balance as at 30 June 2020	35,437,918	91,562,357	127,000,275

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

NOTE 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

1.1 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 Australian Accounting Standards (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.

1.2 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.

NOTE 2: FUNDING DELIVERY OF OUR SERVICES

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

To enable Working Heritage to fulfil its objectives, it receives income from property and car park operations.

Working Heritage also received funding from the Government under the COVID-19 rebate arrangements.

2.1 SUMMARY OF INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

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

Table 2.1 Income from Transactions

INCOME TRANSACTION CATEGORIES:	2020 (\$)	2019 (\$)
a) Rental income from properties	1,025,909	1,214,542
b) Car parking receipts	866,775	776,849
c) Other income	30,808	2,239
d) Interest	7,099	5,123
Total	1,930,591	1,998,753

Notes:

- a) **Property Income from properties:** Revenue is received from leasing properties.
- b) **Car parking receipts:** Revenue is received from operating a commercial car park.
- c) **Other income:** Revenue is received from Government for COVID-19 related rebates.
- d) **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.

NOTE 3: THE COST OF DELIVERING SERVICES

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

3.1 EXPENSES INCURRED IN THE DELIVERY OF SERVICES

Table 3.1a: Expenses incurred in the delivery of services

EXPENSES:	Note	2020 (\$)	2019 (\$)
Employee benefit expenses	3.1.1	587,436	552,125
Other operating expenses	3.2	778,724	928,482
Total expenses incurred in delivery of services		1,366,160	1,480,606

3.1.1 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENTS

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

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when Working Heritage is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Table 3.1.1a: Employee benefits in the comprehensive operating statement

EMPLOYEE BENEFITS:	2020 (\$)	2019 (\$)
Salaries and wages, annual leave and long service leave	537,893	503,191
Defined contribution plans	49,543	48,934
Total employee expenses	587,436	552,125

3.1.2 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.

Table 3.1.2a: Employee benefits in the balance sheet

	2020 (\$)	2019 (\$)
EMPLOYEE BENEFITS:		
Current provisions		
Annual leave (unconditional and expected to settle within 12 months)	11,640	9,406
Long-service leave (unconditional and expected to settle within 12 months)	–	19,961
On costs (unconditional and expected to settle within 12 months)	1,327	4,655
Total current provisions for employee benefits	12,967	34,023
Non current provisions		
Employee benefits	24,188	7,439
On costs	2,757	1,972
Total non current provisions for employee benefits	26,945	9,412
Total provisions for employee benefits	39,913	43,435

3.1.3 RECONCILIATION OF MOVEMENT IN ON-COST PROVISION

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: 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 Long-Service Leave (LSL) is disclosed as a current liability; even where Working Heritage 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 Long-Service Leave (LSL) is disclosed as a non-current liability. There is a conditional 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 ‘other economic flow’ in the net result.

Table 3.1.3a: Reconciliation of movement in on-cost provision

RECONCILIATION OF MOVEMENT IN ON-COST PROVISION:	2020 (\$)
Opening balance	6,628
Additional provisions recognised	592
Reductions arising from payments	(3,135)
Closing balance	4,084
Current	1,327
Non current	2,757

3.1.4 SUPERANNUATION CONTRIBUTIONS

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

Table 3.1.4: Superannuation contributions

SUPERANNUATION CONTRIBUTIONS:	Paid contribution for the year		Contribution outstanding at year end	
	2020 (\$)	2019 (\$)	2020 (\$)	2019 (\$)
Defined contribution plans				
VicSuper	7,551	7,551	0	0
Other	55,096	41,383	0	0
Total	62,646	48,934	0	0

3.2 OTHER OPERATING EXPENSES

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes bad debts expense.

Table 3.2a: Other operating expenses

OTHER OPERATING EXPENSES:	2020 (\$)	2019 (\$)
Category		
Administration expenses	39,763	42,439
Audit fees	9,140	9,135
Bank charges	9,312	4,256
Car Parking expenses	206,150	357,132
Committee expenses	48,894	84,187
External finance / Internal audit fees	92,698	56,850
Property outgoing	302,549	227,322
Property and administration improvements	70,219	147,160
Total other operating expenses	778,724	928,482

NOTE 4: KEY ASSETS AVAILABLE TO SUPPORT SERVICE DELIVERY

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 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.

4.1 NON-FINANCIAL ASSETS: CARRYING AMOUNT

TABLE 4.1: Non-financial assets carrying amount

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2020 (\$)	2019 (\$)	2020 (\$)	2019 (\$)	2020 (\$)	2019 (\$)
NON-FINANCIAL ASSETS:						
Furniture, equipment and fit-out	61,144	61,144	(37,470)	(32,864)	23,674	28,280
Crown Land at fair value	105,497,569	98,681,930	–	–	105,497,569	98,681,930
Improvements at fair value	25,315,141	24,092,185	(2,088,128)	(1,403,852)	23,227,012	22,688,333
Net carrying amount	130,873,853	122,835,259	(2,125,598)	(1,436,716)	128,748,255	121,398,543

Initial recognition: Items of plant and equipment 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 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: Plant and equipment 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: These 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.

Impairment of property, plant and equipment: The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

Note 7.3 includes additional information in connection with fair value determination of plant and equipment.

4.1.1 DEPRECIATION AND AMORTISATION

Charge for the period.

Table 4.1.1A: Depreciation and amortisation

	2020 (\$)	2018 (\$)
DEPRECIATION AND AMORTISATION:		
Furniture, equipment and fit-out	4,605	5,561
Improvements	684,276	513,351
Total depreciation	688,881	518,911

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.

Table 4.1.1B: Estimated useful life for asset types

ESTIMATED USEFUL LIFE:	Useful life (years)
Asset Type	
Improvements	30 to 100
Furniture, equipment and fit-out	3 to 10

4.1.2 CARRYING VALUES BY 'PURPOSE' GROUPS

Table 4.1.2A: Carrying values by 'purpose' groups

	Public administration		Total	
	2020 (\$)	2019 (\$)	2020 (\$)	2019 (\$)
Nature-based classification:				
Furniture, equipment and fit out at fair value	23,674	28,280	23,674	28,280
Land at fair value	105,497,569	98,681,930	105,497,569	98,681,930
Improvements at fair value	23,227,012	22,688,333	23,227,012	22,688,333
Net carrying amount	128,748,255	121,398,543	128,748,255	121,398,543

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

Table 4.1.3a: Reconciliation of movements in carrying amounts of non-financial assets (2020)

	Land at fair value	Improvements at fair value	Furniture, equipment and fit-out at fair value
2020:	(\$)	(\$)	(\$)
Opening balance	98,681,930	22,688,334	28,280
Revaluations	5,727,539	328,399	–
Improvements / acquisitions	1,088,100	894,555	–
Depreciation	–	(684,276)	(4,607)
Closing balance	105,497,569	23,227,012	23,674

Note: Fair value assessments have been performed for this asset class and the assessment indicated movements would be changed based on indexations where appropriate for a full revaluation.

Table 4.1.3b: Reconciliation of movements in carrying amounts of non-financial assets (2019)

	Land at fair value	Improvements at fair value	Furniture, equipment and fit-out at fair value
2019:	(\$)	(\$)	(\$)
Opening balance	87,749,249	18,072,813	33,841
Revaluations	10,932,681	2,531,796	–
Improvements / acquisitions	–	2,597,076	–
Depreciation	–	(513,351)	(5,561)
Closing balance	98,681,930	22,688,334	28,280

Note: Fair value assessments have been performed for this asset class and the assessment indicated movements would be changed based on indexations where appropriate for a full revaluation.

NOTE 5: OTHER ASSETS AND LIABILITIES

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

5.1 RECEIVABLES

TABLE 5.1A: Receivables – contractual and statutory

	2020 (\$)	2019 (\$)
RECEIVABLES:		
Contractual		
Sale of goods and services	126,007	122,920
Statutory		
GST input tax credit recoverable	76,142	26,706
Total receivables	202,149	149,626
<i>Represented by:</i>		
Current receivables	202,149	149,626

Contractual receivables are classified as financial instruments and categorised as 'financial assets and amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. Working Heritage holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently 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. Working Heritage applies AASB 9 for initial measurement of the statutory receivables and as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

Details about Working Heritage's impairment policies, its exposure to credit risk and the calculation of the loss allowance are set out in note 7.1.2.

5.2 PAYABLES

Table 5.2a: Payables – contractual and statutory

	2020 (\$)	2019 (\$)
RECEIVABLES:		
Contractual		
Supplies and services	44,728	9,798
Statutory		
GST payable	26,588	55,530
Total payables	71,316	65,329
<i>Represented by:</i>		
Current payables	71,316	65,329

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

Table 5.2.1: Maturity analysis of contractual payables ⁽ⁱ⁾

	Carrying amount	Nominal amount	Maturity dates		
			Less than 1 month	3–12 months	1 –5 years
CONTRACTUAL PAYABLES:					
			(\$)		
2020					
Supplies and services	44,728	44,728	44,728	–	–
Total	44,728	44,728	44,728	–	–
2019					
Supplies and services	9,798	9,798	9,798	–	–
Total	9,798	9,798	9,798	–	–

Notes:

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

NOTE 6. HOW WE FINANCED OUR OPERATIONS

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). Notes 7.1 and 7.3 provide additional, specific financial instrument disclosures.

6.1 BORROWINGS

‘Borrowings’ refer to interest-bearing liabilities mainly raised from public borrowings via the Treasury Corporation of Victoria, finance leases and other interest-bearing arrangements.

Borrowings are classified as financial instruments. The measurement basis depends on whether Working Heritage has categorised its interest bearing liabilities as either ‘financial liabilities designated at fair value through net result’, or financial liabilities at ‘amortised cost’. The classification depends on the nature and purpose of the interest bearing liabilities. Working Heritage determines the classification of its interest bearing liabilities at initial recognition.

TABLE 6.1A: BORROWINGS – CURRENT AND NON-CURRENT

	2020 (\$)	2019 (\$)
BORROWINGS:		
Current borrowings		
Loans from TCV	312,048	305,478
Total current borrowings	312,048	305,478
Non-current borrowings		
Loans from TCV	2,657,310	2,969,358
Total non-current borrowings	2,657,310	2,969,358
Total borrowings	2,969,358	3,274,835

Working Heritage has designated certain financial liability at fair value through net result to eliminate or significantly reduce the accounting mismatch that would otherwise arise. All other interest bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For financial liabilities designated at fair value through net result, all transaction costs are expensed as incurred. And they are subsequently measured at fair value with changes in fair value relating to Working Heritage's own credit risk recognised in other comprehensive income and the remaining amount of changes in fair value recognised in net result. Amounts in other comprehensive income related to credit risk are not subject to recycling in profit loss but are transferred to retained earnings when realised.

Defaults and breaches: During the current and prior year, there were no defaults and breaches of any of the loans.

Interest-bearing liabilities are classified as financial instruments. All interest-bearing liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether Working Heritage has categorised its interest-bearing liabilities as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'.

Table 6.1b: Maturity analysis of borrowings

	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1–3 months	3–12 months	1–5 years	5+ years
CONTRACTUAL PAYABLES:			(\$)				
2020							
Loans from TCV	2,969,358	2,969,358	25,751	51,639	234,658	1,316,771	1,340,539
Total	2,969,358	2,969,358	25,751	51,639	234,658	1,316,771	1,340,539
2019							
Loans from TCV	3,274,835	3,274,835	25,209	50,552	229,717	1,289,045	1,680,313
Total	3,274,835	3,274,835	25,209	50,552	229,717	1,289,045	1,680,313

Table 6.1c: Interest expense

	2020 (\$)	2019 (\$)
TCV LOAN:		
Interest on loans from TCV	66,783	33,690
Total interest expense	66,783	33,690

6.2 LEASES

As at 30 June 2020, Working Heritage was not committed to any leases.

6.3 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.

Table 6.3a: Interest expense

	2020 (\$)	2019 (\$)
INTEREST EXPENSE:		
Total cash and deposits disclosed in the balance sheet	1,185,992	1,923,494
Balance as per cash flow statement	1,185,992	1,923,494

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

Table 6.3.1a: Reconciliations

	2020 (\$)	2019 (\$)
RECONCILIATIONS:		
Net result for the period	896,865	(34,455)
Non cash movements:		
Depreciation	688,882	518,912
Resources provided free of charge	(1,088,100)	–
Movements in assets and liabilities:		
(Increase) / decrease in receivables	(52,523)	91,916
(Increase) / decrease in payables	34,929	798
(Increase) / decrease in provisions	(3,522)	19,025
Decrease / (increase) in contract liabilities	(14,000)	–
Net cash flows from / (used in) operating activities	462,531	596,196

6.4 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.

6.4.1 TOTAL COMMITMENTS PAYABLE

Table 6.4.1a: Total commitments payable – nominal amounts for 2020

	Less than 1 year	1–5 years	5+ years	Total
Nominal Amounts: 2020	(\$)			
Commitments payable	819,459	–	–	819,459
Total commitments (inclusive of GST)	819,459	–	–	819,459
Less GST recoverable from the Australian Tax Office	–	–	–	(74,496)
Total commitments (exclusive of GST)	–	–	–	744,963

Table 6.3.1b: Total commitments payable – nominal amounts for 2019

	Less than 1 year	1–5 years	5+ years	Total
Nominal Amounts: 2019	(\$)			
Commitments payable	–	–	–	–
Total commitments (inclusive of GST)	–	–	–	–
Less GST recoverable from the Australian Tax Office	–	–	–	–
Total commitments (exclusive of GST)	–	–	–	–

NOTE 7: RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

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.

7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

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

Guarantees issued on behalf of Working Heritage are financial instruments because, although authorised under statute, terms and conditions for each financial guarantee may vary and are subject to an agreement.

From 1 July 2018, Working Heritage applied AASB 9 and classified all of its financial assets based on the business model for managing the assets and the asset's contractual terms.

Categories of financial assets under AASB 9

Financial assets at amortised cost:

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

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

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

Working Heritage recognises the following assets in this category:

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

Categories of financial assets previously under AASB 139:

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. Subsequent to 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.

Held to maturity financial assets: If Working Heritage has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held to maturity. These are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

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

Financial assets and liabilities at fair value through net result are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through net result 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 unless the changes in fair value relate to changes in Working Heritage's own credit risk. In this case, the portion of the change attributable to changes in Working Heritage's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised.

Working Heritage recognises some debt securities that are held for trading in this category and designated certain debt securities as fair value through net result 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).

De-recognition of financial liabilities:

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

7.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION

Table 7.1.1a: Contractual financial assets and liabilities – 2020

	Cash and Deposits	Financial liabilities at amortised cost (AC)	Total
2020	(\$)	(\$)	(\$)
CONTRACTUAL FINANCIAL ASSETS:			
Cash and deposits			
Receivables ⁽ⁱ⁾			
Sale of goods and services			
Total contractual financial assets			
CONTRACTUAL FINANCIAL LIABILITIES:			
Payables ⁽ⁱ⁾			
Supplies and services			
Loans from TCV			
Total contractual financial liabilities			

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).

Table 7.1.1b: Contractual financial assets and liabilities – 2019

	Cash and Deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
2019	(\$)	(\$)	(\$)	(\$)
CONTRACTUAL FINANCIAL ASSETS:				
Cash and deposits	1,923,494	–	–	1,923,494
Receivables ⁽ⁱ⁾				
Sale of goods and services	–	122,920	–	122,920
Total contractual financial assets		1,923,494	122,920	2,046,414
CONTRACTUAL FINANCIAL LIABILITIES:				
Payables ⁽ⁱ⁾				
Supplies and services	–	–	9,000	9,000
Loans from TCV	–	–	3,274,836	3,274,836
Total contractual financial liabilities	–	–	3,283,836	3,283,836

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).

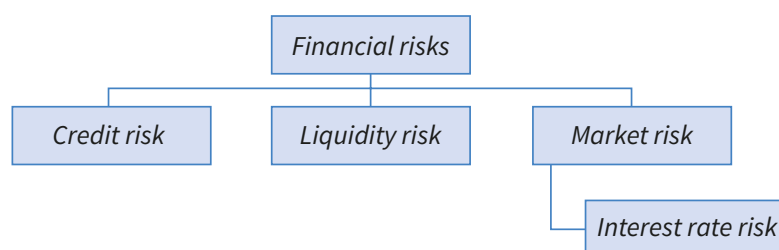
7.1.2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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 of the financial statements.

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 (ARMS) of Working Heritage.

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 the Victorian Government. For debtors other than the Government, it is Working Heritage's policy to only deal with entities with high credit ratings of a minimum triple-B rating and to obtain sufficient collateral or credit enhancements, where appropriate.

In addition, Working Heritage does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are on fixed interest, except for cash and deposits, which are mainly cash at bank. As with the policy for debtors, Working Heritage's policy is to only deal with banks with high credit ratings.

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 that are more than 60 days overdue, and changes in debtor credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

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 Working Heritage's credit risk profile in 2019–20.

Table 7.1.2a: Credit quality of contractual financial assets that are neither past due nor impaired ⁽ⁱ⁾

	(\$)			
	Financial institutions	Government agencies	Other	Total
2020:				
Cash and deposits	1,185,992	–	–	1,185,992
Receivables	–	23,053	102,954	126,007
Total contractual financial assets	1,185,992	23,053	102,954	1,311,999
2019:				
Cash and deposits	1,923,494	–	–	1,923,494
Receivables	–	17,064	105,856	122,920
Total contractual financial assets	1,923,494	17,064	105,856	2,046,414

Note:

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

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 on 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
- capital.

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.

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.

The carrying amount detailed in the following table of contractual financial liabilities recorded in the financial statements represents Working Heritage's maximum exposure to liquidity risk.

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 years, with all variables other than the primary risk variable held constant.

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**Table 7.1.2b: Interest rate exposure of financial instruments (2019)**

			(\$)		
	Weighted average interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non interest bearing
2020					
FINANCIAL ASSETS:					
Cash and deposits	0.46%	1,185,992	250,478	935,514	–
Receivables ⁽ⁱ⁾					
Sale of goods and services		126,007	–	–	126,007
Total financial assets		1,311,999	–	935,514	126,007
FINANCIAL LIABILITIES:					
Payables ⁽ⁱ⁾					
Supplies and services		44,728	–	–	44,728
Total financial liabilities		44,728	–	–	44,728

Note:

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

Table 7.1.2c: Interest rate exposure of financial instruments (2018)

			(\$)		
	Weighted average interest rate %	Carrying amount	Fixed interest rate	Variable interest rate	Non interest bearing
2019					
FINANCIAL ASSETS					
Cash and deposits	0.9%	1,923,494	250,478	1,673,017	–
Receivables ^(a)					
Sale of goods and services		122,920	–	–	122,920
Total financial assets		2,046,414	–	1,673,017	122,920
Financial liabilities					
Payables ^(a)					
Supplies and services		9,798	–	–	9,798
Total financial liabilities		9,798	–	–	9,798

Note:

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

Table 7.1.2d: Interest rate risk sensitivity

		(\$)	
		0.05 basis points	+ 0.05 basis point
2020:	Carrying amount	Net result	Net result
Contractual financial assets			
Cash and deposits ⁽ⁱ⁾	1,185,992	(5,930)	5,930
Total impact		(5,930)	5,930
2019:		100 basis points	+100 basis points
Contractual financial assets			
Cash and deposits ⁽ⁱ⁾	1,923,494	(19,235)	19,235
Total impact	1,923,494	(19,235)	19,235

Note:

(i) Cash and deposits includes a deposit of \$1,982,648 (2018: \$649,537) that is exposed to floating rates movements. Sensitivities to these movements are calculated as follows: 2019: \$1,982,648 * 0.01 = -\$19,826; and 2018: \$649,537 * 0.01 = \$6,495

7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets:

Working Heritage has no contingent assets (2019: \$Nil)

Contingent liabilities:

Working Heritage has no contingent liabilities (2019: \$Nil)

7.3 FAIR VALUE DETERMINATION

Significant Judgement: fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of Working Heritage.

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 Note 7.3.2).

7.3.1 FAIR VALUE DETERMINATION OF FINANCIAL ASSETS AND LIABILITIES

The fair values and net fair values of financial assets and 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 2019–20 reporting period.

These financial instruments include:

Financial Assets	Financial Liabilities
<ul style="list-style-type: none"> • Cash and deposits • Receivables: <ul style="list-style-type: none"> – Sale of goods and services – Other • Investments and other contractual financial assets <ul style="list-style-type: none"> – Term deposits 	<ul style="list-style-type: none"> • Payables: <ul style="list-style-type: none"> – For supplies and services – Other payables • Borrowings: <ul style="list-style-type: none"> – Loans from TCV

7.3.2 FAIR-VALUE DETERMINATION: NON-FINANCIAL ASSETS

Table 7.3.2a: Fair-value measurement hierarchy (2020)

	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using:		
		Level 1	Level 2 ⁽ⁱ⁾	Level 3
2020:				
Furniture, equipment and fit-out	23,674	–	23,674	–
Crown Land	105,497,569	–	105,497,569	–
Improvements	23,227,012	–	23,227,012	–
Total of non-financial assets at fair value	128,748,255	–	128,748,255	–

Note:

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

Table 7.3.2b: Fair-value measurement hierarchy (2019)

	Carrying amount as at 30 June 2019	Fair value measurement at end of reporting period using:		
		Level 1	Level 2 ⁽ⁱ⁾	Level 3
2019:				
Furniture, equipment and fit-out	28,280	–	28,280	–
Crown Land	98,681,930	–	98,681,930	–
Improvements	22,688,333	–	22,688,333	–
Total of non-financial assets at fair value	121,398,543	–	121,398,543	–

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 2020, therefore, these assets are classified as Level 2 under the market approach.

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

NOTE 8: OTHER DISCLOSURES

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

8.1 OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions.

Table 8.1a: Other economic flows included in the net result

	2020 (\$)	2019 (\$)
Land and property received free of charge	1,088,100	–
Total other gains / (losses) from other economic flows	1,088,100	–

8.2 RESERVES

Table 8.2a: Asset revaluation and reserves

	2020 (\$)	2019 (\$)
Physical asset revaluation surplus ^(a)		
Balance at beginning of financial year	29,381,979	15,917,502
Revaluation increments/(decrements)	6,055,938	13,464,477
Balance at end of financial year	35,437,916	29,381,979
Net changes in reserves	6,055,938	13,464,477

Note:

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

8.3 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.

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 2019 to 30 June 2020
- Executive Officer | Ross Turnbull | 1 July 2019 to 30 June 2020

The Minister's remuneration and allowances are 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 at Working Heritage are noted in the following table.

Table 8.3a: Working Heritage Responsible Officers

Name	Position	Period
Ms Helen Weston	Committee Chair	1 July 2019 to 30 June 2020
Dr Timothy Hubbard	Committee member	1 July 2019 to 30 June 2020
Mr Phillip Davies	Committee member	1 July 2019 to 30 June 2020
Mr Adam Magennis	Committee member	1 July 2019 to 30 June 2020
Mr Borz Shamsavand	Committee member	1 July 2019 to 30 June 2020
Ms Elizabeth Drozd	Committee member	1 July 2019 to 30 June 2020
Ms Haleh Homaei	Committee member	1 July 2019 to 30 June 2020
Ms Joan Ko	Committee member	1 July 2019 to 30 June 2020
Ms Kerry Anderson	Committee member	1 July 2019 to 30 June 2020

Table 8.3b: Remuneration of the Responsible Officers

	Total number of Responsible Officers	
BAND RANGE:	2020	2019
\$0–\$9,999	9	9
Total number of Responsible Officers	9	9
Total remuneration (\$)	36,900	48,132

8.4 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.

Table 8.4a: Remuneration of the Accountable Officer

Remuneration	2020 (\$)	2019 (\$)
Short-term employee benefits	144,663	143,791
Post-employment benefits	14,698	13,752
Total remuneration	159,361	159,543
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 52 weeks for a reporting period.

8.5 RELATED PARTIES

Working Heritage 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.

8.5.1 SIGNIFICANT TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

Working Heritage received funding from the entities are noted in the table below.

Table 8.5.1a: Income from government-related entities

GOVERNMENT-RELATED ENTITY:	2020 (\$)	2019 (\$)
Court Services Victoria (CSV)	36,380	3,370
Department of Justice and Community Safety	4,480	13,440
DPV Health Ltd	45,358	47,826
Geelong Performing Arts Centre Trust	39,689	–
Magistrates Court Victoria	15,127	–
Metro Trains Melbourne Pty Ltd	2,090	131,650
Total	143,123	196,286

Working Heritage transactions with government-related entities are noted in the table below.

Table 8.5.1b: Transactions with government-related entities

GOVERNMENT-RELATED ENTITY:	2020 (\$)	2019 (\$)
Department of Environment, Land, Water and Planning (DELWP)	3,850	–
State Revenue Office	97,490	263,737
Victorian Government Solicitors Office (VGSO)	8,559	8,140
Total	109,899	323,209

8.5.2 KEY MANAGEMENT PERSONNEL

The Key Management Personnel (KMP) of Working Heritage include the Portfolio Minister, Committee members and the Executive Officer. The compensation in the following table excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances are set by the Parliamentary Salaries and Superannuation Act 1968 and are 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.

Table 8.5.2a: Compensation for Key Management Personnel

CATEGORY:	2020 (\$)	2019 (\$)
Short-term benefits ^(a)	179,800	188,759
Post-employment benefits	16,461	16,916
Total^(b)	196,262	205,675

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).

8.5.3 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.

8.6 REMUNERATION OF AUDITORS

Table 8.6a: Remuneration of Auditors

REMUNERATION:	2020 (\$)	2019 (\$)
Audit and review of the financial statements	9,140	9,135
Total	9,140	9,135

8.7 SUBSEQUENT EVENTS

There have not been any significant adverse operational or financial impacts as a result of the COVID-19 pandemic to date and any known impacts to date have been reflected in the 30 June 2020 financial statements.

As at the date these financial statements are authorised for issue, the Committee of Working Heritage consider that the financial effects of any potential changes will not have a significant impact on future financial periods.

8.8 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

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

This standard principally amends AASB101 Presentation of Financial Statements and AASB108 Accounting Policies, Changes in Accounting Estimates and Errors. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. Working Heritage has not earlier adopted the Standard.

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

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

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

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued ED 301 Classification of Liabilities as Current or Non-Current – Deferral of Effective Date with the intention to defer the application by one year to periods beginning on or after 1 January 2023. Working Heritage will not early adopt the Standard.

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

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

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

8.9 GLOSSARY OF TECHNICAL TERMS

Borrowings

Borrowings refers to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest bearing arrangements. Borrowings also include non-interest bearing advances from government that are acquired for policy purposes.

Commitments

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

Comprehensive result

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

Depreciation

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

Effective interest method

The effective interest method is used to calculate the amortised cost of a financial asset or liability 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 instrument, or, where appropriate, a shorter period.

Ex gratia expenses

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

Financial asset

A financial asset is any asset that is:

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

Financial instrument

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

Financial liability

A financial liability is any liability that is:

- (a) a contractual or statutory obligation:
 - (i) to deliver cash or another financial asset to another entity; or
 - (ii) 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:
 - (i) 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
 - (ii) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

A complete set of financial statements comprises:

- (a) a 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 paragraph 41 of AASB 101.

Grants and other transfers

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

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

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

Interest expense

Costs incurred in connection with the borrowing of funds. Interest expenses include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance lease repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income

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

Leases

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, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Net result

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

Net result from transactions or net operating balance

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 worth

Assets less liabilities, which is an economic measure of wealth.

Non-financial assets

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, investment properties, cultural and heritage assets, intangible and biological assets.

Operating result

This 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 – other comprehensive income

Other economic flows – other comprehensive income comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

Payables

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

Receivables

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

Supplies and services

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

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset.

Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

8.10 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:

–	zero, or rounded to zero
201x	year period
201x-1x / 201x-2x	year period

The financial statements and notes are presented based on the illustration for a government department in the 2019–20 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.



Working Heritage

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