

Working
Heritage

ANNUAL REPORT

2021–2022



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Melbourne Victoria 3000

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Front cover: **Main Hall, Horticultural Hall** *Peter Glenane*

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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

In 2021–22 Working Heritage welcomed the appointment of a new Committee of Management, commenced the renewal of our Strategic Plan, progressed an organisational restructure, collaborated with partners on emerging projects, consolidated our relationships with existing and new tenants, completed some valuable infrastructure projects, and achieved a positive financial outcome.

A new Committee of Management was appointed in January 2022 by the Minister for Environment and Climate Action, Lily D'Ambrosio providing Working Heritage with access to an excellent mix of expertise and knowledge. Kerry Anderson, Phillip Davies, Joan Ko, Adam Magennis and Borz Shamsavand were re-appointed for another three-year term, and we welcomed new members, Megan McDougall, Trudy Rickard, and Jeffrey Robinson. Rebecca Stockfeld was appointed but was unable to take up the position.

It was with great sadness that we farewelled former Chair, Helen Weston, who deserves special mention after 12 years of service. In response to a nomination by Working Heritage, Helen received recognition from the Department of Environment, Water, Land and Planning at our December 2021 meeting.

Mark Anderson was also farewelled as an independent member of the Audit, Risk Management Committee and we welcomed Keith Kirkham in this role.

Since the appointment of the new Committee of Management we have worked on a new Strategic Plan that will reinforce our purpose and set a direction to achieve our vision for Working Heritage to grow sustainably and support our properties, tenants, and their communities to thrive. Over the next three years, our strategic priorities are place-based impact, empowering our team, innovation for resilience and adaptability, collaborative partnerships, and recognition of what we do.

As per our strategic directions, an organisational restructure with the creation of new roles and processes has commenced to enable Working Heritage to expand its property portfolio, diversify its income stream, increase its brand influence, and improve support to staff in defined roles. This was pleasing progress after the disruption of the pandemic in the previous year.

We have continued our collaboration with the Yarriambiack Shire Council and Monash University to

develop the former Warracknabeal Court House and commence a pilot Artist in Residence Program. A collaboration commenced with Creative Victoria and Working Heritage oversaw the development of a Master Plan to inform capital works to be undertaken at the old Kyneton Primary School site.

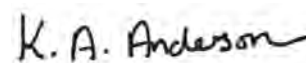
The appointment of a Cultural Heritage Adviser has enabled Working Heritage to connect with First Nation Representative Organisations and to take the first steps in a Reconciliation Action Plan. Likewise, the creation of a new Property Manager role has enhanced communications with our tenants, many of whom received rent relief during the pandemic. It has been pleasing to see their respective business and community activities bounce back.

Further infrastructure works have been undertaken at Jack's Magazine to prepare for our first major tenant. The potential of Jack's Magazine, along with the Old Mint site, remains a major focus for Working Heritage. Likewise, we continue to seek opportunities in relation to all our properties that will enhance community benefit and contribute to future sustainability.

As a result of close and considered management of operations, Working Heritage has achieved a surplus of \$91,695 at the end of the 2021–22 financial year. This is the result of a great team effort and one that we are justifiably proud of.

In addition to extending our sincere appreciation to Executive Officer, Ross Turnbull and all staff, we also wish to acknowledge the wise counsel of Chief Financial Officer Tony Christianen, and of our Human Resources Consultant, Renee Barnes. The ongoing advice and support of officers from the Department of Environment, Water, Land and Planning has been equally valued.

In accordance with the *Crown Land (Reserves) Act 1978*, I am pleased to present Working Heritage's Annual Report for the year ending 30 June 2022.



Kerry Anderson
Chair, Working Heritage Incorporated
Committee of Management
01 Feb 2023



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

The Committee has responsibility to:

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



◀ Timeball and main entrance, Geelong Telegraph station *Peter Glenane*

IMPLEMENTATION OF WORKING HERITAGE STRATEGIC OBJECTIVES DURING 2021–22

In response to the COVID_19 pandemic, Working Heritage took the initiative to refresh our Strategic Plan in July 2020 on the understanding that the operational context in which the 2018–21 Plan was prepared had changed significantly and warranted a review of our approach. As a result the following strategic objectives were adopted with the intent to enable the business to recover; contribute to the recovery of the Victorian economy; and retain focus on long-term outcomes:

1. To grow our rural/regional presence.
2. To position Working Heritage as an actor in the recovery of the arts and hospitality sectors.
3. Where possible, undertake capital expenditure to contribute to economic stimulus in the wake of COVID-19.
4. Evaluate Working Heritage's activity in relation to the UN Sustainable Development Goals and the Victorian Government's Land Management Strategy.
5. Create a compelling case for the future development of the Mint Car Park site.

WORKING HERITAGE'S ONGOING RESPONSE TO THE COVID-19 PANDEMIC

The 2021–22 year began with a two-week lockdown in July that was followed two weeks later by a twelve week lockdown that ran from mid-August to the end of October. In addition, the State government reintroduced compulsory rent relief for commercial tenants in August that stayed in place for seven and a half months until March 2022. As a consequence, income was below budget during the first half of the financial year; however, casual car parking patronage bounced back from Nov 2021 and, in early 2022, we entered into extended rental arrangements for areas within the Mint Car Park. These enabled Working Heritage to make up the income shortfalls from lockdown and rent relief and to finish the financial year in a sound position. Court Services Victoria took space in the Mint Car Park from Jan 2022 to provide COVID-19 testing for jurors at the County Court while the Major Transport Infrastructure Authority rented a portion of the Mint Car Park as a construction zone.

◀ Manual Calendar, Beaufort Court House *Andrew Curtis*

Working Heritage's Audit and Risk Management Subcommittee reinstituted regular fortnightly meetings with the Executive Officer in the second half of 2021 when the winter surge in COVID-19 saw lockdowns reintroduced. These meetings allowed monitoring of our financial position and risk as income dipped when rent relief was reintroduced and car park patronage was affected by the work from home directive.

The Committee and management took the view that all Working Heritage staff should be vaccinated against COVID-19 and that working from home would be retained as an option for staff. Following the lifting of numerical restrictions for spatial occupation, air purifiers were purchased and placed in each of the Working Heritage office spaces.

As a result of our close and considered management of operations through 2021–22, Working Heritage has remained solvent and has been able to provide effective rent relief to our tenants, retain our staff, and record a surplus at the end of the 2021–22 financial year.

PROPERTY PORTFOLIO MANAGEMENT

Property Leasing:

When the State Government introduced new guidelines for provision of rent relief for tenants in commercial leases in August 2021, Working Heritage were able to offer rent relief to our tenants in accordance with the government guidelines. Qualifying tenants were able to receive rent relief comprised of 50% rental waiver and 50% rent deferral. A total of seven Working Heritage tenants applied for and were granted rent relief under the scheme which ran for seven and a half months from August 2021 – March 2022.



Property maintenance:

Planned repair and maintenance expenditure was cut significantly in our pandemic response budget of 2020–21. In 2021–22 the repair and maintenance budget was increased beyond pre-pandemic level to enable completion of works deferred the previous year on top of works scheduled for 21–22.

Capital works:

2021–22 saw the completion of the Jack's Magazine Infrastructure Upgrade works, a project the Committee of Management resolved to proceed with in the early days of the pandemic taking the view that future benefits outweighed present risk. We successfully applied for a Living Heritage grant to undertake essential conservation works to several of the buildings at Jack's Magazine, and landscape consultants were engaged to design access and amenity improvements to the forecourt at Jack's. Accessibility and functional improvements to the Warracknabeal Courthouse were completed in 2021 enabling the first pilot artist residency to take place in February 2022.

Expansion of the property portfolio:

Following the announcement of June 2021 that Working Heritage is the preferred candidate for management of the old Kyneton Primary School, the State government announced funding of \$12M to rehabilitate the building for its new uses including a gallery/exhibition space. Creative Victoria is sponsoring the project with Development Victoria being the delivery agency. Working Heritage as the proposed end user/operator has a seat on the Project Steering Committee and on the Project Working Group.

During 2021–2022 financial year, Working Heritage engaged a Kyneton-based architectural consultancy, Winwood McKenzie to prepare a site master plan to guide both the immediate project, and future improvements to the former school. The Master Plan was exhibited online via Engage Victoria (the State Government's online project consultation facility) and in-person consultations were held in Kyneton. The Department of Jobs, Precincts and Regions (DJPR), through Creative Victoria provided funding to Working Heritage for preparation of the Master Plan.

◀ South Guard House, Working Heritage's Office



▲ Scout flags, Drysdale Free Library Peter Glenane

ORGANISATION AND MANAGEMENT

In 2021–22, the planned staff expansion and restructure was implemented having been placed on hold in 2020 when responding to the COVID-19 pandemic took priority. The new organizational structure has been designed to give Working Heritage a greater capacity to deliver our strategic objectives over the period 2022–2025.

Internal Audits were completed by Working Heritage's contracted internal auditor HLB Mann Judd, in the following areas of operation:

- Accounts Payable and Receivable
- Car Park Operations
- Financial Management Compliance Control

No adverse finding were recorded in any of the resulting reports.

STRATEGIC PLAN 2022–25

Early in 2022 the Committee of Management prepared a new three-year Strategic Plan that seeks to develop our role as heritage innovator, capacity builder and landlord of choice. Through our reactivation of heritage places, we seek:

- To contribute to the development of thriving local economies by supporting our tenants as partners with shared interests;
- Greater sustainability by incorporation of climate resilience considerations into our reactivation plans and by working with Traditional Owners to embed principles of Caring for Country into our land management practices.
- An inclusive heritage where our sites are welcoming places for all to interact; and
- Impact-led reactivation delivering social, economic and environmental benefits to our tenants and communities.

Our strategic priorities are:

- Place-based Impact, we are committed to ensuring our asset and land management approaches deliver economic, social and environmental benefits at the regional and community levels.
- An Empowered and Thriving Team, we will develop a culture of empowerment that equips Working Heritage with the strategic, governance and operational capabilities to deliver on our outcomes.
- Innovation for Resilience and Adaptability, we explore, develop and use innovative practices to enhance the adaptability and resilience of our heritage spaces.
- Recognition and Partnerships, our demonstrated impact in this sector attracts a wider range of prospective partners across sectors and geographies.

The 2022–25 Strategic Plan was adopted by the Committee of Management in June 2022.

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.



▲ Community Craft shop, Drysdale Free Library
Peter Glenane



▲ Table spread at Farm Vigano



▲ Angling Club Wall, Clunes School of Mines
Andrew Curtis



▲ Pocket Park, The Mint Car Park, Melbourne

OUR PORTFOLIO

Table 1: The following properties made up Working Heritage's portfolio in 2021–22.

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	2033
Former Royal Mint Site: South Guard House	Working Heritage Incorporated	Office	n/a
Horticultural Hall	Victorian Opera	Rehearsals and Offices	2022
Carlton Court House	La Mama Theatre	Performances and rehearsals	2031
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	2026
Farm Vigano: Fairview Manor	True Italian	Restaurant and function centre	2032
Farm Vigano: Shed	Hormayr Building	Workshop and store	Overholding
Farm Vigano: Cottage	Not leased	n/a	n/a
Farm Vigano: Community Centre	Dianella Plenty Valley Community Health Ltd	Community Health Centre	2031
Carome	Two Beans and a Farm	Restaurant	2024
	Mernda Community Garden at Carome	Community Garden	2027
Ballan Court House	Ballan Shire Historical Society	Meetings and displays	2033
Clunes School of Mines	Clunes Angling Club	Meetings	2024
Warracknabeal Court House	Not leased	n/a	n/a
South Melbourne Temperance Hall	BalletLab Association	Offices, rehearsal and performance space, accommodation	2032
Jack's Magazine	Various licensees	Offices, workshops and studios	Monthly
Daylesford Court House	Daylesford Neighbourhood Centre	Office, meetings, workshops and studio	Overholding

16

Properties

38

Buildings

25

Tenants

8

Committee of
Management Members

4

Sectors

Community

Commercial

Culture & Arts

Hospitality

7

Staff
Members

\$137M

Land & Buildings

\$2.53M

Income in 2021-22

\$2.44M

Expenses in 2020-21

\$100K

Rent Relief Provided

OUR RELATIONSHIPS

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

STATE GOVERNMENT:

- The Victorian Government
- The Minister for Energy, Environment and Climate Change
- Department of Environment, Land, Water and Planning
 - Heritage Council of Victoria
 - Heritage Victoria
 - Parks Victoria
- Department of Jobs, Precincts and Regions
 - Creative Victoria
 - Development Victoria
 - Regional Arts Victoria
- Department of Treasury and Finance:
 - Treasury Corporation of Victoria
- Victorian Environment Assessment Council

LOCAL GOVERNMENT:

- City of Greater Geelong
- City of Melbourne
- City of Port Phillip
- City of Whittlesea
- Corangamite Shire Council
- Hepburn Shire Council
- Macedon Ranges Shire Council
- Maribyrnong City Council
- Moorabool Shire Council
- Pyrenees Shire Council
- Yarriambiack Shire Council

REGISTERED ABORIGINAL PARTIES

- Bunurong Land Council Aboriginal Corporation
- Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation
- Dja Dja Wurrung Clans Aboriginal Corporation
- Wadawurrung Traditional Owners Corporation
- Barenji Gadjin Land Council Aboriginal Corporation
- Taungurung Land and Waters 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

TENANTS:

- Our current tenants
- Our potential future tenants

LOCAL COMMUNITIES:

- Community members
- Local Historical Societies
- Other community groups

HERITAGE ORGANISATIONS:

- Australia ICOMOS
- The National Trust of Australia (Victoria)

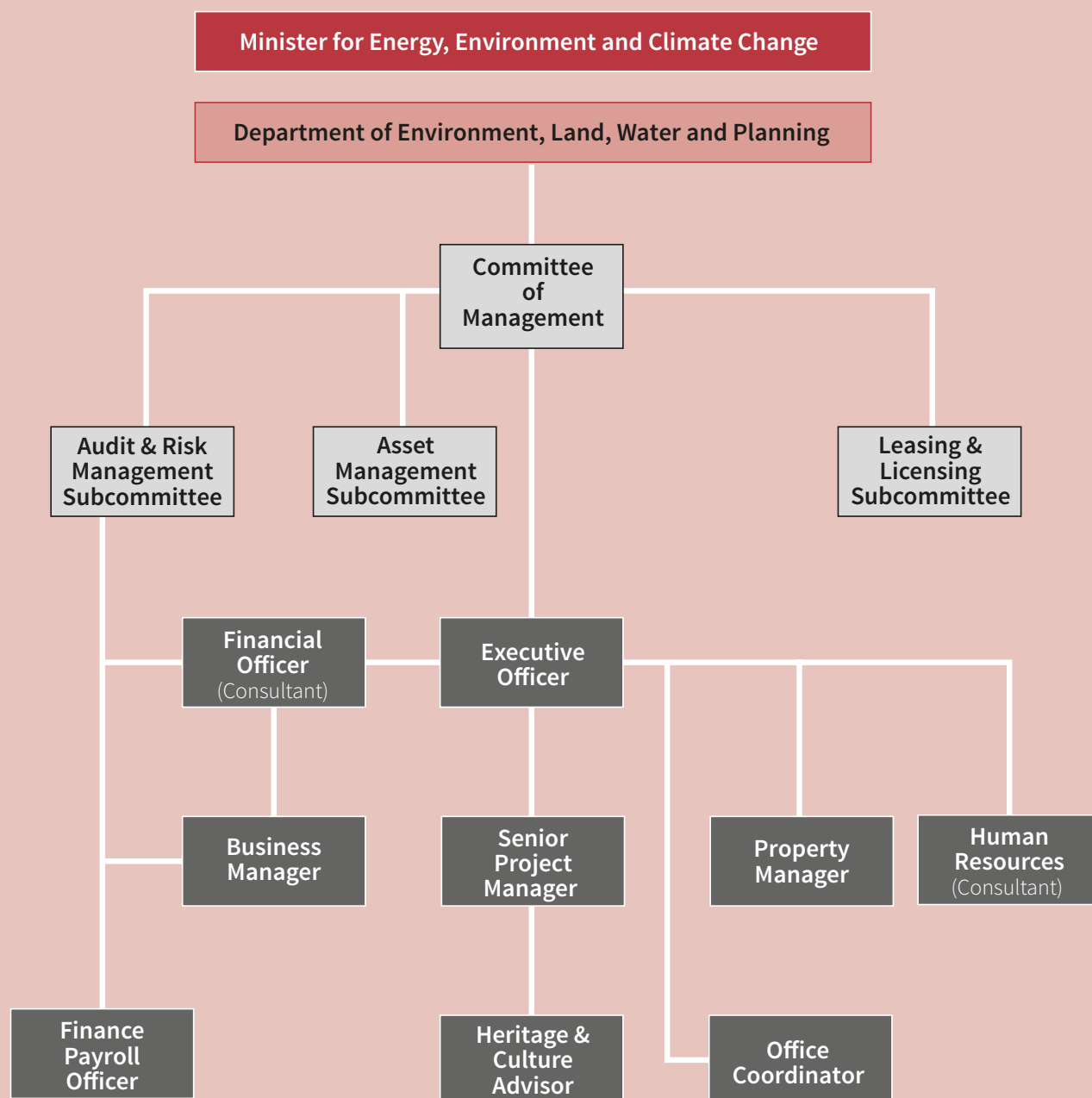
PARTNERS AND AFFILIATES:

- Open House Melbourne
- Art Space Network
- ResArtis
- Our consultants
- Our contractors
- Our suppliers



◀ Hellenic Museum, Former Royal Mint

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) under the provisions of the Crown Land (Reserves) Act 1978.

The Committee membership in 2021–22 was:

Helen Weston	(Term ended 14 Nov 2021)
Kerry Anderson	(Acting Chair from 1 July 2021– 14 Nov 2021) (Chair from 15 Nov 2021)
Phillip Davies	
Joan Ko	
Adam Magennis	
Borz Shamsavand	
Jeffrey Robinson	(Term commenced 15 Nov 2021)
Megan McDougall	(Term commenced 15 Nov 2021)
Trudy Rickard	(Term commenced 15 Nov 2021)

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

Table 2: Committee Attendance: 1 July 2021– 30 June 2022

Committee Member	No. of Eligible Meetings	No. of Meetings Attended
Helen Weston	3	3
Kerry Anderson	6	6
Phillip Davies	6	6
Joan Ko	6	6
Adam Magennis	6	5
Borz Shamsavand	6	6
Jeffrey Robinson	3	3
Megan McDougall	3	3
Trudy Rickard	3	3

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, Jack's Magazine Leasing and the Mint Site Project Control Group – meet bi-monthly and report to the Committee.

Management of the COVID-19 crisis in 2020 meant that government resources were not available to undertake the multiple Committee of Management recruitments that were due to take place in the second half of 2020. In February 2021, Minister D'Ambrosio extended the Committee of Management's three-year term by 12 months. Three Working Heritage Committee members elected not to take up the offered extension. Helen Weston stepped down as Chair while remaining on the Committee. Kerry Anderson stepped into the role as Acting Chair, with an extended hand-over from Helen Weston ensuring a smooth transition.

COMMITTEE OF MANAGEMENT AND WORKING HERITAGE EXECUTIVE OFFICER

KERRY ANDERSON
 ACTING CHAIR,
 JUL 2021–NOV 2021
 CHAIR, NOV 2021–JUN 2022

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. Committed to sharing positive stories of rural businesses and communities, she is the author of *Entrepreneurship: It's Everybody's Business* and *Australian Rural Entrepreneurs*. Kerry frequently speaks at national and international conferences and events. As part of her work she facilitates important community conversations with a rural emphasis.

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



HELEN WESTON
 JUL 2021–NOV 2021

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 a Board Member of Parks Victoria from August 2017 to October 2020. She chaired the Parks Victoria Board's Planning Project and Asset Management Committee and was a member of the People and Safety, Conservation and Science, and Commercial Business and Engagement Committees.



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.

At Working Heritage, Phillip chairs the Mint Site Project Control Subcommittee.



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.



ADAM MAGENNIS

Adam's career includes 17 years working within the Victorian Heritage, Environmental and Communities sector in 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 worked as a mason in Ontario Canada, Michigan U.S.A., New South Wales and South Australia.

He has a keen interest in historical brickwork, brick architecture and brick making.

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

**TRUDY RICKARD
NOV 2021–JUN 2022**

The small firm of Trudy Rickard Architect was established around 2005. Based in South West Victoria, the firm undertakes a variety of commercial and residential architectural work, with an emphasis on heritage conservation projects. Trudy has been the Heritage advisor at Southern Grampians Shire Council since 2010 and was the heritage conservation architect for the City of Greater Bendigo in both the Statutory Planning and Property departments from 2015 to 2021.

The firm has carried out heritage work for numerous individuals and organisations including the National Trust Australia (Victoria), the councils of Moyne, Glenelg, and Warrnambool as well as for Parks Victoria and Worn Gundidj enterprises at Tower Hill. They seek to promote good conservation practice while incorporating sympathetic, modern architectural design that supports contemporary, sustainable use.

**MEGAN MCDOUGALL
NOV 2021–JUN 2022**

Megan has a background in architecture, and currently works as a heritage consultant in Melbourne. She has broad experience in heritage conservation in Victoria over about 35 years, mainly in the public sector, at both state and local government levels.

After some time in private practice, Megan worked for Heritage Victoria (HV) for over 20 years, assessing places for the Victorian Heritage Register, assessing permit and development applications, and managing a number of teams including the grants program team. She also worked for 6 years for the City of Greater Bendigo, working to ensure the City's many heritage assets were in good condition and well used.

Megan has been a member of ICOMOS since 1992 and is currently Co-convenor of the National Scientific Committee on Industrial Heritage. She is passionate about ensuring Victoria's heritage places are actively used and valued and is deeply interested in the practical side of conserving buildings.



JEFF ROBINSON
NOV 2021–JUN 2022

Jeff is a Chartered Engineer and Principal Sustainability Consultant working in Aurecon's Melbourne office. He has 35 years' experience working as a consulting engineer in the UK, Ireland, Australia, South Africa, the Middle East and Asia.



He is a passionate advocate for sustainable buildings, heritage and good design. He is a member of the Heritage Council of Victoria, a technical expert on the Victorian Design Review Panel and a member of the Property Council of Australia's Victorian Sustainable Development Committee.

Jeff works with many government, commercial and educational clients helping them meet their Environmental, Social and Governance goals and transform their organisations for a net zero carbon, resilient and healthy future.

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 since 2015, 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.

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 design, project and business manager. He has been part of Working Heritage since late 2013.



▲ Master Bedroom at the Warracknabeal Court House *Rebecca Selleck*



▲ Lounge area at the Warracknabeal Court House *Rebecca Selleck*

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 audit 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 2021, the following subcommittees met every quarter:

- Audit and Risk Management
- Mint Site and Leasing*

* The Mint Site and Leasing Subcommittee comprised the former Mint Site PCG and Jack's Magazine Leasing subcommittees.



▲ Loading dock shed, Jack's Magazine

From January 2022, the following subcommittees met quarterly:

- Audit and Risk Management Subcommittee
- Asset Management Subcommittee
- Leasing & Licensing Subcommittee

AUDIT AND RISK MANAGEMENT SUBCOMMITTEE

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 2021, the ARMS was chaired by Joan Ko and in 2022 the ARMS was chaired by Phillip Davies. For the period Jul–Nov 2021 the sub-committee also met fortnightly to monitor risks during the pandemic.

Table 3: Audit and Risk Management Subcommittee (ARMS) attendance, 1 July 2021 – 30 June 2022

ARMS Member	*Eligible Meetings	Meetings Attended
Joan Ko (ARMS Chair, 2021)	4	4
Kerry Anderson	5	5
Helen Weston	3	3
Mark Anderson (external member, 2021)	3	3
Phillip Davies (ARMS Chair, 2022)	2	2
Keith Kirkham (external member, 2022)	2	2
Jeff Robinson	2	1

* Eligible relates to standard and special (not check-in) ARMS meetings for the 2021–22 financial year.

ASSET MANAGEMENT SUBCOMMITTEE

The Asset Management Subcommittee was convened in 2021–22 to Provide oversight and advice regarding the State Government's *Asset Management Accountability Framework* including:

- governance and accountability arrangements;
- asset planning processes and documents;
- asset decision making processes;
- procurement processes;
- asset condition and performance information systems;
- monitoring and reporting processes; and
- processes for managing end of life

In 2020–21, membership of the Asset Management Subcommittee comprised Borz Shahsavand, Adam Magennis and Trudy Rickard.

LEASING AND LICENSING SUBCOMMITTEE

The Leasing and Licensing Subcommittee was convened to oversee provide oversight and advice regarding the State Government's three key leasing principles:

- Principle 1: To provide benefits to the public via leasing;
- Principle 2: To provide consistency and transparency in leasing;
- Principle 3: To manage leased Crown Land in an ecologically sustainable manner; and

To provide oversight and advice in relation to Working Heritage's Leasing Objectives:

- Conservation of Cultural Significance;
- Adaptive Re-use;
- Community Benefit;
- Financial Sustainability; and
- Environmental management and sustainability.

In 2021–22 the subcommittee was chaired by Joan Ko. Membership comprised Joan Ko, Kerry Anderson, and Megan McDougall.



▲ Small Arms Ammunition Store forecourt, Jack's Magazine Peter Casamento

FINANCIAL STATEMENTS

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HOW THIS REPORT IS STRUCTURED

The Working Heritage Inc (WH) has presented its audited general purpose financial statements for the financial year ended 30 June 2022 in the following structure to provide users with the information about WH's stewardship of resources entrusted to it.

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DECLARATION IN THE FINANCIAL STATEMENTS

The attached financial statements for the Working Heritage Inc (WH) 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 2022 and financial position of the Committee at 30 June 2022

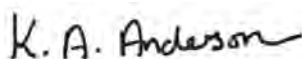
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 13 December 2022



Antony Christianen
Chief Finance Officer

Melbourne
13 December 2022



Kerry Anderson
Chairperson

Melbourne
13 December 2022



Ross Turnbull
Executive Officer

Melbourne
13 December 2022

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. (WH) which comprises the balance sheet as at 30 June 2022, 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 the declaration in the financial statements.

In our opinion, the accompanying financial report of WH is, in all material respects, in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994*, including:

- (a) giving a true and fair view of WH's financial position as at 30 June 2022 and of its financial performance and its cash flows for the year then ended; and
- (b) complying with applicable Australian 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 WH in accordance with the auditor independence requirements of the *Audit Act 1994* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing WH's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate WH or to cease operations, or have no realistic alternative but to do so.

The Committee of Management is responsible for overseeing WH's financial reporting process.



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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 the Australian Auditing Standards and the *Audit Act 1994*, we exercise professional judgement 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 WH's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management 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 WH'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 WH 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 the Committee of Management 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.

DFK Kidsons Partnership

DFK Kidsons Partnership
Chartered Accountants

Melbourne
13 December 2022

Michael L Port

Michael L Port
Partner

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A member firm of DFK International, a worldwide association of independent accounting firms and business advisers



COMPREHENSIVE OPERATING STATEMENT ^a

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Notes	\$ 2022	\$ 2021
Continuing operations Income from transactions			
Income	2.1	2,538,113	1,994,110
Total income from transactions		2,538,113	1,994,110
Expenses from transactions			
Employee benefit expenses	3.1.1	(529,822)	(475,751)
Other operating expenses	3.2	(1,158,865)	(631,152)
Depreciation	4.2.1	(704,230)	(738,392)
Interest expense	6.1.1	(53,501)	(60,509)
Total expenses from transactions		(2,446,418)	(1,905,805)
Net result from transactions (net operating balance)		91,695	88,305
Other economic flows – other comprehensive income: Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	4.2.2	6,290,852	–
Total other economic flows – other comprehensive income		6,290,852	88,305
Comprehensive result		6,382,547	88,305

The accompanying notes form part of these financial statements

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting

BALANCE SHEET ^a

AS AT 30 JUNE 2022

	Notes	\$ 2022	\$ 2021
Assets			
Financial assets			
Cash and deposits		1,395,810	972,730
Receivables	5.1	141,291	64,251
Security Deposits		2,329	2,329
Total financial assets		1,539,430	1,039,310
Non-financial assets			
Crown land	4.1	109,989,590	107,526,300
Property Improvements	4.2	26,910,710	23,681,272
Plant and Equipment	4.2	22,466	23,836
Total non-financial assets		136,922,766	131,231,408
Total assets		138,462,195	132,270,718
Liabilities			
Payables	5.2	226,619	90,278
Employee related provisions	3.1.2	48,123	56,774
Borrowings	6.1	2,338,595	2,657,355
Total liabilities		2,613,336	2,804,406
Net assets		135,848,859	129,466,312
Equity			
Accumulated surplus		91,742,357	91,650,662
Physical asset revaluation surplus	8.1	44,106,502	37,815,650
Net worth		135,848,859	129,466,312

The accompanying notes form part of these financial statements

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting

CASH FLOW STATEMENT ^a

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

	Notes	\$ 2022	\$ 2021
Cash flows from operating activities			
Receipts			
Receipts received		2,700,889	2,068,834
Interest received		7,680	1,808
Total receipts		2,708,568	2,070,642
Payments			
Payments to suppliers and employees		(1,679,688)	(1,010,749)
Goods and Services Tax paid to the ATO ^(b)		(128,805)	(56,829)
Interest and other costs of finance paid		(53,501)	(60,509)
Total payments		(1,861,993)	(1,128,087)
Net cash flows from operating activities	6.3.1	846,575	942,556
Cash flows from investing activities			
Purchases of non-financial assets		(104,735)	(843,814)
Net cash flows (used in) investing activities		(104,735)	(843,814)
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities ^(c)		(318,760)	(312,004)
Net cash flows (used in) financing activities		(318,760)	(312,004)
Net increase/(decrease) in cash and cash equivalents		423,080	(213,262)
Cash and cash equivalents beginning of financial year		972,730	1,185,992
Cash and cash equivalents at end of financial year	6.3	1,395,810	972,730

The accompanying notes form part of these financial statements

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

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

(c) operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as

STATEMENT OF CHANGES IN EQUITY ^a

FOR THE FINANCIAL YEAR ENDING 30 JUNE 2022

	\$ Physical asset revaluation surplus	\$ Accumulated surplus	\$ Total
Balance at 1 July 2020	35,437,918	91,562,357	127,000,275
Net result for the year	–	88,305	88,305
Other comprehensive income for the year	2,377,732	–	2,377,732
Balance at 30 June 2021	37,815,650	91,650,662	129,466,312
Balance at 1 July 2021	37,815,650	91,650,662	129,466,312
Net result for the year	–	91,695	91,695
Other comprehensive income for the year	6,290,852	–	6,290,852
Balance at 30 June 2022	44,106,502	91,742,357	135,848,859

The accompanying notes form part of these financial statements

(a) This format is aligned to AASB 1049 Whole of Government and General Government Sector Financial Reporting

NOTES TO THE FINANCIAL STATEMENTS

1. ABOUT THIS REPORT

Working Heritage Inc (WH) is a Committee of Management and was constituted (as The Mint Inc) 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 Inc,
280 Williams Street,
Melbourne Vic 3000

BASIS OF PREPARATION

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

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

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

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

COMPLIANCE INFORMATION

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

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

Working Heritage Inc (WH) conserves and manages heritage properties on public land on behalf of the State of Victoria. To enable WH to fulfil its objective, it receives income from property and car park operations.

Significant judgement: Revenue

WH applies the accounting standards AASB 15 and 1058 when recognising revenue and income.

AASB 15 Revenue from Contracts with Customers, applied where specific performance obligations identified. Where these performance obligations are not met, revenue is not yet recognised and accounted for as a contractual liability.

If no specific performance obligations exist in the contract or agreement, income is recognised immediately under AASB 1058 Income of Not-for-Profit Entities.

WH has made the judgement that amounts received in relation to property and car park operations revenue should be recognised under AASB 1058 on the basis that specific performance obligations are deemed not to exist within agreements. This assessment is subjective in nature and requires WH to exercise judgment in the interpretation of applicable accounting standards.

2.1 SUMMARY OF INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

	\$ 2022	\$ 2021
Property income	1,312,071	1,059,304
Car park income	901,125	753,664
Other income	317,236	179,333
Interest	7,680	1,808
Total	2,538,113	1,994,110

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

Property income – Revenue is received from leasing properties. Under the State Government’s direction WH also provided its property tenants with rent relief in accordance with scheme of arrangement negotiated with the relevant tenant. WH has made the judgement that amounts received in relation to rental income should be recognised under AASB 1058 on the basis that specific performance obligations are deemed not to exist within rental agreements. This assessment is subjective in nature and requires WH to exercise judgment in the interpretation of applicable accounting standards.

Car Park Income – Revenue is received from operating a commercial car park. WH has made the judgement that amounts received in relation to rental income should be recognised under AASB 1058 on the basis that specific performance obligations are deemed not to exist within rental agreements. This assessment is subjective in nature and requires WH to exercise judgment in the interpretation of applicable accounting standards.

Other income – WH received a grant from the Department of Environment, Land, Water and Planning for conservation work (\$163,000) and from the Department Jobs, Precincts and Regions for the Kyneton Primary School Strategic Masterplan and Activation Strategy (\$150,000) and other minor income. Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when Trust has an unconditional right to receive cash which usually coincides with receipt of cash.

WH has determined that the other income included in the table above under AASB 1058 has been earned under arrangements that are either not enforceable and/or linked to sufficiently specific performance obligations.

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

Interest – 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.

3. THE COST OF DELIVERING SERVICES

Introduction

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

Structure

3.1 Expenses incurred in delivery of services

3.2 Other operating expenses

3.1 EXPENSES INCURRED IN DELIVERY OF SERVICES

	Note	\$ 2022	\$ 2021
Employee benefit expenses	3.1.1	529,822	475,751
Other operating expenses	3.2	1,158,865	631,152
Total expenses incurred in delivery of services		1,688,687	1,106,903

3.1.1 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

	\$ 2022	\$ 2021
Salaries and wages, annual leave and long service leave	480,630	434,962
Defined contribution superannuation expense	49,192	40,790
Total employee expenses	529,822	475,751

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 for defined contribution superannuation plans that are paid or payable during the reporting period.

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.

	\$ 2022	\$ 2021
Current provisions:		
<i>Annual leave</i>		
Unconditional and expected to settle within 12 months	10,659	18,094
<i>On-costs</i>		
Unconditional and expected to settle within 12 months	1,274	2,063
Total current provisions for employee benefits	11,933	20,157
Non-current provisions:		
Employee benefits	32,436	32,869
On-costs	3,754	3,747
Total non-current provisions for employee benefits	36,190	36,616
Total provisions for employee benefits	48,123	56,774
		\$ 2022
Recociliation of movement in on-cost provision		
Opening balance		5,810
Additional provisions recognised		(782)
Closing balance		5,028
Current		1,274
Non-current		3,754

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 WH 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 WH 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 WH does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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

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

Conditional 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.

3.1.3 SUPERANNUATION CONTRIBUTIONS

Employees of WH are entitled to receive superannuation benefits and WH contributes to defined contribution plans. The defined benefit plans provide benefits based on years of service and final average salary.

	\$ Paid contribution for the year		\$ Contribution outstanding at year end	
	2022	2021	2022	2021
Defined contribution plans				
VicSuper	8,647	7,550	733	1,530
Other	40,545	55,096	4,266	5,891
Total	49,192	62,646	4,999	7,421

3.2 OTHER OPERATING EXPENSES

	\$ 2022	\$ 2021
Property outgoings	336,529	211,678
Property and administration improvement expenses	299,394	23,414
Car park expenses	320,714	252,943
External finance and internal audit fees	87,602	58,122
Administration expenses	54,811	32,172
Committee expenses	39,416	36,453
Audit fees	14,155	10,155
Bank charges	6,244	6,215
Total other operating expenses	1,158,865	631,152

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and are recognised as an expense in the reporting period in which they are incurred.

4. KEY ASSETS AVAILABLE TO SUPPORT SERVICE DELIVERY

Introduction

WH controls land, 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 WH to be utilised for delivery of its objectives and activities.

Significant judgement: Classification of Land, improvements and plant and equipment as “Key Assets”

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

Fair value measurement

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

Structure

4.1 Crown Land

4.2 Property improvements and plant and equipment (a)

4.1 CROWN LAND

	\$ 2022	\$ 2021
Crown Land at fair value	109,989,590	107,526,300
Total	109,989,590	107,526,300
	\$ 2022	\$ 2021
Opening balance	107,526,300	105,497,569
Revaluation	2,463,290	2,028,731
Closing balance	109,989,590	107,526,300

WH Committee of Management (CoM) conserves and manages heritage properties on crown land on behalf of the State of Victoria. Since its inception in 1998, WH 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.

Initial recognition: Crown land is initially recognised at cost on transfer from DELWP, subsequently revalued at fair value.

Subsequent measurement: The market approach is used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued. The CSO adjustment reflects the valuer’s assessment of the impact of restrictions associated with an asset to the extent that the CSO adjustment is also equally applicable to market participants. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets. The Fair value of non-financial assets are determined as per Note 7.3.

At the commencement of 2021–22 WH engaged the Valuer-General Victoria to undertake a valuation of the fair value of the land. The Valuer-General concluded the fair value of the WH managed crown land holdings to be \$109,989,590, which resulted in a fair value increase of \$2,463,290.

4.2 PROPERTY IMPROVEMENTS, PLANT AND EQUIPMENT

	\$ Gross carrying amount		\$ Accumulated depreciation		\$ Net carrying amount	
	2022	2021	2022	2021	2022	2021
Property Improvements at fair value	27,609,573	26,503,414	(698,863)	(2,822,142)	26,910,710	23,681,272
Plant and equipment at fair value	69,682	65,685	(47,216)	(41,849)	22,466	23,836
Net carrying amount	27,679,255	26,569,099	(746,079)	(2,863,991)	26,933,176	23,705,108

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.

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

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

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 land, improvements and plant and equipment.

4.2.1 DEPRECIATION AND AMORTISATION

Charge for the period

	\$ 2022	\$ 2021
Plant and equipment and fit out	5,367	4,378
Improvements	698,863	734,013
Total depreciation	704,230	738,391

All furniture, equipment and fit out that have finite useful lives are depreciated.

Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life in years
Plant and equipment	3 to 10
Property Improvements	30 to 100

4.2.2 RECONCILIATION OF MOVEMENTS IN CARRYING VALUES OF NON CURRENT ASSETS ^(a)

	Land at fair value	Improvements at fair value	Plant and equipment and fit out at fair value
2022			
Opening balance	107,526,300	23,681,272	23,835
Revaluations ^(b)	2,463,290	3,827,562	–
Additions	–	100,739	3,996
Depreciation	–	(698,863)	(5,367)
Closing balance	109,989,590	26,910,710	22,464

Notes:

(a) 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.

(b) In 2021-22 WH engaged the Valuer-General Victoria to undertake a valuation of the fair value of the land and improvements.

	Land at fair value	Improvements at fair value	Plant and equipment and fit out at fair value
2021			
Opening balance	105,497,569	23,227,012	23,674
Revaluations	2,028,731	349,000	–
Additions	–	839,273	4,542
Depreciation	–	(734,013)	(4,380)
Closing balance	107,526,300	23,681,272	23,835

Notes:

(a) 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.

5. OTHER ASSETS AND LIABILITIES

Introduction

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

Structure

5.1 Receivables

5.2 Payables

5.1 RECEIVABLES

	\$ 2022	\$ 2021
Contractual		
Sale of goods and services	111,424	49,475
Statutory		
GST input tax credit recoverable	29,867	14,776
Total receivables	141,291	64,251
<i>Represented by:</i>		
Current receivables	141,291	64,251

Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised cost'. They are initially recognised at fair value plus any directly attributable transaction costs. WH 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. WH 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.

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

5.2 PAYABLES

	\$ 2022	\$ 2021
Contractual		
Supplies and services	117,808	10,565
Employee benefits	16,024	20,174
Securities held	10,585	10,585
Statutory		
GST payable	82,202	48,954
Total payables	226,619	90,278
<i>Represented by:</i>		
Current payables	190,431	53,662
Non-Current payables	36,190	36,616

Payables consist of:

- **contractual payables**, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for supplies and services provided to WH 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 of 10 days.

The terms and conditions of amounts payable to the government and agencies vary according to the 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 WH in the event of default.

Maturity analysis of contractual payables⁽ⁱ⁾

	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	Between 1 and 3 months	Between 3 months and 1 year	Between 1 and 5 years
2022						
Supplies and services	117,808	117,808	20,781	72,090	–	–
Total	117,808	117,808	20,781	72,090	–	–
2021						
Supplies and services	10,565	10,565	10,565	–	–	–
Total	10,565	10,565	10,565	–	–	–

Notes:

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

6. FINANCING OUR OPERATIONS

Introduction

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

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.

STRUCTURE

6.1 Borrowings

6.2 Leases

6.3 Cash flow information and balances

6.4 Commitments for expenditure

6.1 BORROWINGS

	\$ 2022	\$ 2021
Current borrowings		
Loans from Treasury Corporation Victoria	325,616	318,760
Total current borrowings	325,616	318,760
Non-current borrowings		
Loans from Treasury Corporation Victoria	2,012,978	2,338,550
Total non-current borrowings	2,012,978	2,338,550
Total borrowings	2,338,595	2,657,310

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

Borrowings are classified as financial instruments. The measurement basis depends on whether WH 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. WH determines the classification of its interest-bearing liabilities at initial recognition.

All 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.

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

Maturity analysis of borrowings

	\$						
	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years
2021-22							
Loans from TCV	2,338,595	2,338,595	26,871	53,885	244,861	1,374,025	638,953
Total	2,338,595	2,338,595	26,871	53,885	244,861	1,374,025	638,953
2020-21							
Loans from TCV	2,657,310	2,657,310	26,305	52,750	239,705	1,345,094	993,456
Total	2,657,310	2,657,310	26,305	52,750	239,705	1,345,094	993,456

6.1.1 INTEREST EXPENSE

	\$ 2022	\$ 2021
Interest on loans from TCV	53,501	60,509
Total interest expense	53,501	60,509

'Interest expense' includes costs incurred in connection with the long-term borrowings and is recognised in the period in which it is incurred.

6.2 LEASES

At 30 June 2022, WH 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.

	\$ 2022	\$ 2021
Total cash and deposits disclosed in the balance sheet	1,395,810	972,730
Balance as per cash flow statement	1,395,810	972,730

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

	\$ 2022	\$ 2021
Net result for the period	91,695	88,305
Non cash movements:		
Depreciation	704,230	738,392
Movements in assets and liabilities:		
(Increase)/decrease in receivables	(77,040)	142,898
Increase/(decrease) in payables	140,491	(11,797)
Increase/(decrease) in provisions	(8,651)	16,861
Decrease/(Increase) in contract liabilities	(4,150)	(32,104)
Net cash flows from/(used in) operating activities	846,575	942,556

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

WH had no commitments payable as at 30 June 2022 (2020–21 Nil)

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

WH 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 high level of judgement to be applied, which for WH related mainly to fair value determination.

Structure

7.1 Financial instruments specific disclosures

7.2 Contingent assets and contingent liabilities

7.3 Fair value determination

7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

Introduction

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

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

Categories of financial assets

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 WH 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.

WH recognises the following assets in this category:

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

Categories of financial assets

Financial assets at amortised cost

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). WH recognises the following assets in this category:

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

Held to maturity financial assets: If WH 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

Financial liabilities at amortised cost

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. WH recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings.

7.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION

	\$			
	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
2022				
Contractual financial assets				
Cash and deposits	1,395,810	–	–	1,395,810
Receivables (a)	–	111,424	–	111,424
Total contractual financial assets	1,395,810	111,424	–	1,507,234
Contractual financial liabilities				
Payables^(a)				
Supplies and services	–	–	117,808	117,808
Employee benefits	–	–	16,024	16,024
Borrowings				
Loans from TCV	–	–	2,338,593	2,338,593
Total contractual financial liabilities	–	–	2,472,425	2,472,425

Notes:

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

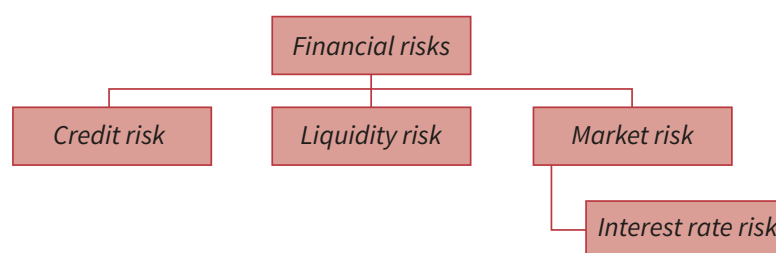
7.1.1 FINANCIAL INSTRUMENTS: CATEGORISATION CONTINUED

	\$			
	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
2021				
Contractual financial assets				
Cash and deposits	972,730	–	–	972,730
Receivables (a)	–	49,475	–	49,475
Total contractual financial assets	972,730	49,475	–	1,022,205
Contractual financial liabilities				
Payables (a)				
Supplies and services	–	–	10,565	10,565
Employee benefits	–	–	20,174	20,174
Borrowings				
Loans from TCV	–	–	2,657,354	2,657,354
Total contractual financial liabilities	–	–	2,688,093	2,688,093

Notes:

(a) 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, WH'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 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage WH's financial risks within the government policy parameters.

WH's main financial risks include credit risk, liquidity risk and market risk. WH manages these financial risks in accordance with its financial risk management policy.

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

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. The WH's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to WH. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with WH's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than the Government, it is the WH'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, WH 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, the WH'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 WH 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 WH's maximum exposure to credit risk without taking account of the value of any collateral obtained.

There has been no material change to WH's credit risk profile in 2021–22.

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

	\$			
	Financial institutions	Government agencies	Other	Total
2022				
Cash and deposits	1,395,810	–	–	1,395,810
Receivables(a)	–	55,000	56,424	111,424
Total contractual financial assets	1,395,810	55,000	56,424	1,507,234
2021				
Cash and deposits	972,730	–	–	972,730
Receivables (a)	–	5,369	44,106	49,475
Total contractual financial assets	972,730	5,369	44,106	1,022,205

Notes:

(a) 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. WH 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.

WH 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. WH 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.

WH'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 the WH's maximum exposure to liquidity risk.

Financial instruments: Market risk

WH'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

WH'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 25 basis points up and down (25 basis points up and down) in market interest rates (AUD) and the tables that follow show the impact on WH's net result and equity for each category of financial instrument held by WH at the end of the reporting period, if the above movements were to occur.

Interest rate risk**Interest rate exposure of financial instruments**

	Weighted average interest rate %	(\$)			
		Carrying amount	Fixed interest rate	Variable interest rate	Non interest bearing
2022					
Financial assets					
Cash and deposits	0.07%	1,136,430	250,478	1,395,810	8,902
Receivables					
Sale of goods and services	–	111,424	–	–	111,424
Total financial assets		1,507,234	250,478	1,136,430	120,326
Financial liabilities					
Payables (a)					
Supplies and services	–	117,808	–	–	117,808
Total financial liabilities		117,808	–	–	117,808

Notes:

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

	Weighted average interest rate %	(\$)			
		Carrying amount	Fixed interest rate	Variable interest rate	Non interest bearing
2021					
Financial assets					
Cash and deposits	0.02%	972,730	250,478	506,528	215,724
Receivables					
Sale of goods and services	–	49,475	–	–	49,475
Total financial assets		1,022,205	250,478	506,528	265,199
Financial liabilities					
Payables (a)					
Supplies and services	–	10,565	–	–	10,565
Total financial liabilities		10,565	–	–	10,565

Notes:

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

Interest rate risk sensitivity

		(\$)	
		25 basis points	+ 25 basis points
2022	Carrying amount	Net result	Net result
Contractual financial assets			
Cash and deposits (a)	1,395,810	(3,490)	3,490
Total impact		(3,490)	3,490

		25 basis points	+ 25 basis points
2021	Carrying amount	Net result	Net result
Contractual financial assets			
Cash and deposits (a)	972,730	(4,864)	4,864
Total impact		(4,864)	4,864

Notes:

(a) Cash and deposits are exposed to floating rates movements. Sensitivities to these movements are calculated at movements of 0.0025% up or down.

7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES**Contingent assets**

WH has no contingent assets (2021: \$Nil)

Contingent liabilities

WH has no contingent liabilities (2021 \$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 the GMA.

This section sets out information on how the WH 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;
- land, improvements, plant and equipment

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

The WH 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.

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

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

How this section is structured

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

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - 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 to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

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 WH.

This section sets out information on how WH 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
- 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.

WH determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

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.

WH currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are an approximate 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 2022–23 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables:
Receivables:	• For supplies and services
• Sale of goods and services	• Other payables
• Other	Borrowings
Investments and other contractual financial assets	• Loans from TCV
• Term deposits	

Fair value of financial instruments measured at amortised cost

	\$			
	Carrying amount 2022	Fairvalue 2022	Carrying amount 2021	Fairvalue 2021
Financial liabilities				
Borrowings	2,338,593	2,338,593	2,657,354	2,657,354
Loans from TCV	2,338,593	2,338,593	2,657,354	2,657,354

7.3.2 FAIR VALUE DETERMINATION: NON-FINANCIAL PHYSICAL ASSETS

Fair value measurement hierarchy

	Carrying amount as at 30 June 2022	\$		
		Fair value measurement at end of reporting period using:		
2022		Level 1	Level 2 ⁽ⁱ⁾	Level 3
Furniture, equipment and fit-out	22,466	–	22,466	–
Crown Land	109,989,590		109,989,590	
Improvements	26,910,710		26,910,710	
Total of non-financial assets at fair value	136,922,766	–	136,922,766	–

Notes:

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

	Carrying amount as at 30 June 2022	\$		
		Fair value measurement at end of reporting period using:		
2021		Level 1	Level 2 ⁽ⁱ⁾	Level 3
Furniture, equipment and fit-out	23,836	–	23,836	–
Crown Land	107,526,300		107,526,300	
Improvements	23,681,272		23,681,272	
Total of non-financial assets at fair value	131,231,408	–	131,231,408	–

Notes:

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

Crown Land and Improvements: The market approach is also used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

An independent valuation of WH's specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2022.

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.

8. OTHER DISCLOSURES

Introduction

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

Structure

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

8.1 RESERVES

	(\$)	(\$)
	2022	2021
Physical asset revaluation surplus^(a)		
Balance at beginning of financial year	37,815,648	35,437,916
Revaluation increments/(decrements)	6,290,852	2,377,732
Balance at end of financial year	44,106,500	37,815,648
Net changes in reserves	6,290,852	2,377,732

Notes:

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

8.2 RESPONSIBLE PERSONS

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

Names

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

Minister for Energy, Environment and Climate Change	The Hon Lily D'Ambrosio MP	(1 July 2021 to 26 June 2022)
Minister for Energy, Environment, Climate Action and Solar Homes	The Hon Lily D'Ambrosio MP	(27 June 2021 to 30 June 2022)
Executive Officer	Ross Turnbull	(1 July 2021 to 30 June 2022)

Remuneration

The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the State's Annual Financial Report.

Remuneration received or receivable by the Accountable Officer in connection with the management of WH during the reporting period was in the range: \$160,000–\$169,999 (2021: \$160,000–\$169,999).

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

Name	Position	Period
Ms Kerry Anderson	Acting Committee Chairperson	(1 July 2021 to 14 November 2021)
	Committee Chairperson	(15 November 2021 to 30 June 2022)
Ms Joan Ko	Committee member	(1 July 2021 to 30 June 2022)
Mr Phillip Davies	Committee member	(1 July 2021 to 30 June 2022)
Mr Borz Shamsavand	Committee member	(1 July 2021 to 30 June 2022)
Mr Adam Magennis	Committee member	(1 July 2021 to 30 June 2022)
Ms Trudy Rickard	Committee member	(15 November 2021 to 30 June 2022)
Mr Jeffrey Robinson	Committee member	(15 November 2021 to 30 June 2022)
Ms Megan McDougall	Committee member	(15 November 2021 to 30 June 2022)
Ms Rebecca Stockfeld	Committee member	(15 November 2021 to 30 March 2022)
Ms Helen Weston	Committee member	(1 July 2021 to 14 November 2021)

Band Range	Total number	
	2022	2021
\$0–\$9,999	9	9
Total	9	9
Total remuneration	31,982	29,054

8.3 REMUNERATION OF EXECUTIVES

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

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

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

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

Remuneration	Total \$	
	2022	2021
Short-term employee benefits	152,859	151,047
Post-employment benefits	14,736	14,219
Total remuneration ^(a)	167,595	165,266
Total number of executives	1	1
Total annualised employee equivalents ^(b)	1	1

Notes:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.4).

(b) Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.4 RELATED PARTIES

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

Related parties of WH include:

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

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

Significant transactions with government-related entities

WH received funding from:

	(\$)	(\$)
	Total	
	2022	2021
Court Services Victoria	221,996	86,569
Department Environment Land Water and Planning	163,000	–
Department of Jobs, Precincts and regions	165,000	–
DPV Health Ltd	63,425	45,883
Geelong Performing Arts Centre Trust	40,502	53,210
Magistrates Court Victoria	7,200	69,600
Maribyrnong City Council	–	1,815
Total	661,123	257,077

WH paid funding to:

	\$	\$
	Total	
	2022	2021
City of Greater Geelong	276	5,127
City of Melbourne	70,918	64,512
Country Fire Authority	–	161
Department Environment Land Water and Planning	35,750	3,850
State Revenue Office	174,270	230,005
Victorian Government Solicitors Office	11,960	10,080
Total	293,175	313,735

Remuneration of Key management personnel

Key management personnel of WH include the Portfolio Minister, Committee members and the Executive Officer. The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the Parliamentary Salaries and Superannuation Act 1967 and is reported within the State's Annual 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.

	(\$)	(\$)
	2022	2021
Short-term benefits	182,952	173,107
Post-employment benefits	16,625	15,882
Total ^(a)	199,577	188,989

Notes:

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

Transactions with key management personnel and other related parties

Given the breadth and depth of state government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public, e.g., stamp duty and other government fees and charges.

Further employment of processes within the Victorian public sector occurs 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 Victorian Government Procurement Board requirements.

Outside of normal citizen type transactions with WH and related party transactions previously disclosed, there were no related party transactions that were attributed to key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

8.5 REMUNERATION OF AUDITORS

	(\$)	(\$)
	2022	2021
Audit or review of the financial statements	14,155	10,155
Total remuneration of auditors	14,155	10,155

8.6 SUBSEQUENT EVENTS

The Novel Coronavirus (COVID-19) outbreak first reported in late 2019 is currently having an unprecedented health and economic impact both internationally and domestically.

The Committee of Management has managed, and continues to actively manage, any risks arising from COVID-19 and as at the date these financial statements are authorised for issue, the CoM considers that the financial effects of any potential changes will not have a significant impact on future financial periods.

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 2022 financial statements.

WH considers that there has been no other matters or circumstances have arisen subsequent to 30 June 2022, that would require adjustment of, or disclosure in, the financial statements.

Based on the current assessment as of the date of signing the financial report, WH have concluded that the going concern basis of accounting is appropriate as any impact of the pandemic on the organisation is expected to be manageable.

8.7 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

Certain new and revised accounting standards have been issued but are not effective for the 2021–22 reporting period. These accounting standards have not been applied to these Financial Statements. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

- *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 AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date to defer the application by one year to periods beginning on or after 1 January 2023. WH will not early adopt the Standard.

WH 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:

- *AASB 17 Insurance Contracts.*
- *AASB 2020–3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments.*
- *AASB 2021–2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates.*
- *AASB 2021–5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.*
- *AASB 2021–6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.*
- *AASB 2021–7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.*

8.8 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 amount included in the operating statement representing total change in net worth other than transactions with owners as owners

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

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;
- (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:
 - to deliver cash or another financial asset to another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

- (b) A contract that will or may be settled in the entity's own equity instruments and is:
- a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed

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
- (f) comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 Presentation of Financial
- (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 nonreciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits in the form of goods or services to particular taxpayers in return for their taxes.

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

Interest expense

Represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession financial liabilities and amortisation of discounts or premiums in relation to borrowings.

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

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

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

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.

8.9 STYLE CONVENTIONS

Style conventions

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect

The notation used in the tables is as follows:

..	zero, or rounded to zero
(xxx.x)	negative numbers
200x	year period
200x–0x	year period

The financial statements and notes are presented based on the illustration for a government department in the 2021–22 Model of Financial Statements.



Working Heritage

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