

Working
Heritage

ANNUAL REPORT

2022–2023



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Working Heritage Incorporated 280 William Street Melbourne Victoria 3000

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Front cover: South Melbourne Temperance Hall *Jeff Busby*

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▲ **Carlton Court House** *Hin Lim*

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

Working Heritage is governed by an incorporated Committee of Management appointed by the Minister for Environment comprising eight diverse and skilled members and employing eight specialist staff. Since 1998 the organisation's mandate has been to adapt and reactivate redundant heritage properties on Victorian crown land for community benefit whilst conserving their heritage significance. In 2023 we celebrated the 25th anniversary of our formation.

Currently we have 16 properties, including 39 buildings, in our portfolio that are leased and licensed to a wide range of commercial, not-for-profit and community tenants. Income from the Mint car park supports the heritage buildings in our care. This self-funding model ensures that all these properties are maintained for future generations.

During 2022–23 the Working Heritage Committee of Management has worked with staff to implement our five strategic priorities: place-based impact, empowering our team, innovation for resilience and adaptability, collaborative partnerships, and recognition of what we do. We continue to explore the benefits of transitioning into a Trust following a recommendation made by the Victorian Environmental Assessment Council.

Long term plans are coming to fruition at the iconic Jack's Magazine as we work towards demonstrating the value of place based impact. With considerable infrastructure works completed and the forecourt development about to be tendered, we are excited as we prepare to welcome new tenants and open the site up to the community in 2024.

Works were completed at Carome Homestead that will connect two of Working Heritage's properties with a trail along the Parks Victoria managed Plenty River. The installation of a former church building for community use and a new café tenant at Carome is steadily building visitation.

A site tour to Warracknabeal enabled the committee to view the progress made on the reactivation of the former courthouse for tourist accommodation, an artist in residency pilot program, and community gatherings.

To improve flexibility in the management of our properties, a new policy was introduced to issue a license in lieu of a long-term lease to community tenants.

Our new expanded team of staff have worked diligently on projects ranging from a Reconciliation Action Plan, interpretative signage, and remediation of flood damage at the Skipton Court House. Defined roles and regular communication between staff, tenants and contractors have forged productive working relationships.

Increased awareness of the unique work that Working Heritage undertakes in the reactivation and management of heritage buildings is being enhanced by the hosting of events, joint discussions, and boosted social media.

On 28 March Working Heritage hosted a presentation by Peter Cox, founding member of Carrig Conservation International. Guests from numerous organisations benefited from his talk on Climate Action & Energy Retrofit of Traditional & Heritage Buildings. With the benefit of our own diverse skills and knowledge, we continue to challenge ourselves to explore innovation for resilience and adaptability.

Likewise, we have hosted discussions with leaders of other organisations such as the Abbotsford Convent and Heritage Victoria to share knowledge and increase opportunities for collaboration. We partnered with Major Roads Projects Victoria to relocate the former Wollert Church to Carome Homestead and provided ongoing support to Creative Victoria in planning for the redevelopment and activation of the Old Kyneton Primary School Site.

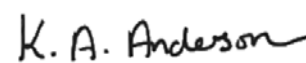
With \$104 million of crown land assets in our care, we were pleased to achieve a surplus of \$1,029,036 as at 30 June 2023, whilst also maintaining the properties and ensuring we meet compliance.

This is the result of a great team effort and one that we are justifiably proud of.

I give thanks to my colleagues – Phillip Davies, Joan Ko, Adam Magennis, Megan McDougall, Trudy Rickard, Jeffrey Robinson and Borz Shahsavand – who have provided an abundance of enthusiasm and skills to guide the governance of Working Heritage. Keith Kirkham's contribution as an independent external member of the Audit & Risk Management Committee was also appreciated.

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 Human Resources Consultant, Renee Barnes. The ongoing advice and support of officers from the Department of Energy, Environment and Climate Action 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 2023.



Kerry Anderson

Chair, Working Heritage Incorporated Committee of Management

12 December 2023



WHAT WE DO

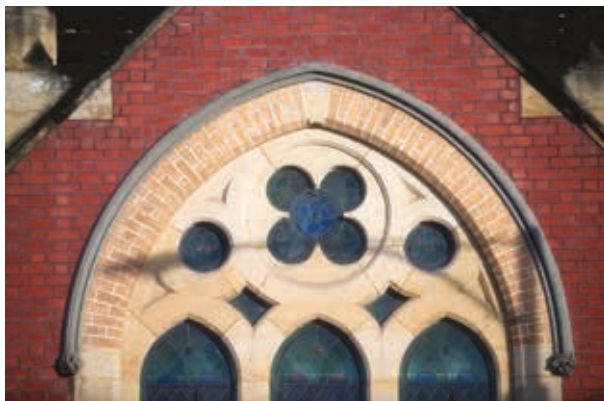
INTRODUCTION

Working Heritage proudly celebrates our 25th year of caring for Victorian heritage places in 2022 and 2023. Since November 1998 when the inaugural five-member Committee of Management was appointed to manage the former Royal Mint in William Street Melbourne, our operations have expanded to see us managing 16 Crown Land properties across Victoria. In each of our locations we undertake 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 Energy, Environment and Climate Action (DEECA). The Committee reports to the Minister for Environment, the Hon. Ingrid Stitt MP. The Committee has the 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.



◀ Former Royal Mint, Modern day Hellenic Museum *Hin Lim*

OUR 25TH YEAR

To commemorate this milestone year, we hosted a presentation from a leading international stone conservation expert – Ireland’s Peter Cox. Peter’s presentation on “Climate Action & Energy Retrofit of Traditional & Heritage Buildings” was delivered at the Hellenic Museum in the Royal Mint courtyard in April 2023. The audience included representatives from DEECA, Parks Victoria, the Heritage Council of Victoria, National Trust of Australia (Victoria), Heritage Victoria, and Buda Castlemaine.

In April 2023, Working Heritage implemented our first “Reflect” Reconciliation Action Plan (RAP). This document aims to lay a foundation of understanding that we can use in our growth towards reconciliation. The steps taken in the 2022–23 financial year included developing and implementing the RAP document, establishing a Reconciliation Working Group, undertaking cultural awareness training for all staff, and meeting with Wurundjeri Woi Wurrung Cultural Heritage Aboriginal Corporation. Our Reflect RAP will help empower the organisation to create strong and lasting ties with First Nations stakeholders and help us understand our sphere of influence. It will also provide a roadmap for future measures towards reconciliation through successive RAPs.

This year saw the commencement of a new Strategic Plan setting out our overarching organisational objectives for the period 2022–25: Place-based Impact; an Empowered and Thriving Team; Innovation for Resilience and Adaptability; and Recognition and Partnerships. These high-level objectives drive our operational activities in leasing, property improvements, team management and communications.

Events impacting our operations in FY 22/23 included the widespread flooding of Oct 2022 that affected two Working Heritage properties – Skipton and Jack’s Magazine. In addition, the Mint Car Park has been the site of two state government initiatives: the Melbourne Underground Rail Loop Fire and Life Safety Upgrade project, and the provision of COVID-19 testing for jurors on duty at the County Court (July – October 2022).

◀ Carlton Courthouse front façade *Hin Lim*

PROPERTY PORTFOLIO MANAGEMENT

Property Leasing:

Following on from the two previously COVID-19 affected years with rent relief and business closures during lockdowns, 2022–23 was a return to business as usual in the leasing area. Victorian Opera signed a new 3-year lease with two optional further 1-year terms that sees them continue their residence at the Horti Hall. The lease over Carome Homestead was assigned to a new owner of the café business who undertook improvements to the kitchen and outdoor seating areas. At Jack's Magazine, a leasing campaign for Buildings 242 and 249 was conducted by Fitzroy's for Working Heritage.

Property maintenance:

Victoria saw widespread flooding in October 2022 and two of our sites were affected – Jack's Magazine on the Maribyrnong River and Skipton Courthouse on Mount Emu Creek. At Jack's Magazine, the low-lying reserve land to the east of the bluestone wall was inundated and the Jack's Magazine car park was completely submerged. After the water receded, the car park was cleaned and returned to use without notable damage. The Magazine complex, located on high ground, was not affected by the flood waters. In Skipton, however, the highwater mark of the flood was 0.5M above the floor level of the historic 1856 Courthouse. Timely action by members of the Skipton Historical Society enabled the cultural objects to be moved to the safety of the adjacent police residence before the floodwaters entered the building. The flooding damaged the Courthouse floorboards, substructure, and the lower wall paneling.

We are grateful to the Australian and Victorian Governments for providing us with the much-needed financial aid to carry out repair works at the historic Skipton Courthouse under the Disaster Recovery Funding Arrangements (DRFA).



At Carome, the Community Garden storage shed severely damaged by high winds in 2021 was demolished and replaced by a modified shipping container. The gardeners now have safe, secure storage for their equipment.

Capital works:

In 2022–23, Working Heritage began work on the Stage 2 of the Farm Vigano masterplan after being awarded a grant funding for the project from DEECA. This year we have completed the design and planning phase and works have been tendered. The project will create new pedestrian paths into the site and a new viewing deck overlooking the Plenty River.

At Jack's Magazine the design, documentation and tendering of the forecourt landscaping were undertaken, and planning and heritage permits were granted – the works will include improved service access, accessibility improvements and tree planting. Within the bluestone walls, repair works were carried out to timber walkways and new interpretive and wayfinding signage has been designed and approved by Heritage Victoria.

April 2023 saw the culmination of four years' work by Major Road Projects Victoria (MRPV), the City of Whittlesea and Working Heritage when the relocated former Wollert Methodist Church was officially opened on April 21. The timber building fell into disrepair since it ceased use as a place of worship in 2006 and was on the land required for widening Epping Road. The church building's relocation was undertaken by MRPV with Working Heritage taking on the long-term management and care of the beautifully conserved building that will now be available for community use in its new location.

The State Government commenced work on the Building Code compliance and adaptation works at the former Kyneton Primary School in Feb 2023. Working Heritage was selected as the preferred future manager of the property by DEECA in 2021 and contributed to development of the project through membership of the Project Working Group and Steering Committee in 2022–23.

◀ Jack's Magazine Building 250

ORGANISATION AND MANAGEMENT

To complete the organisational restructuring that began in 2021, Working Heritage employed its first dedicated Marketing and Communications Officer in Nov 2022.

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

- Project Management
- Follow-up Review of Completed Actions from Internal Audit Reports
- Financial Management Compliance Control

No adverse findings 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.
- 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 intended outcomes.

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.

◀ Carome Homestead Cafe Mernda *Hin Lim*

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 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.
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 the Victorian Government in administering the Heritage Act 2017 and the profession in conservation practice.



▲ Horti Hall *Hin Lim*



▲ Table spread at Farm Vigano *Hin Lim*



▲ Dalesford Court House *Hin Lim*



▲ Community gardens at Carome *Hin Lim*

OUR PORTFOLIO

Table 1: The following properties made up Working Heritage's portfolio in 2022–23.

Property	Tenant	Primary Function	Lease Expiry
Former Royal Mint Site: Car Park	Working Heritage	Commercial Car Park	n/a
Former Royal Mint Site:	Stamoulis Property Group	Offices	2027
Main Building	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	2027
Carlton Court House	La Mama Theatre	Performances and rehearsals	2032
Geelong Telegraph Station	Geelong Performing Arts Centre	Arts administration	2024
Avoca Police Residence	Neelabindu	Residence	2024
Skipton Court House	Skipton Historical Society	Museum display	2033
Skipton Police Residence	Skipton Historical Society	Museum display	2033
Beaufort Court House	Beaufort Historical Society	Meetings and displays	2033
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	Not leased
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

8

Staff
Members

Community
Commercial
Culture & Arts
Hospitality

\$133M

Land & Buildings

\$3.46M

Income in 2022-23

\$2.44M

Expenses in 2022-23

\$619,156

Grants received

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
- The Department of Energy, Environment and Climate Action (DEECA)
 - 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:

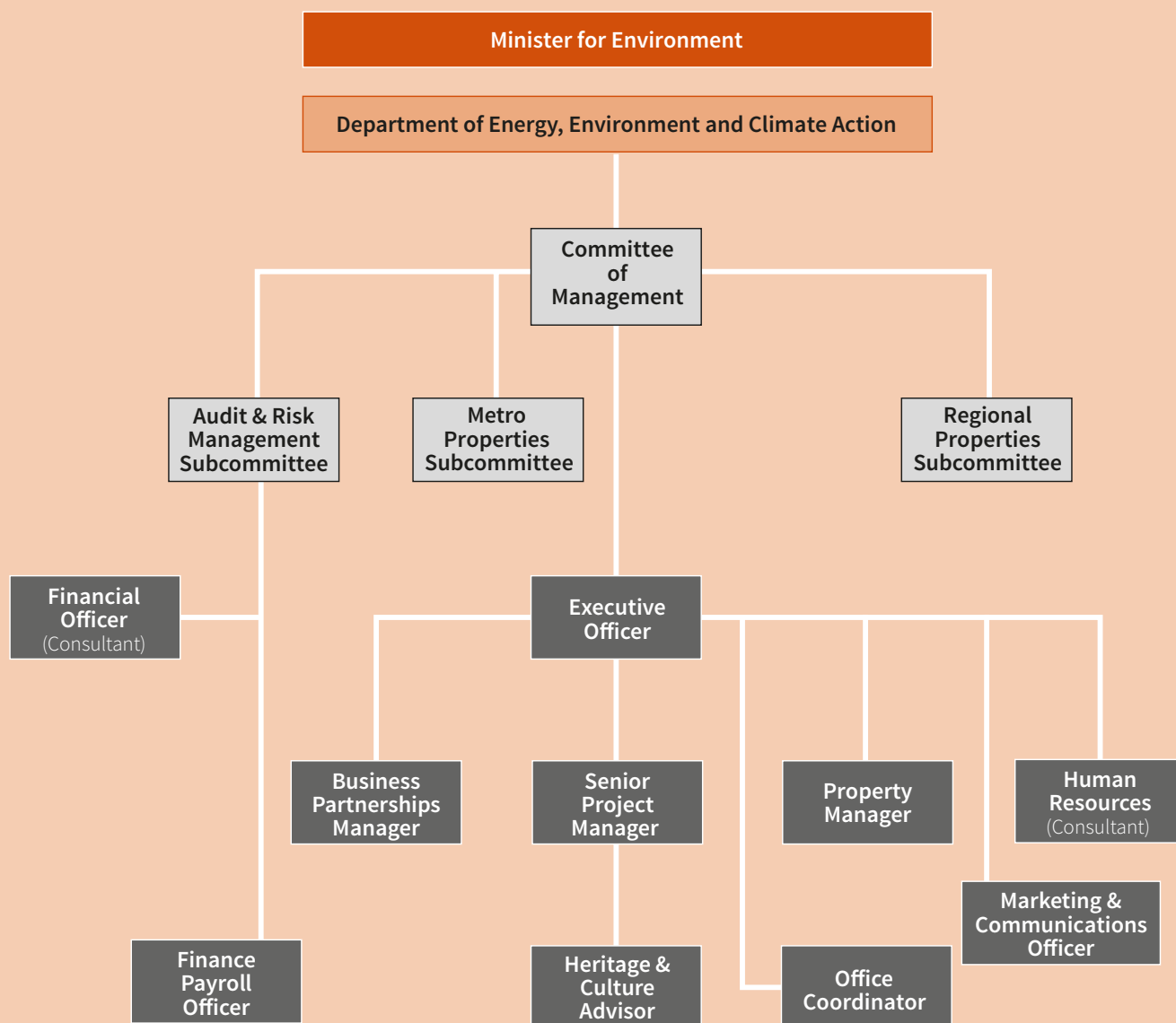
- Open House Melbourne
- Art Space Network
- Res Artis
- Our consultants
- Our contractors
- Our suppliers



◀ Ballan Court House *Hin Lim*

◀ Carlton Court House interior *Hin Lim*

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 Lily D'Ambrosio MP (the Minister) under the provisions of the Crown Land (Reserves) Act 1978.

The Committee membership in 2022–23 was:

Kerry Anderson Chair
 Phillip Davies
 Joan Ko
 Adam Magennis
 Borz Shabsavand
 Jeffrey Robinson
 Megan McDougall
 Trudy Rickard

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

Table 2: Committee Attendance: 1 July 2022– 30 June 2023

Committee Member	Eligible Meetings	Meetings Attended
Kerry Anderson	6	6
Adam Magennis	6	2
Borz Shabsavand	6	3
Jeffrey Robinson	6	6
Joan Ko	6	6
Megan McDougall	6	6
Phil Davies	6	5
Trudy Rickard	6	5

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

ORGANISATIONAL STRUCTURE

The current Committee of eight members was appointed for a three-year term by the Minister for Energy, Environment and Climate Change, Lily D'Ambrosio MP on 15 November 2021. The Committee meets on six scheduled occasions each year while three subcommittees – Audit and Risk Management, Metropolitan Properties, and the Regional Properties Subcommittees – meet quarterly and report to the Committee of Management.

COMMITTEE OF MANAGEMENT AND WORKING HERITAGE EXECUTIVE OFFICER

KERRY ANDERSON 2018 – 2023

CHAIR, NOV 2021–JUN 2023

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.



JOAN KO 2018–2023

Joan has spent her career providing sustainability advice as a consultant to government and industry, with a focus on decarbonisation, resilience and circular economy for cities. She is Arup's Climate and Sustainability Leader in Australasia. Examples of Joan's 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. She is also a member of the Sustainability Fund Committee for Victorian Government.

At Working Heritage, Joan chairs the Metropolitan Properties Subcommittee.



PHILLIP DAVIES 2014–2023

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 Audit and Risk Management Subcommittee.



ADAM MAGENNIS 2018–2023

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
 2018–2023

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.

MEGAN MCDOUGALL
 2021–2023

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 several 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.

TRUDY RICKARD
 2021–2023

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.

At Working Heritage, Trudy chairs the Regional Properties Subcommittee.

JEFF ROBINSON
 2021–2023

Jeff is a Chartered Engineer and Principal Sustainability Consultant working in Aurecon's Melbourne office. He has 38 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 recent past member of the Heritage Council of Victoria, a technical expert on the Victorian Design Review Panel and the City of Casey's Design Excellence Panel. He is a member of the Property Council of Australia's Victorian Sustainable Development Committee and a board Member of the Australian Passive House Association.

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. At working Heritage Jeff is a member of the Audit and Risk Management Subcommittee.

**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 organisational governance; and introduced strategic management planning for land use on Working Heritage properties.

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 and is 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.



▲ Farm Vigano restaurant *Natalie Zee*



▲ Wollert church inauguration at Carome Homestead

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 its collective capability and individual members' skills.

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. At the end of 2022, the Working Heritage Subcommittees were restructured with the Asset Management Subcommittee and the Leasing and Licensing Subcommittee being replaced by two new subcommittees that combine oversight of asset management, leasing, and licensing responsibilities for each property; one subcommittee looks at Melbourne properties and the other at our regional locations.

In 2022, the following subcommittees met quarterly:

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

In 2023, the following subcommittees met quarterly:

- Audit and Risk Management Subcommittee
- Metropolitan Properties Subcommittee
- Regional Properties Subcommittee

AUDIT AND RISK MANAGEMENT SUBCOMMITTEE

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

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

The ARMS consists of three members, made up of two Committee of Management members and one external appointee. In 2023, ARMS membership was comprised of Phillip Davies (Chair), Jeffery Robinson and Keith Kirkham (external). Committee Chair Kerry Anderson attended ex officio.

Table 3: Audit and Risk Management Subcommittee (ARMS) attendance, 1 July 2022 – 30 June 2023

Committee Member	Eligible Meetings	Meetings Attended
Phil Davies	4	4
Jeff Robinson	4	4
Keith Kirkham	4	4

Daylesford Court House *Hin Lim* ►



METROPOLITAN PROPERTIES SUBCOMMITTEE

The Metropolitan Properties Subcommittee operates as a subcommittee to assist Committee members and Working Heritage Management in fulfilling their governance responsibilities in the following areas, and with respect to the Reserves under management situated in metropolitan Melbourne:

- Application of Working Heritage's Asset Management Strategy and by reference to the Victorian Government's Asset Management Accountability Framework.
- Application of Working Heritage's Leasing Policy and by reference, the DEECA (Dept of Energy, Environment and Climate Action) Leasing Policy for Victorian Crown Land 2010; and
- Application of Working Heritage's Leasing Procedures and by reference the DEECA Crown Land Leasing Guidelines – Leasing Legislation 2012.

In 2023, membership of the Metropolitan Properties Subcommittee comprised Joan Ko (Chair), Kerry Anderson and Megan McDougall.

REGIONAL PROPERTIES SUBCOMMITTEE

The Regional Properties Subcommittee operates as a subcommittee to assist Committee members and Working Heritage Management in fulfilling their governance responsibilities in the following areas, and with respect to the Reserves under management situated in regional Victoria (i.e., not in Metropolitan Melbourne):

- Application of Working Heritage's Asset Management Strategy and by reference to the Victorian Government's Asset Management Accountability Framework.
- Application of Working Heritage's Leasing Policy and by reference, the DEECA Leasing Policy for Victorian Crown Land 2010; and
- Application of Working Heritage's Leasing Procedures and by reference the DEECA Crown Land Leasing Guidelines – Leasing Legislation 2012.

In 2023 the subcommittee was chaired by Borz Shahsavand. Membership comprised Trudy Rickard and Adam Magennis; Committee Chair Kerry Anderson attended ex officio.



▲ Sod Turn at OKPS (Old Kyneton Primary School)

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 2023 and financial position of WH at 30 June 2023.

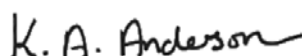
At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 14 November 2023



Antony Christianen
Chief Finance Officer

Melbourne
12 December 2023



Kerry Anderson
Chairperson

Melbourne
12 December 2023



Ross Turnbull
Executive Officer

Melbourne
12 December 2023

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 2023, 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 2023 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.

Liability limited by a scheme approved under Professional Standards Legislation
A member firm of DFK International, a worldwide association of independent accounting firms and business advisers





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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
12 December 2023

Michael L Port

Michael L Port
Partner

COMPREHENSIVE OPERATING STATEMENT ^a

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Notes	\$ 2023	\$ 2022
Continuing operations			
Income from transactions			
Income	2.1	3,469,385	2,538,113
Total income from transactions		3,469,385	2,538,113
Expenses from transactions			
Employee benefit expenses	3.1.1	(671,923)	(529,822)
Other operating expenses	3.2	(998,669)	(1,158,865)
Depreciation	4.2.1	(723,110)	(704,230)
Interest expense	6.1.1	(46,644)	(53,501)
Total expenses from transactions		(2,440,346)	(2,446,418)
Net result from transactions (net operating balance)		1,029,039	91,695
Other economic flows – other comprehensive income:			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	4.2.2	(3,112,001)	6,290,852
Total other economic flows – other comprehensive income		(3,112,001)	6,290,852
Comprehensive result		(2,082,962)	6,382,547

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 2023

	Notes	(\$) 2023	(\$) 2022
Assets			
Financial assets			
Cash and deposits		1,756,059	1,395,810
Receivables	5.1	117,196	141,291
Investments and other financial assets	4.3	600,000	–
Security Deposits		2,329	2,329
Total financial assets		2,475,584	1,539,430
Non-financial assets			
Crown land	4.1	104,888,569	109,989,590
Property Improvements	4.2	28,637,482	26,910,710
Plant and Equipment	4.2	18,094	22,466
Total non-financial assets		133,544,145	136,922,766
Total assets		136,019,729	138,462,195
Liabilities			
Payables	5.2	170,396	226,619
Employee related provisions	3.1.2	70,459	48,123
Borrowings	6.1	2,012,978	2,338,595
Total liabilities		2,253,833	2,613,336
Net assets		133,765,896	135,848,859
Equity			
Accumulated surplus		92,771,397	91,742,357
Physical asset revaluation surplus	8.1	40,994,499	44,106,502
Net worth		133,765,896	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

CASH FLOW STATEMENT ^a

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Notes	(\$) 2023	(\$) 2022
Cash flows from operating activities			
Receipts			
Receipts received		3,790,964	2,700,889
Interest received		2,806	7,680
Total receipts		3,793,770	2,708,569
Payments			
Payments to suppliers and employees		(1,808,104)	(1,679,688)
Goods and Services Tax paid to the ATO ^(b)		(196,665)	(128,805)
Interest and other costs of finance paid		(46,644)	(53,501)
Total payments		(2,051,413)	(1,861,993)
Net cash flows from operating activities	6.3.1	1,742,357	846,575
Cash flows from investing activities			
Purchases of non-financial assets		(456,491)	(104,735)
Payments for investments		(600,000)	–
Net cash flows (used in) investing activities		(1,056,491)	(104,735)
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities ^(c)		(325,617)	(318,760)
Net cash flows (used in) financing activities		(325,617)	(318,760)
Net increase/(decrease) in cash and cash equivalents		360,249	423,080
Cash and cash equivalents beginning of financial year		1,395,810	972,730
Cash and cash equivalents at end of financial year	6.3	1,756,059	1,395,810

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) WH has recognised cash payments for the principal portion of lease payments as financing activities; cash payments for the interest portion as operating activities consistent with the presentation of interest payments and short-term lease payments for leases and low-value assets as operating activities.

STATEMENT OF CHANGES IN EQUITY ^a

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	(\$) Physical asset revaluation surplus	(\$) Accumulated surplus	(\$) Total
Balance at 1 July 2021	37,815,648	91,650,663	129,466,311
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	44,106,500	91,742,358	135,848,858
Balance at 1 July 2022	44,106,500	91,742,358	135,848,858
Net result for the year	–	1,029,039	1,029,039
Other comprehensive income for the year	(3,112,001)	–	(3,112,001)
Balance at 30 June 2023	40,994,499	92,771,397	133,765,896

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.

2.1 SUMMARY OF INCOME THAT FUNDS THE DELIVERY OF OUR SERVICES

	(\$) 2023	(\$) 2022
Property income	1,422,457	1,312,071
Car park income	1,306,385	901,125
Other income	737,737	317,236
Interest	2,806	7,681
Total	3,469,385	2,538,113

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 Energy, Environment and Climate Action for stage 2 of the Farm Vigano masterplan landscape improvements including construction of a new walking trail, viewing platform and heritage wall conservation. Funding was also provided Living Heritage conservation works to the Daylesford courthouse. Funding was received from Major Transport Infrastructure Authority for the Westgate Tunnel for interpretative signage at Jack’s Magazine and Victoria’s Heritage Restoration Fund provided funding for wall restoration works at the Mint site in William Street.

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	\$ 2023	\$ 2022
Employee benefit expenses	3.1.1	671,923	529,822
Other operating expenses	3.2	998,669	1,158,865
Total expenses incurred in delivery of services		1,670,592	1,688,687

3.1.1 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

	(\$) 2023	(\$) 2022
Salaries and wages, annual leave and long service leave	609,236	480,630
Defined contribution superannuation expense	62,687	49,192
Total employee expenses	671,923	529,822

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.

	(\$) 2023	(\$) 2022
Current provisions:		
<i>Annual leave</i>		
Unconditional and expected to settle within 12 months	26,688	10,659
<i>On-costs</i>		
Unconditional and expected to settle within 12 months	3,078	1,274
Total current provisions for employee benefits	29,766	11,933
Non-current provisions:		
Employee benefits	36,463	32,436
<i>On-costs</i>	4,230	3,754
Total non-current provisions for employee benefits	40,693	36,190
Total provisions for employee benefits	70,459	48,123

Reconciliation of movement in on-cost provision	(\$) 2023
Opening balance	5,028
Additional provisions recognised	2,280
Closing balance	7,308
Current	3,078
Non current	4,230

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 the 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	
	2023	2022	2023	2022
Defined contribution plans				
VicSuper	275	8,647	210	733
Other	62,412	40,545	17,383	4,266
Total	62,687	49,192	17,593	4,999

3.2 OTHER OPERATING EXPENSES

	(\$) 2023	(\$) 2022
Property outgoings	295,346	336,529
Property and administration improvement expenses	167,626	299,394
Car park expenses	280,900	320,714
External finance and internal audit fees	111,138	87,602
Administration expenses	69,993	54,811
Committee expenses	48,104	39,416
Audit fees	18,340	14,155
Bank charges	7,222	6,244
Total other operating expenses	998,669	1,158,865

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 services.

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

4.1 CROWN LAND

	(\$) 2023	(\$) 2022
Crown Land at fair value	104,888,569	109,989,590
Total	104,888,569	109,989,590
	(\$) 2023	(\$) 2022
Opening balance	109,989,590	107,526,300
Revaluation	(5,101,021)	2,463,290
Closing balance	104,888,569	109,989,590

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 DEECA, 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.

4.2 PROPERTY IMPROVEMENTS, PLANT AND EQUIPMENT

	Gross carrying amount		Accumulated depreciation		(\$)	(\$)
	2023	2022	2023	2022	Net carrying amount	
Property Improvements at fair value	29,356,220	27,609,573	(718,738)	(698,863)	28,637,482	26,910,710
Plant and equipment at fair value	69,682	69,682	(51,588)	(47,216)	18,094	22,466
Net carrying amount	29,425,902	27,679,255	(770,326)	(746,079)	28,655,576	26,933,176

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 is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants.

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

	(\$) 2023	(\$) 2022
Plant and equipment and fit out	4,372	5,367
Improvements	718,738	698,863
Total depreciation	723,110	704,230

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 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
2023			
Opening balance	109,989,590	26,910,710	22,466
Revaluations	(5,101,021)	1,989,019	–
Additions	–	456,491	–
Depreciation	–	(718,738)	(4,372)
Closing balance	104,888,569	28,637,482	18,094

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.

	(\$)		
	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	26,910,711	22,466

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.

4.3 INVESTMENTS AND OTHER FINANCIAL ASSETS

Charge for the period

	(\$) 2023	(\$) 2022
Term deposits: ^(a)		
Australian dollar term deposits > three months	600,000	–
Total investments and other financial assets	600,000	–

Notes:

(a) Term deposits under ‘investments and other financial assets’ class include only term deposits with maturity greater than 90 days.

5. OTHER ASSETS AND LIABILITIES

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

Structure

5.1 Receivables

5.2 Payables

5.1 RECEIVABLES

	(\$) 2023	(\$) 2022
Contractual		
Sale of goods and services	79,104	111,424
Statutory		
GST input tax credit recoverable	38,092	29,867
Total receivables	117,196	141,291
Represented by:		
Current receivables	117,196	141,291

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

	(\$) 2023	(\$) 2022
Contractual		
Supplies and services	55,254	117,808
Employee benefits	32,266	16,024
Securities held	10,585	10,585
Statutory		
GST payable	72,291	82,202
Total payables	170,396	226,619
Represented by:		
Current payables	160,396	190,431
Non-Current payables	10,000	36,190

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 particular agreements and as they are not legislative payables, they are not classified as financial instruments.

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

Maturity analysis of contractual payables ^(a)

	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
2023						
Supplies and services	55,254	55,254	40,414	14,840	–	–
Total	55,254	55,254	40,414	14,840	–	–
2022						
Supplies and services	117,808	117,808	20,781	72,090	24,937	–
Total	117,808	117,808	20,781	72,090	24,937	–

Notes

(a) 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

	(\$) 2023	(\$) 2022
Current borrowings		
Loans from Treasury Corporation Victoria	332,620	325,616
Total current borrowings	332,620	325,616
Non-current borrowings		
Loans from Treasury Corporation Victoria	1,680,358	2,012,978
Total non-current borrowings	1,680,358	2,012,978
Total borrowings	2,012,978	2,338,595

‘**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. Interest bearing liabilities are classified at amortised cost unless WH elects to irrevocably designate them at fair value through profit or loss at initial recognition. The election depends on the nature and purpose of the interest-bearing liabilities

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 to 3 months	3 months to 1 year	1 to 5 years	5+ years
2023							
Loans from TCV	2,012,978	2,012,978	27,449	55,044	250,127	1,403,580	276,778
Total	2,012,978	2,012,978	27,449	55,044	250,127	1,403,580	276,778
2022							
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

6.1.1 INTEREST EXPENSE

	(\$) 2023	(\$) 2022
Interest on loans from TCV	46,644	53,501
Total interest expense	46,644	53,501

‘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 2023, 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.

	(\$) 2023	(\$) 2022
Total cash and deposits disclosed in the balance sheet	1,756,059	1,395,810
Balance as per cash flow statement	1,756,059	1,395,810

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

	(\$) 2023	(\$) 2022
Net result for the period	1,029,039	91,695
Non cash movements:		
Depreciation	723,110	704,230
Movements in assets and liabilities:		
(Increase)/decrease in receivables	24,095	(77,040)
Increase/(decrease) in payables	(72,465)	140,491
Increase/(decrease) in provisions	22,336	(8,651)
Decrease/(Increase) in contract liabilities	16,242	(4,150)
Net cash flows from/(used in) operating activities	1,742,357	846,575

6.4 COMMITMENTS FOR EXPENDITURE

Commitments for future expenditure include operating and capital commitments arising from contracts. Any commitments are recorded in 6.4.1 if applicable 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 2023 (2021–22 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
- 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
2023				
Contractual financial assets				
Cash and deposits	1,505,581	–	–	1,505,581
Investments and other financial assets	600,000	–	–	600,000
Receivables ^(a)	–	79,104	–	79,104
Total contractual financial assets	2,105,581	79,104	–	2,184,685
Contractual financial liabilities				
Payables ^(a)				
Supplies and services	–	–	55,254	55,254
Employee benefits	–	–	32,266	32,266
Borrowings				
Loans from TCV	–	–	2,012,977	2,012,977
Total contractual financial liabilities	–	–	2,100,497	2,100,497

Notes:

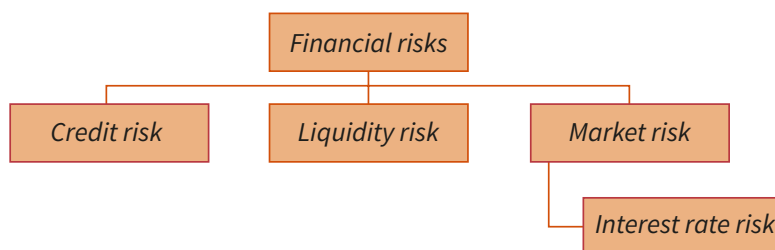
(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

	(\$)			
2022	Cash and deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
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).

7.1.2 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 2022–23.

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

	(\$)			
	Financial institutions	Government agencies	Other	Total
2023				
Cash and deposits	2,105,581	–	–	2,105,581
Investments and other financial assets	600,000	–	–	600,000
Receivables ^(a)	–	–	79,104	79,104
Total contractual financial assets	2,705,581	–	79,104	2,784,685
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

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 50 basis points up and down (50 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
2023					
Financial assets					
Cash and deposits	2.1%	1,756,059	250,478	1,505,581	-
Investments and other financial assets	5%	600,000	600,000		
Receivables					
Sale of goods and services	-	79,104	-	-	79,104
Total financial assets		2,435,163	850,478	1,505,581	79,104
Financial liabilities					
Payables ^(a)					
Supplies and services	-	55,254	-	-	55,254
Total financial liabilities		55,254	-	-	55,254

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
2022					
Financial assets					
Cash and deposits	0.07%	1,395,810	250,478	1,136,430	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).

Interest rate risk sensitivity

	Carrying amount	50 basis points Net result	+ 50 basis points Net result
2023			
Contractual financial assets			
Cash and deposits ^(a)	1,756,059	(8,780)	8,780
Total impact		(8,780)	8,780
	Carrying amount	25 basis points Net result	+ 25 basis points Net result
2022			
Contractual financial assets			
Cash and deposits ^(a)	1,395,810	(3,490)	3,490
Total impact		(3,490)	3,490

Notes:

(a) Cash and deposits are exposed to floating rates movements. Sensitivities to these movements are calculated at movements of 0.5% (0.2.5% 2021–22) up or down.

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

WH has no contingent assets (2022: \$Nil)

Contingent liabilities

WH has no contingent liabilities (2022 \$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
- 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 2023–24 reporting period or loan agreement period.

These financial instruments include:

FINANCIAL ASSETS

Cash and deposits

Receivables:

- Sale of goods and services
- Other

Investments and other contractual financial

- Term deposits

Payables:

- For supplies and services
- Other payables

Borrowings

- Loans from TCV

Fair value of financial instruments measured at amortised cost

	(\$)			
	Carrying amount 2023	Fair value 2023	Carrying amount 2022	Fair value 2022
Financial liabilities				
Borrowings	2,012,977	2,012,977	2,338,593	2,338,593
Loans from TCV	2,012,977	2,012,977	2,338,593	2,338,593

7.3.2 FAIR VALUE DETERMINATION: NON-FINANCIAL PHYSICAL ASSETS

Fair value measurement hierarchy

(\$)				
2023	Carrying amount as at 30 June 2023	Fair value measurement at end of reporting period using:		
		Level 1	Level 2 ⁽ⁱ⁾	Level 3
Furniture, equipment and fit-out	18,094	-	18,094	-
Crown Land	104,888,569	-	104,888,569	-
Improvements	28,637,482	-	28,637,482	-
Total of non-financial assets at fair value	133,544,145	-	133,544,145	-

Notes:

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

(\$)				
2023	Carrying amount as at 30 June 2023	Fair value measurement at end of reporting period using:		
		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

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.

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

	(\$) 2023	(\$) 2022
Physical asset revaluation surplus ^(a)		
Balance at beginning of financial year	44,106,500	37,815,648
Revaluation increments/(decrements)	(3,112,001)	6,290,852
Balance at end of financial year	40,994,499	44,106,500
Net changes in reserves	(3,112,001)	6,290,852

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, Climate Action and Solar Homes.	The Hon Lily D'Ambrosio MP	(1 July 2022 to 4 December 2022)
Minister for Early Childhood and Pre- Prep and Minister for Environment	The Hon Ingrid Stitt MP	(5 December 2022 to 30 June 2023)
Executive Officer	Ross Turnbull	(1 July 2022 to 30 June 2023)

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: \$170,000–\$179,999 (2022: \$160,000–\$169,999).

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

Name	Position	Period
Ms Kerry Anderson	Committee Chairperson	(1 July 2022 to 30 June 2023)
Ms Joan Ko	Committee member	(1 July 2022 to 30 June 2023)
Mr Phillip Davies	Committee member	(1 July 2022 to 30 June 2023)
Mr Borz Shamsavand	Committee member	(1 July 2022 to 30 June 2023)
Mr Adam Magennis	Committee member	(1 July 2022 to 30 June 2023)
Ms Trudy Rickard	Committee member	(1 July 2022 to 30 June 2023)
Mr Jeffrey Robinson	Committee member	(1 July 2022 to 30 June 2023)
Ms Megan McDougall	Committee member	(1 July 2022 to 30 June 2023)

Band Range	Total number	
	2023	2022
\$0–\$9,999	7	9
\$10,000–\$19,999	1	–
Total	8	9
Total remuneration	40,701	31,982

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.

	(\$)	(\$)
	Total	
Remuneration	2023	2022
Short-term employee benefits	155,107	152,859
Post-employment benefits	15,726	14,736
Total remuneration ^(a)	170,833	167,595
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	
	2023	2022
Department of Energy, Environment Climate Action	595,360	163,000
Court Services Victoria	181,782	221,996
Department of Jobs, Skills, Industry and Regions	100,000	165,000
DPV Health Ltd	60,132	63,425
Geelong Performing Arts Centre Trust	42,005	40,502
Victoria's Heritage Restoration Fund	25,000	–
Magistrates Court Victoria	2,727	7,200
Total	1,007,006	661,124

WH paid funding to:

	(\$)	(\$)
	Total	
	2023	2022
State Revenue Office	296,695	174,270
City of Melbourne	61,768	70,918
Victorian Government Solicitors Office	12,749	11,960
Department of Energy, Environment Climate Action	–	35,750
Total	371,213	292,899

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.

	(\$) 2023	(\$) 2022
Short-term benefits	191,977	182,952
Post-employment benefits	19,558	16,625
Total (a)	211,535	199,577

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 occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with 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

	(\$) 2023	(\$) 2022
Audit or review of the financial statements	18,340	14,155
Total remuneration of auditors	18,340	14,155

8.6 SUBSEQUENT EVENTS

WH considers that there has been no other matters or circumstances have arisen subsequent to 30 June 2023, that would require

adjustment of, or disclosure in, the financial statements.

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 2022–23 reporting period. These accounting standards have not been applied to these Financial Statements.

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

AASB 2022-10 amends AASB 13 *Fair Value Measurement* by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.

Among other things, the Standard:

- specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* or if it is highly probable that it will be used for an alternative purpose;
- clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services;
- specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data; and
- provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence.

This Standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

AASB 17 Insurance Contracts, AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments and AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector

AASB 17 replaces AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts* for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026. This Standard applies for annual reporting periods beginning on or after 1 January 2023.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

AASB 2020-1 amended AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current and was applicable to annual reporting periods beginning on or after 1 January 2022.

AASB 2020-6 subsequently amended AASB 2020-1, deferring the mandatory effective date of AASB 2020-1 from 1 January 2022 to 1 January 2023. AASB 2022-6 was applicable for annual reporting periods beginning on or after 1 January 2022.

AASB 2022-6 amends and clarifies the requirements contained in AASB 2020-1. Among other things, it:

- clarifies that only those covenants that an entity must comply with at or before the reporting date affect a liability's classification as current or non-current; and
- requires additional disclosures for non-current liabilities that are subject to an entity complying with covenants within twelve months after the reporting date.

AASB 2022-6 applies to annual reporting periods beginning on or after 1 January 2023.

WH is in the process of analysing the impacts of these standard proposed amendments. However, it is not anticipated to have a material impact.

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 over

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 non reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits in the form of goods or services to particular taxpayers in return for their taxes.

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

Interest expense

Represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of 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 transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies

Net worth

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

Non-financial assets

Non-financial assets are all assets that are not ‘financial assets’. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

Operating result

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

Other economic flows – other comprehensive income

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

Payables

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

Receivables

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

Supplies and services

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

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 rounding.

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 *Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of WH's annual reports.



Working Heritage

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