



Perth Theatre Trust Annual Report 2021-2022

The Arts and Culture Trust replaced the Perth Theatre Trust on 1 July 2022. The *Perth Theatre Trust Act 1979* was repealed when the *Arts and Culture Trust Act 2021* was proclaimed.

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EXECUTIVE SUMMARY

STATEMENT OF COMPLIANCE

In accordance with Section 61 of the *Financial Management Act 2006* I hereby submit, for your information and presentation to Parliament, the Final Annual Report of the Perth Theatre Trust for the financial year ended 30 June 2022. This report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and all other legislation including:

- Disability Services Act 1993
- Electoral Act 1907
- Equal Opportunity Act 1984
- Occupational Safety and Health Act 1984
- Public Sector Management Act 1994
- State Records Act 2000.

At the date of signing, I am not aware of any circumstances that would render the particulars included in the report misleading or inaccurate.



Michael Seaton
Reporting Officer
05 October 2022

PERTH THEATRE TRUST RESULTS AT A GLANCE

ITEM	TOTAL
Cost of services	\$21.5 million
Revenue	\$8.85 million
Income from WA State Government	\$13.12 million
Number of Performances	999
Performance Attendance	355,274
Number of Other Events	807
Other Events Attendance	62,523
PTT Supported Performances	207
Attendance at PTT Supported Performances	30,737
Total events (performance and other events)	1,806
TOTAL Attendances	417,797

SECTION 1

AGENCY OVERVIEW

AGENCY PROFILE

The Perth Theatre Trust (PTT), established by the *Perth Theatre Trust Act 1979*, is responsible for the management, maintenance, operation, and improvement of venues under its control. The Trust's venues are used by local, national, and international performing arts companies, performers, and artists, both professional and amateur. School and children's performances and activities are also presented at these venues.

The Trust's role is to provide well maintained venues and efficient and effective venue management to enhance the quality of life and wellbeing of people throughout Western Australia. PTT venues are hired by key performing arts companies funded by the State government and other organisations.

PTT venues are also regularly hired out for other events such as community arts workshops, school graduation ceremonies and other functions.

STRATEGY, VISION AND MISSION

Vision: To have vibrant, full theatres

Mission: To offer wide-ranging arts experiences in well-managed venues.

The PTT's key **strategic focus areas** are:

- **Relationships:** To strengthen and build strategic partnerships which achieve greater outcomes for stakeholders and audiences
- **Audiences:** To build new audiences while continuing to service existing patrons
- **Customer Experiences:** To provide excellent customer experiences
- **Vibrancy:** To create a vibrant and flexible working and artistic environment
- **Venue Improvement:** To achieve the highest possible standard in quality and maintenance of infrastructure
- **Economic Viability:** To maintain and enhance our economic viability

VENUES

His Majesty's Theatre

A State Heritage Icon, His Majesty's Theatre (HMT) is a 1,253-seat theatre, with seating arranged in a horseshoe shape. The auditorium features a proscenium arch, a flat stage and an orchestra pit that can be raised for seating if required. Downstairs at the Maj seats 144 in cabaret mode.

State Theatre Centre of Western Australia

The State Theatre Centre (STC) opened in 2011. It features the 577-seat Heath Ledger Theatre, the 250-seat flexible Studio Underground, a 200-seat Rehearsal Room Downstairs, two rehearsal rooms, two flexible-use private suites plus the Courtyard - a multi-purpose outdoor events space.

Subiaco Arts Centre

Subiaco Arts Centre (SAC) features two dedicated performance areas including the Main Auditorium with a corner stage and raked seating on three sides for 305 and the Studio, with an intimate performance area seating 119 people. The SAC is leased from the City of Subiaco.

Albany Entertainment Centre

The Albany Entertainment Centre features the 618-seat proscenium arch Princess Royal Theatre. The Kalyenup Studio is a flexible space accommodating up to 220 people. The Hanover Room function space can seat up to 20 people or accommodate up to 60 people standing.

Perth Cultural Centre Public Realm (PCC)

The PCC is a State and municipal heritage-listed precinct, located between the Central Business District and Northbridge, and bounded by Roe, Aberdeen, Beaufort and William Streets. It is one of Perth's primary visitor destinations. Prior to Covid-19, PCC attracted more than four million visitors each year, including local, interstate, and international tourists. The PTT is responsible for the management and activation of the Perth Cultural Centre (PCC) public realm. The PCC is home to WA's most significant cultural institutions including:

- Art Gallery of Western Australia
- Western Australian Museum
- State Library of Western Australia
- State Records Office
- Perth Institute of Contemporary Arts
- Blue Room Theatre
- State Theatre Centre of Western Australia

Perth Concert Hall

The Perth Concert Hall is renowned for having one of the finest acoustics in the southern hemisphere. The main auditorium has a total capacity of 1,731 plus 160 choir stall seats. The capacity is made up of 354 seats in the Upper Gallery, 260 in the Lower Gallery and 1,117 in the stalls. The Wardle Room seats up to 330 guests. PTT leases the Perth Concert Hall from the City of Perth. The venue is managed by WA Venues and Events Ltd, a subsidiary of the West Australian Symphony Orchestra.

Goldfields Arts Centre

The Goldfields Arts Centre is the only multi-functional arts venue in the Goldfields region and one of only three A-Class Art Galleries in regional Western Australia. It is comprised of a 700-seat theatre, Gallery, Foyer, Dance Studio, Function Room, Ensemble Room, Bar, Box Office, and seven small meeting rooms. PTT leases the Goldfields Arts Centre to the City of Kalgoorlie-Boulder which operates the venue.

RESIDENT COMPANIES

The following Government-funded arts organisations are regarded as resident companies and present most of their programs at PTT venues. The Perth Festival and FRINGE WORLD Festival also present productions in PTT venues.

- Barking Gecko Theatre Company
- Black Swan State Theatre Company
- CO3
- Yirra Yaakin Theatre Company
- West Australian Ballet
- West Australian Opera

OPERATIONAL STRUCTURE

RESPONSIBLE MINISTER

The Hon David Templeman MLA, Minister for Culture and the Arts

LEGISLATION

Enabling Legislation

Perth Theatre Trust Act 1979

Other key legislation

In the performance of its functions, PTT complies with the following relevant written laws:

<i>Auditor General Act 2006</i>	<i>Procurement Act 2020</i>
<i>Disability Services Act 1993</i>	<i>Public Sector Management Act 1994</i>
<i>Emergency Management Act 2005</i>	<i>Salaries and Allowances Act 1975</i>
<i>Equal Opportunity Act 1984</i>	<i>State Records Act 2000</i>
<i>Financial Management Act 2006</i>	<i>State Superannuation Act 2000</i>
<i>Freedom of Information Act 1992</i>	<i>State Supply Commission Act 1991</i>
<i>Industrial Relations Act 1979</i>	<i>Statutory Corporations (Liability of Directors) Act 1996</i>
<i>Long Service Leave Act 1958</i>	<i>Workers' Compensation and Injury Management Act 1981</i>
<i>Minimum Conditions of Employment Act 1993</i>	<i>Work Health and Safety Act 2020</i>

ORGANISATIONAL STRUCTURE

Governance

The **Perth Theatre Trust** reports to the Minister for Culture and the Arts.

The Board is responsible for the performance of the functions and powers of PTT under the section 16 of the *Perth Theatre Trust Act 1979*. These functions include:

- promoting the use of the theatres and facilities over which it has control;
- managing, maintaining, operating and improving Trust theatres;
- advising the Minister on contracts for letting and managing Trust theatres;
- coordinating all activities taking place in each of the Trust theatres.

The Board consists of eight members. Four members are nominated by the Minister for Culture and the Arts and three are nominated by the City of Perth. These seven members are appointed by the Governor under Section 5 of the *Perth Theatre Trust Act 1979*. An ex-officio position is held by the Department of Local Government, Sport and Cultural Industries (DLGSC) Director General, or their nominee.

As the Director General holds the dual role of General Manager of PTT, the ex-officio position is filled by a Director General nominee. Board meetings are held every two months.

Board Governance

The Board's governance is shaped by:

- Requirements of legislative compliance, including the *Perth Theatre Trust Act 1979*, *Financial Management Act 2006* and the *Public Sector Management Act 1994* as well directive instructions issued by the Treasurer and the Public Sector Commissioner.
- Statement of expectation from the responsible Minister, Minister for Culture and the Arts;
- Statement of intent provided to the responsible Minister;
- Board Code of Conduct;
- Disclosures of Conflicts of Interest.

Perth Theatre Trust Trustees	
Morgan Solomon	Morgan Solomon was appointed to the Board in January 2013 and was appointed chair in January 2016. Founder of Solomon Hollett Lawyers firm, he has chaired the Law Australasia Group, and sits on the Board of the Prostate Cancer Foundation. With more than 20 years' experience in law, he also has an Honours degree in Fine Arts and is a Founding member of the WA Chamber of Culture and the Arts.
Sandy Anghie	City of Perth nominee Councillor Sandy Anghie was appointed in April 2021. With ten years' experience as a lawyer and 15 years as an architect, Sandy is also the editor of The Architect magazine, Chapter Councillor of the Australian Institute of Architects WA, and Deputy Lord Mayor of the City of Perth. She has more than ten years board experience, including on the boards of the West Australian Ballet, Historic Heart of Perth inc., and the Constable Care Safety Foundation.
Di Bain	City of Perth nominee Councillor Di Bain was appointed in April 2021. A marketing and communications specialist with more than 20 years' experience in the sector, Di worked for the ABC for ten years, and founded a media and marketing agency. Di is a Commissioner of Tourism Western Australia and a Member of the Development WA: Lands Redevelopment Committee. Di also sits on the advisory boards of the Telethon Kids Institute and the Black Swan State Theatre Company.
Clyde Bevan	City of Perth nominee Councillor Clyde Bevan was appointed in April 2021. Clyde has extensive Board experience, including six years as Chair of the Board of Directors of Lotterywest. A highly awarded restaurateur and businessperson, he has served on the boards of the WA Restaurant and Catering Association, the State Supply Commission and the Kalamunda and Districts Hospital Board. Clyde was President of the Swan Valley Tourism Council for four years and has worked as a Senior Policy Advisor for the WA Office of Premier and Cabinet.
Nadia Van Dommelen	Nadia van Dommelen was appointed in January 2018. A qualified civil engineer with 25 years of industry experience, she brings her knowledge of asset planning, development, and management to the Board. Nadia has played a key role in some of Perth's most complex and transformative infrastructure projects, including the Optus Stadium, Metronet and Fiona Stanley Hospital. Nadia also sits on committees at ECU (Edith Cowan University) School of Business and Law and Heartkids Australia.
Julian Donaldson	Julian Donaldson was appointed to the Board in May 2016. Julian brings to the Board his leadership experience gained in a career spanning the commercial and arts sectors. Mr Donaldson led the Perth International Arts Festival for more than a decade before joining the National Trust in 2016. He is CEO (Chief Executive Officer) of the National Trust of Western Australia, and he also serves on the Board of the Perth Symphony Orchestra.

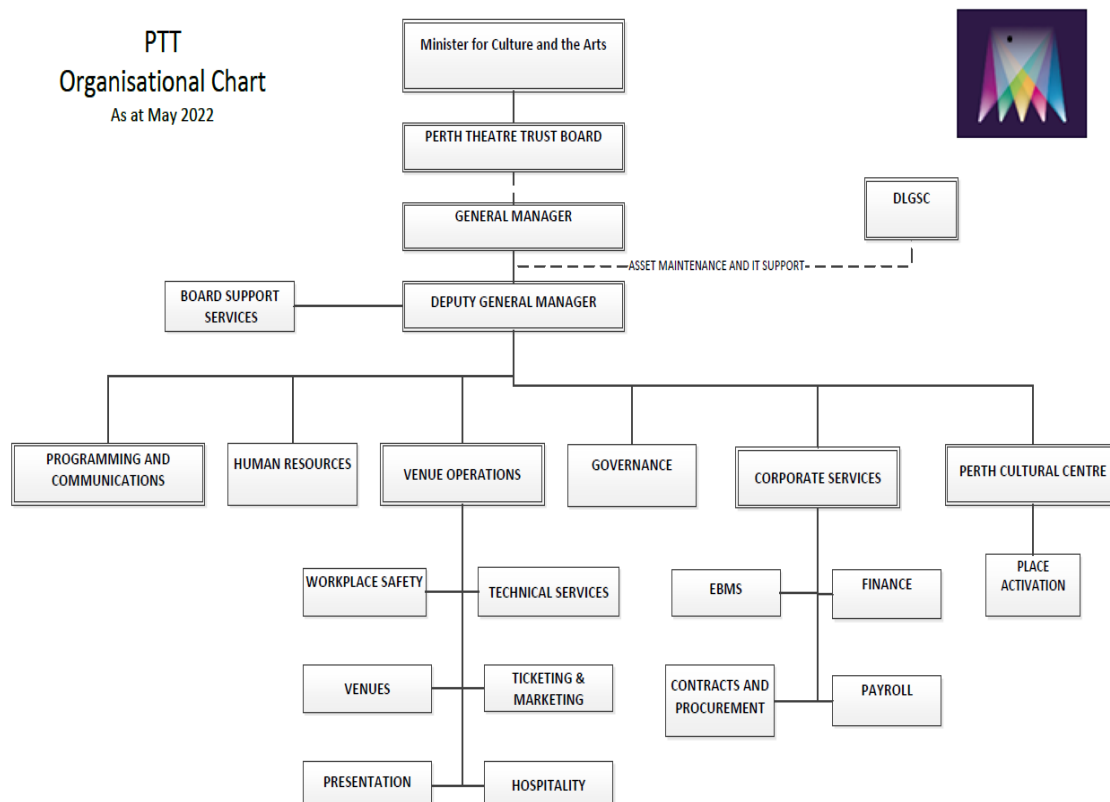
Michelle Tremain	Michelle Tremain was appointed to the Board in August 2014. Michelle has more than 25 years' experience in corporate tax and business improvement. As Perth Managing Partner of PwC Australia, Michelle's business acumen is an asset to the Board. She also serves on the board of The Foundation for the WA Museum and Curtin Business School Advisory Council.
Rob Didcoe	Ex-officio trustee from November 2020 until September 2021.
Erin Gauntlett	Ex-officio trustee from September 2021 until 29 March 2022.
Shelagh Magadza	Ex-officio trustee from 29 March, 2022 until 30 June 2022.

Leadership

The **General Manager of PTT** is responsible to the Board for the day-to-day operations of the Trust. The **Corporate Executive** holds regular meetings to consider key strategic, planning and policy matters.

Perth Theatre Trust Senior Officers	
General Manager	Lanie Chopping
Deputy General Manager	Margaret Butcher
Director, Finance and Procurement	Michael Seaton
A/Director, Venue Operations	Mark Howett
A/Director, Venue Operations	Helen Stewart
A/Director, Technical Services	Matthew Nankivell

Organisational Chart



PERFORMANCE MANAGEMENT FRAMEWORK

PTT is a statutory authority established by the *Perth Theatre Trust Act 1979*. PTT is shown under Community Services in Division 37 of the State Government Budget Papers. The Trust's provision of theatres and programming events provides the community with access to cultural experiences and the opportunity to enhance the cultural and economic life of WA.

The Key Performance Indicators of the Trust have been developed in accordance with Treasurer's Instruction 904 to evaluate the Trust's performance in achieving the Government Desired Outcome and to provide an overview of the critical and material aspects of service provision.

Government goal	Desired Outcomes	Services
Better Places: A quality environment with liveable and affordable communities and vibrant regions.	Effectively managed performing arts venues attracting optimal utilisation.	PTT's provision of theatres and programming events provides the community with access to cultural experiences and the opportunity to enhance the cultural and economic life of WA.

Indicator		Measure
Key Effectiveness Indicator	Effectively managed performing arts venues attracting optimal utilisation	Attendance rates across principal performance spaces
Key Efficiency Indicator	Venue Management Services	Average cost per attendee
		Average subsidy per attendee for PTT funded programmes

CHANGES TO OUTCOMES-BASED MANAGEMENT FRAMEWORK

The Trust's outcome-based management framework did not change during 2021-22.

SHARED RESPONSIBILITIES WITH OTHER AGENCIES

The Trust did not share any responsibilities with other agencies in 2021-22.

SECTION 2

AGENCY PERFORMANCE

REPORT ON OPERATIONS

ACTUAL RESULTS VERSUS BUDGET TARGETS

Financial

Financial Targets	2021-22 Target (1) \$000	2021-22 Actual \$000	Variation (2) \$000	Variance from Budget %
Total cost of services (expense limit)	19,710	21,534	1,824	9%
Net cost of services	10,977	12,685	1,708	15%(1)
Total equity	165,514	168,073	2,559	2%
Net increase / (decrease) in cash held	(1,398)	574	1,972	141%(2)
Approved salary expense level	876	963	87	10%
Agreed borrowing limit (where applicable)	9,379	9,870	491	5%

(1) As specified in the Budget Statements

(2) Further explanations are contained in Note 34 'Explanatory statement' to the financial statements.

Summary of Key Performance Indicators

Key Effectiveness Indicators		2021-22 Target	2021-22 Actual	Variation
Effectively managed performing arts venues attracting optimal utilisation	Attendance Rates across principal performance spaces	350,000	355,274	
Key Efficiency Indicators				
Venue Management Services	(a) Average Cost per attendee	77	56	
	(b) Average subsidy per attendee for PTT funded programmes	2	3	

ATTENDANCE RATES

ATTENDANCES AT PERFORMANCES

This chart shows events that are recognised as a performance in line with Live Performance Australia's biennial Ticketing Attendance and Revenue Survey.

VENUE	2021 - 2022		2020 – 2021	
	Performances	Attendance	Performances	Attendances
Albany Entertainment Centre				
Princess Royal Theatre	55	18,985	52	13,614
Kalyenup Studio	14	1,410	21	1,645
Harbourside Foyers and Hanover Room	0	0	3	174
TOTAL Albany Entertainment Centre	69	20,395	76	15,433
Goldfields Art Centre				
Main Auditorium	32	10,335	23	6,952
Ensemble Room	0	0	0	0
Gallery	0	0	0	0
Function Room and others	0	0	0	0
TOTAL Goldfields Arts Centre	32	10,335	23	6,952
His Majesty's Theatre				
Main Auditorium	81	81,705	110	57,201
Downstairs at the Maj	144	12,282	79	6,300
Dress Circle and other	23	1040	30	1,531
Studio Spaces	1	47	0	0
TOTAL His Majesty's Theatre	249	95,074	219	65,032
Perth Concert Hall				
Main Auditorium	106	112,848	88	78,381
Wardle Room	0	0	0	0
Balcony/Veranda/Forecourt	0	0	0	0
Foyers	0	0	3	205
TOTAL Perth Concert Hall	106	112,848	91	78,586
State Theatre Centre of WA				
Heath Ledger Theatre	119	60,868	151	43,515
Studio Underground	157	23,272	110	13,744
Courtyard	21	3,100	51	9,804
Rehearsal Rooms and others	87	4,121	95	5,072
TOTAL State Theatre Centre	384	91,361	407	72,135
Subiaco Arts Centre				

Main Auditorium	108	21,132	61	9,891
The Studio	50	3,810	47	2,658
Community spaces	0	0	40	636
TOTAL Subiaco Arts Centre	158	24,942	148	13,185
TOTAL All Venues	999	355,274	964	251,323

ATTENDANCE AT OTHER EVENTS

This table shows other events held in PTT venues, which do not fit Live Performance Australia's definition of 'live performance'. These events include school graduation ceremonies, film screenings, creative arts and cultural workshops and community events.

VENUE	2021 - 2022		2020 – 2021	
	Performances	Attendance	Performances	Attendances
Albany Entertainment Centre				
Princess Royal Theatre	17	4,340	10	1,856
Kalyenup Studio	30	2,241	23	1,504
Harbourside Foyers and Hanover Room	15	664	26	981
TOTAL AEC	62	7,245	59	4,341
Goldfields Art Centre				
Main Auditorium	11	5,853	9	1,930
Ensemble Room	27	1,735	213	3,560
Gallery	5	4,501	105	2,515
Function Room and others	43	3,704	130	5,955
TOTAL GAC	86	15,793	457	13,960
His Majesty's Theatre				
Main Auditorium	2	654	2	80
Downstairs at the Maj	2	94	10	1,073
Dress Circle and other	12	588	27	582
Studio Spaces/King's Lair	0	0	0	0
TOTAL HMT	16	1,336	39	1,735
Perth Concert Hall				
Main Auditorium	11	10,725	2	125
Wardle Room	7	631	5	275
Balcony/Veranda/Forecourt	3	651	7	2,195
Foyers	76	6,270	47	2,854
TOTAL PCH	97	18,277	61	5,449
State Theatre Centre of WA				
Heath Ledger Theatre	27	10,059	22	1,863

Studio Underground	10	1,020	15	316
Courtyard	2	80	4	270
Rehearsal Rooms and others	15	410	134	3,771
TOTAL STC	54	11,569	175	6,220
Subiaco Arts Centre				
Main Auditorium	53	1,834	16	709
The Studio	79	1,047	13	153
Community spaces	360	5,622	403	7,581
TOTAL SAC	492	8,503	432	8,443
TOTAL Other Events, All Venues	807	62,523	1,223	40,148

ATTENDANCE AT PTT-PROGRAMMED PERFORMANCES (BY VENUE)

Albany Entertainment Centre

EVENT / SHOW	Producer	Performances held	Attendee numbers
Altar Boyz	Beardfoot Productions	1	203
Chopin Waltzes by Candlelight	Mark Coughlan	1	205
Circus After Dark	Kinetica	1	464
Comedy Gold	Anthony Lamond Productions	1	111
Every Brilliant Thing	Black Swan State Theatre Company	2	142
Gala Variety Concert	Susan Finlay	2	1,149
Grug	Windmill Theatre	2	507
Hamlet – Prince of Skidmark!	The Listies	1	172
Spirit of Alba + Nine Mile Hill	Harbourside Productions	1	88
Bachrum & The Whistling Kites	Harbourside Productions	1	120
Fiona Rae	Harbourside Productions	1	62
Mix'T Trio + Adam Cook	Harbourside Productions	1	97
Neil Murray	Harbourside Productions	1	94
Odette Mercy	Harbourside Productions	1	89
The Nomadics	Harbourside Productions	1	70
Human Highway	David Hymes	1	249
I Liked it, BUT...	Perth Festival	1	62
JALI	Perth Festival	1	166
Katie Noonan with Strings	Perth Festival	1	199
Koolbardi wer Wardong	WA Opera Company	2	996
Lé Nør [the rain]	The Last Great Hunt	2	303

La Traviata	Jenna Robertson, Leopold entertainment	1	555
The Little Prince	Spare Parts Puppet Theatre	4	446
Melbourne Comedy Roadshow	Melbourne Comedy Festival	1	352
Carmen	Opera Australia	1	558
The Great Un-Wondering of Wilbur Whittaker	Barking Gecko Theatre	2	426
The Nightingale	WA Opera Company	2	459

His Majesty's Theatre

EVENT / SHOW	Producer	Performances held	Attendee numbers
A Very Good Variety Show	Perth Theatre Trust	3	403
By Request Christmas Special	Perth Theatre Trust	4	484
Dean Misdale: Beyond the Rainbow	Perth Theatre Trust	3	109
DivaLicious: Defying Gravity	Perth Theatre Trust	3	328
Hell Hath No Fury	Perth Theatre Trust	6	599
Lisa Woodbrook: The Sounds of Michael Bublé	Perth Theatre Trust	3	328
Morning Melodies: Cool Classics	Perth Theatre Trust	1	785
Morning Melodies: Holly Jolly Christmas	Perth Theatre Trust	1	662
Morning Melodies: Soulphonic Strings Attached	Perth Theatre Trust	1	779
Morning Melodies: WA Opera in Concert	WA Opera	1	524
Oz Big Band: The Music of Bond	Perth Theatre Trust	3	407

State Theatre Centre of WA

EVENT / SHOW	Producer	Performances held	Attendee numbers
State of Play: FRINGE WORLD 2022	Perth Theatre Trust	115	13,935
Courtyard Club	Perth Theatre Trust and RTR FM	5	876

Subiaco Arts Centre

EVENT / SHOW	Producer	Performances held	Attendee numbers
Short and Sweet Festival	Short and Sweet	19	2,174

PERFORMANCE DIVERSITY STATISTICS

	Performances		Total of all PTT patronage	
	2020-21	2021-22	2020-21	2021-22
Ballet/Dance	7%	15%	18%	18%
Children's / Family	10%	22%	6%	15%
Classical Music	5%	9%	21%	21%
Circus / Physical Theatre	1%	0%	1%	0%
Comedy	2%	4%	1%	3%
Non-classical Music	6%	10%	8%	11%
Theatre	47%	14%	20%	6%
Musical Theatre	3%	9%	1%	11%
Opera	2%	2%	5%	3%
Special Events / Other	7%	4%	12%	5%
Festivals (Multi-category)	5%	5%	4%	3%
Festivals (Single category)	5%	7%	3%	4%
TOTAL	100%	100%	100%	100%

HIGHLIGHTS

- The PTT-led Perth Tessitura Consortium has grown to ten members, with the inclusion of Tura New Music. All consortium organisations have collaborated on ticketing and marketing strategies, including strategies to mitigate impacts from the pandemic.
- New website functionality was introduced to enable patrons with accessibility requirements to pre-book services online. In addition to companion card tickets and seating for carers, patrons can request wheelchair spaces, audio captions, Auslan services, and tactile tours of venues.
- PTT's technical services team completed its first financial year operating as part of a consolidated agency-wide division to deliver services across all venues. This change has enabled better allocation of staff, equipment and resources, along with greater consistency of service.
- High resolution live streaming functionality is being implemented into all Trust managed venues. This initiative will provide greater product accessibility for people who cannot attend or do not have access to live theatre.
- Work began last year to reinstate the exterior balconies of His Majesty's Theatre (HMT) that were removed in the 1950s. The \$15.25 million project will add wheelchair accessible-balconies to the first and second floors and optimise the use of space to enable better circulation in the upper floors of the building.
- The PTT presented the second instalment of State of Play at the State Theatre Centre (STC) as part of Perth's 2022 FRINGE WORLD Festival season. The 2022 season featured 24 productions, and 117 shows spanning theatre, dance, music, circus, children's theatre, and late-night events, with 96% of the artists coming from WA. Performances by 125 artists attracted almost 14,000 ticket-buyers and won 12 FRINGE WORLD Festival Weekly Awards. State of Play also won the award for Best Independent Hub, as voted by audiences, artists, and industry peers.
- PTT programmed and co-created Subiaco's FRINGE WORLD Festival Hub at Subiaco Arts Centre (SAC). The Hub attracted 5,622 people over 42 performances during the 2022 season.

- The Albany Entertainment Centre (AEC) recorded increases in children's and family performances and renewed its partnership with Perth Festival to bring festival events to the regions.
- A \$52.4 million restoration project for the Perth Concert Hall (PCH) Precinct is underway and expected to be completed by late 2024. The works will restore the building's architectural integrity and enhance its renowned acoustics, distinctive features, and surrounding courtyards, with a focus on activating a future cultural hub connecting the city and the Swan River.
- Events at PCH drew in 56% more patrons than the previous financial year, with successful events including Nosferatu, The Planets and the WA Massed Choir Festival, attended by 10,741 patrons over nine nights.
- The Goldfields Arts Centre (GAC) gallery floors were renovated in April and June 2022. Despite being closed during this time, GAC still achieved a 57% annual increase in attendance over the 2021-22 year.
- Following the COVID-related slowdown of the previous financial year, the Perth Cultural Centre (PCC) recorded an increase in attendance at all major events in 2021-2022.
- Thirty-one events were held at the PCC, with the Awesome Festival, Festival Land, Chinese New Year Fair and the City of Perth Christmas Lights Trail.

SECTION 3

DISCLOSURES AND LEGAL COMPLIANCE

MINISTERIAL DIRECTIVES

No ministerial directives were received during the 2021-22 financial year.

OTHER FINANCIAL DISCLOSURES

PRICING POLICIES

In accordance with Treasurer's Instruction 810, the Trust has discretion to charge for goods and services subject Ministerial approval. These fees and charges were determined in accordance with [Costing and Pricing Government Services: Guidelines for Use by Agencies](#) in the Western Australian Public Sector published by the Department of Treasury.

EMPLOYMENT AND INDUSTRIAL RELATIONS

Employment Type	2021-22	2020-21
Permanent - Full-time	6	6
Permanent - Part-time	0.4	1.33
Fixed Term Contract - Full-time	59	57
Fixed Term Contract - Part-time	10.41	9.15
Casual	383	372
Secondments	2	1 (secondment out)
Total	460.81	447.48

GOVERNANCE DISCLOSURES

CONFLICTS OF INTEREST

Declared Conflicts of Interest are recorded in Board minutes as per a standing agenda item. The following potential conflicts were noted in the Board minutes of the 2021-22 financial year:

- A standing potential conflict of interest for the City of Perth Councillors: Di Bain, Clyde Bevan and Sandy Anghie.
- 19 August 2021, 14 October 2021 and 9 December 2021: Nadia van Dommelen.
- 9 December 2021: Councillor Di Bain; Erin Gauntlett and Lanie Chopping.
- 7 February 2022: Julian Donaldson.
- 7 April 2022: Shelagh Magadza.

OTHER LEGAL REQUIREMENTS

USE OF CREDIT CARDS

Officers of the Trust use Corporate Credit Cards to purchase goods and services up to the value of approved financial limits relevant to the duties and responsibilities of the authorised Cardholder. Despite each cardholder being reminded of their obligations annually under the Trust's credit card policy, two employees accidentally used the wrong card when paying for personal purchases. The matter was not referred for disciplinary action as the Chief Finance Officer noted prompt advice and settlement of the personal use amount, and, that the nature of the expenditure was immaterial and characteristic of an honest mistake.

All staff have been reminded of appropriate credit card usage. The Chief Financial Officer also provides reports on credit card usage to Corporate Executive on a regular basis.

Unauthorised use of credit cards	2022 \$
Number of instances where the Western Australian Government Purchasing Cards have been used for personal purposes:	2
Aggregate amount of personal use expenditure for the reporting period	57
Aggregate amount of personal use expenditure settled by the due date (within 5 working days)	57
Aggregate amount of personal use expenditure settled after the period (after 5 working days)	0
Aggregate amount of personal use expenditure remaining unpaid at the end of the reporting period	0
Number of referrals for disciplinary action instigated by the notifiable authority during the reporting period	0

ADVERTISING, MARKET RESEARCH AND DIRECT MAIL EXPENDITURE

Expenditure incurred by PTT in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations during the financial year is detailed below in compliance with Section 175ZE of the *Electoral Act 1907*.

Expenditure category	SubTotal	Account	Amount
Advertising	\$41,730	Albany Chamber of Commerce and Industry	\$432
		Amanda Edwin Cruse T/A Greybird Media	\$849
		Artsouthwa Inc	\$396
		Australia's South West Incorporated	\$276
		Beaconswood Holdings P/L T/A The Great Southern Weekender	\$6,835
		Dimmi Pty Ltd T/A the Fork	\$5,432
		Google Ads	\$3,286
		Initiative Media Australia Pty Ltd	\$2,405
		The Trustee for the Craig and Christina Dayman Family Trust & The Trustee for Willox Caryle Family trust T/A Albany Signs	\$264
		Wayne Michael Harrington T/A WaddyAdoin Media	\$8,280
		TikTok	\$24
		Facebook	\$13,251
Direct Mailing	\$2,285	Messege4U PTY LTD T/A Message Media	\$432

		Isentia PTY LTD	\$1,853
Market Research	\$13,201	Pop INC T/A Wordfly	\$12,782
		Survey Monkey	\$419
Media Advertising Agencies	\$0	N/A	\$0
Polling Organisations	\$0	N/A	\$0

DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

PTT is committed to ensuring that people with disability, their families and carers have the same opportunities to access its arts and cultural services, information, and facilities as other people.

The PTT Disability Access and Inclusion Plan 2018 – 2022 (DAIP) has continued to build awareness of the needs of people living with disability in our community. The DAIP is promoted within the organisation and with staff as a dedicated section in online inductions. In line with this Plan, some initiatives in 2021-22 in PTT venues included:

- Continued dedicated booking information for accessible performances including Auslan Interpreted Service, Captioning Service, Audio Description and Tactile Tour Service.
- Information on accessibility included in all PTT-managed venues email marketing campaigns.
- PCH parking arrangement with City of Perth Parking for WASO Morning Symphonies, increasing the number of ACROD bays on the Upper Level of the Concert Hall car park from five to 12.
- PCH arrangement with the City of Perth to provide four temporary ACROD Bays outside the front of the venue for all PCH events. These bays are booked with PCH Reception in advance and patrons must have an ACROD Permit which they need to display while parked.

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

PTT is committed to educating its workforce in the Public Sector Standards in Human Resource Management and the Public Sector Code of Ethics. In the 2021-2022 financial year, PTT recorded:

Type of Breach	2021-22	2020-21
Breaches in Public Sector Standards in Human Resource Management	0	0
Breaches in Public Sector Code of Ethics, or the Department of Local Government, Sport and Cultural Industries Code of Conduct	0	1
Incidences of misconduct requiring investigation	0	0
Public Interest Disclosures lodged	0	0
Total Breaches	1	1

RECORDKEEPING PLAN

The PTT Recordkeeping Plan was approved by the State Records Commission in March 2018. SharePoint training is provided for new staff. Staff induction on recordkeeping and staff evaluation on recordkeeping training are under review. The Recordkeeping Plan is accessible via the staff intranet and is due for renewal in 2022.

FREEDOM OF INFORMATION

The PTT and the Perth Theatre Trust Board is considered part of the DLGSC for the purposes of the *Freedom of Information Act 1992* (FOI Act). All applications requesting access to PTT documents are processed by DLGSC. DLGSC is also responsible for making decisions about the release of documents. DLGSC is currently revising its FOI Policy and Procedure.

As prescribed in Section 96 of the FOI Act, PTT publishes an up-to-date information page confirming its commitment to the right of access to documents held by State and local government agencies, subject to some limitations. The information page is available on PTT's website and gives details on how a person can apply for access to PTT's documents. PTT received 6 non-personal FOI applications for PTT during the reporting period.

GOVERNMENT POLICY REQUIREMENTS

OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

PTT is committed to empowering its staff, contractors, patrons, and visitors to feel valued and constructively engaged. This includes the promotion of a safety and health culture that enables an informed and supported environment. DLGSC staff help PTT with work-related injury and corrective action implementation.

PTT has a Work Health and Safety Committee which is dedicated to ensuring the organisation complies and exceeds statutory requirements for OSH and injury management. Supporting systems are aligned with the requirements of the *Work Health and Safety Act 2020* and the *Workers Compensation and Injury Management Act 1981*.

Software, MYOSH, was installed in 2020-21 for improved oversight and governance and has enabled a comprehensive review and updating of Health and Safety policy and procedures into the new system. Although the COVID-19 pandemic has disrupted day-to-day business, PTT's aim in achieving a zero-harm workplace continues with a focus on:

- review of policy commitments;
- co-ordinated risk identification, assessment, and control;
- liaison with external subject matter experts;
- improved consultation processes;
- training;
- monitoring/updating health and safety reference material (legislation industry standards).

OSH Performance Indicator Table

Measure	Actual Results		Results against Target	
	2020-21	2021-22	Target	Comment on Result
Number of Fatalities	0	0	0	Target met
Lost time injury and disease incidence rate	7.246	3.0	0 or 10% improvement over three years	Target met
Lost time injury and disease severity rate	0	0	Zero (0) or 10% improvement on the previous three (3) years	Target met
<u>Percentage of injured workers returned work:</u>				
(i) Within 13 weeks	100%	100%	Greater than or equal to 80% return to work within 26 weeks	Target met
(ii) Within 26 weeks	100%	100%		
Percentage of managers trained in work health safety and injury management responsibilities	69%	*0%	Greater than or equal to 80%	Target not met

*PTT launched a new Work Health and Safety (WHS) Committee in 2022 to meet the new *Work Health and Safety Act 2020*, which came into force on 31 March 2022. The Committee conducted a WHS manager training needs analysis and identified health and safety representative training and manager training as necessary. This training is booked for August 2022, so the target will be met shortly.

Due to the nature of the business, PTT focussed its training efforts on critical high-risk activities such as working at heights, advanced rigging, and traffic management:

Training module completed 2021-2022	Number of staff trained
Rigging (Dogging, Basic, Intermediate & Advanced combined total)	19
Working at heights	13
Traffic management	4
Elevated Work Platform	5
First Aid	45
Low Voltage rescue	17
Confined space access	4
TOTAL	107

NATIONAL STRATEGIC PLAN FOR ASBESTOS AWARENESS AND MANAGEMENT 2019-2023

PTT, through the DLGSC asset maintenance team, coordinates and maintains an annually reviewed asbestos register for all PTT-managed buildings. There are schedules and processes in place for the prioritised safe removal of asbestos-containing materials and safe disposal of that material.

BOARDS AND COMMITTEE REMUNERATION

Perth Theatre Trust Board

Position	Representative	Period of membership	Remuneration 2021-22 (\$)
Chair	Morgan Solomon	Jan 2013 –current; chair since 2016	7,276
Member	Cr Sandy Anghie	April 2021-June 2022	2,794
Member	Cr Di Bain	April 2021-June 2022	2,546
Member	Cr Clyde Bevan	April 2021-June 2022	3,778
Member	Julian Donaldson	May 2016-June 2022	0
Member	Nadia van Dommelen	Jan 2018-June 2022	3,879
Member	Michelle Tremain	Aug 2014-June 2022	3,488
Ex officio	Rob Didcoe	Nov 2020-Sep 2021	0
Ex officio	Erin Gauntlett	Sep 2021-March 2022	0
Ex officio	Shelagh Magazda	March 2022-June 2022	0
TOTAL			23,761

WA MULTICULTURAL POLICY FRAMEWORK

PTT acknowledges the policy priorities of the WA Multicultural Policy Framework and provided input into and reported against the DLGSC Multicultural Plan 2020-2023.

The Plan outlines strategies to ensure that operations, services, and programs are inclusive and accessible to everyone. Through the realisation of the Multicultural Plan, representation, and participation of people from culturally and linguistically diverse (CALD) backgrounds across all aspects of its operations will improve.

SUBSTANTIVE EQUALITY

PTT is committed to promoting and managing the principles of diversity and equality within its workforce, venues and spaces to ensure its working environment, including performance, rehearsal and managed spaces are safe, productive, healthy, and free from discrimination.

SECTION 4

KEY PERFORMANCE INDICATORS

CERTIFICATION OF KEY PERFORMANCE INDICATORS

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Trust's performance, and fairly represent the performance of the Trust for the financial year ended 30 June 2022.



Michael Seaton

Reporting Officer

05 October 2022

GOVERNMENT DESIRED OUTCOME

Agency level desired outcome: Effectively managed performing art venues attracting optimal utilisation.

The Trust's provision of theatres and programming events provides the community with access to cultural experiences and the opportunity to enhance the cultural and economic life of WA.

KEY EFFECTIVENESS INDICATORS

	2021 Actual	2022 Budget	2022 Actual
Attendance rates across principal performance spaces	283,962	350,000	351,767

Explanatory Notes

The increase in the actual attendance figures for 2021-22 was mainly due to the easing of COVID-19 restrictions allowing for greater audiences, before returning to 100% capacity late in the year.

KEY EFFICIENCY INDICATORS

	2021 Actual	2022 Budget	2022 Actual
Average cost per attendee	77	56	61
Average subsidy per attendee for PTT funded programs	2	3	-2

Explanatory Notes

The increase in the average cost per attendee in 2021-22 was mainly due to lower attendance numbers due to COVID restrictions while the total cost of services relatively remained the same.

The negative subsidy per attendee was mainly due to a higher number of programmed events that returned a profit when compared to last year.

SECTION 5

FINANCIAL STATEMENTS AND NOTES

CERTIFICATION OF FINANCIAL STATEMENTS

For the reporting period ended 30 June 2022

The accompanying financial statements of the Trust have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2022 and the financial position as at 30 June 2022.

At the date of signing, we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.

At the date of signing, I am not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.



Michael Seaton

Reporting Officer

05 October 2022



Auditor General

INDEPENDENT AUDITOR'S REPORT

2022

Perth Theatre Trust

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Perth Theatre Trust which comprise:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Perth Theatre Trust for the year ended 30 June 2022 and the financial position at the end of that period
- in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

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

Responsibilities of the Reporting Officer for the financial statements

The Perth Theatre Trust ceased to exist under the *Financial Management Act 2006* on 30 June 2022 and the functions transferred to a newly created entity Arts and Culture Trust from 1 July 2022. The Under Treasurer appointed a Reporting Officer under section 68(1) of the Act who was responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

In preparing the financial statements, the Reporting Officer is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Perth Theatre Trust.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial statements. 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.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Perth Theatre Trust. The controls exercised by the Trustees are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Perth Theatre Trust are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2022.

The Trustees' responsibilities

The Trustees are responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and were implemented as designed.

An assurance engagement involves performing procedures to obtain evidence about the suitability of the controls design to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including an assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of controls

Because of the inherent limitations of any internal control structure, it is possible that, even if the controls are suitably designed and implemented as designed, once in operation, the overall control objectives may not be achieved so that fraud, error or non-compliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Perth Theatre Trust for the year ended 30 June 2022. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Perth Theatre Trust are relevant and appropriate to assist users to assess the Perth Theatre Trust's performance and fairly represent indicated performance for the year ended 30 June 2022.

The Reporting Officer's responsibilities for the key performance indicators

The Reporting Officer is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such internal control as the Reporting officer determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Perth Theatre Trust is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the entity's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My independence and quality control relating to the report on financial statements, controls and key performance indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Reporting Officer is responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements, and key performance indicators of the Perth Theatre Trust for the year ended 30 June 2022 included in the annual report on the Perth Theatre Trust's website. The Perth Theatre Trust's management is responsible for the integrity of the Perth Theatre Trust's website. This audit does not provide assurance on the integrity of the Perth Theatre Trust's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Patrick Arulsingham
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
11 October 2022

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2022

	Notes	2022 \$000	2021 \$000
Expenses			
Employee benefits expense	3.1(a)	10,670	10,506
Supplies and services	3.3	2,973	2,639
Depreciation and amortisation expense	5.1.1, 5.2.1, 5.3	2,576	2,824
Finance costs	7.2	-	1
Accommodation expenses	3.4	4,032	3,807
Grants and subsidies	3.2	323	956
Cost of Sales	4.3	738	657
Other expenses	3.5	222	528
Total cost of services		21,534	21,918
User charges & fees	4.2	5,638	4,114
Sale of goods	4.3	2,294	2,065
Sponsorship	4.4	337	361
Interest income	4.4	12	6
Other income	4.4	568	621
Total income		8,849	7,167
NET COST OF SERVICES		12,685	14,751
Service Appropriation	4.1	10,318	12,760
State Grants and subsidies	4.1	374	861
Services received Free of Charge	4.1	1,930	1,628
Royalties for Regions Fund	4.1	500	500
Total Income from State Government		13,122	15,749
SURPLUS/Deficit for the period		437	998
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	9.10	7,706	3,318
Total other comprehensive income		7,706	3,318
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		8,143	4,316

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2022

	Notes	2022 \$000	2021 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	7.3	3,818	3,317
Restricted cash and cash equivalents	7.3	2,837	2,783
Inventories	4.3	88	72
Receivables	6.1	158	342
Other current assets	6.3	638	756
Total Current Assets		7,539	7,270
Non-Current Assets			
Restricted cash and cash equivalents	7.3	146	127
Amounts receivable for services	6.2	47,141	44,989
Infrastructure, property, plant and equipment	5.1	118,225	112,628
Intangible assets	5.2	607	479
Right-of-use assets	5.3	9	30
Total Non-Current Assets		166,128	158,253
TOTAL ASSETS		173,667	165,523
LIABILITIES			
Current Liabilities			
Payables	6.4	16	173
Funds held in trust	6.5	2,567	2,471
Lease liabilities	7.1	7	21
Employee related provisions	3.1(b)	1,129	1,297
Other current liabilities	6.6	1,396	1,047
Total Current Liabilities		5,115	5,009
Non-Current Liabilities			
Lease liabilities	7.1	3	10
Employee related provisions	3.1(b)	476	574
Total Non-Current Liabilities		479	584
TOTAL LIABILITIES		5,594	5,593
NET ASSETS		168,073	159,930
EQUITY			
Contributed equity	9.10	124,443	124,443
Reserves	9.10	11,024	3,318
Accumulated surplus/(deficit)		32,606	32,169
TOTAL EQUITY		168,073	159,930

The Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

	Notes	Contributed Equity \$000	Reserves \$000	Accumulated surplus/ (deficit) \$000	Total Equity \$000
Balance at 1 July 2020		123,924	-	31,171	155,095
Surplus/(deficit)		-	-	998	988
Other comprehensive income		-	3,318	-	3,318
Total comprehensive income for the period		-	3,318	998	4,316
<i>Transactions with owners in their capacity as owners:</i>					
Capital appropriation	9.10	519	-	-	519
Total		519	-	-	519
Balance at 30 June 2021		124,443	3,318	32,169	159,930
Balance at 1 July 2021		124,443	3,318	32,169	159,930
Surplus/(deficit)		-	-	437	437
Other comprehensive income		-	7,706	-	7,706
Total comprehensive income for the period		124,443	11,024	32,606	168,073
<i>Transactions with owners in their capacity as owners:</i>					
Capital appropriation	9.10	-	-	-	-
Total		-	-	-	-
Balance at 30 June 2022		124,443	11,024	32,606	168,073

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2022

	Notes	2022 \$000	2021 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		8,166	10,369
Funds from other public sector entities		374	940
27 th Pay Holding account movement		19	43
Royalties for Regions Fund		500	500
Net cash provided by State Government		9,059	11,852
<i>Utilised as follows:</i>			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payments from Trust fund		(6,862)	(3,932)
Employee benefits		(10,771)	(10,374)
Supplies & Services		(3,988)	(3,251)
Finance costs		-	(1)
Accommodation		(2,142)	(2,218)
Grants and subsidies		(323)	(956)
GST Payments on purchases		(648)	(577)
GST payments to taxation authority		(395)	(290)
Other Payments		271	(205)
Receipts			
Receipts into trust fund		6,916	6,015
User charges and fees		6,361	3,348
Sale of goods and services		2,399	1,960
Sponsorship		337	361
Interest received		14	4
GST receipts on sales		945	723
GST received from taxation authority		30	242
Other receipts		(34)	718
Net cash provided by/(used in) operating activities		(7,890)	(8,433)
Cash flows from investing activities			
Payments			
Purchase of non-current assets		(575)	(413)
Net cash provided by/(used in) investing activities	7.3.2	(575)	(413)
Cash flows from financing activities			
Payments			
Principal elements of lease payments		(20)	(23)
Net cash provided by/(used in) financing activities		(20)	(23)
Net increase/(decrease) in cash and cash equivalents		574	2,983
Cash and cash equivalents at the beginning of the period		6,227	3,244
Cash and cash equivalents at the end of period		6,801	6,227

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022.

NOTE 1. BASIS OF PREPARATION

The Perth Theatre Trust is a WA Government entity, controlled by the State of Western Australia which is the ultimate parent. The Trust is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the Overview which does not form part of these financial statements.

These annual financial statements were authorised for issue by the reporting officer of the Trust on 5/10/2022

Statement of compliance

These general-purpose financial statements are prepared in accordance with:

- The Financial Management Act 2006 (**FMA**);
- The Treasurer's instructions (**TIs**);
- Australian Accounting Standards (**AASs**) including applicable interpretations.

Where appropriate, those AAS (Australian Accounting Standards) paragraphs applicable for not-for-profit entities have been modified.

The FMA and TIs take precedence over AASs. Several AASs are modified by the TIs to vary application, disclosure format and wording. Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case, the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

Perth Theatre Trust subsequently ceased to operate and became the Arts and Culture Trust on 1 July 2022. The financial statements have been prepared on a going concern basis as all of the assets and liabilities, together with all of the employees of the Perth Theatre Trust were transferred to the Arts and Culture Trust, that will continue to provide services to the public.

Judgements and estimates

Judgements, estimates, and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates 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.

Accounting for Goods and Services Tax (GST)

Income, expenses, and assets are recognised net of the amount of goods and services tax (GST), except that the:

- amount of GST incurred by the Trust as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Contributed equity

Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities requires transfers in equity contributions, other than because of a restructure of administrative arrangements, to be designated as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 Contributions by Owners made to Wholly Owned Public Sector Entities and will be credited directly to Contributed Equity.

NOTE 2. TRUST OUTPUTS

This section includes information regarding the nature of funding the Trust receives and how this funding is utilised to achieve the Trust's objectives. This note also provides the distinction between controlled funding and administered funding:

	Notes
Trust objectives	2.1
Schedule of Income and Expenses by Service	2.2
Schedule of Assets and Liability by Service	2.2

2.1 Trust objectives

Mission

The Perth Theatre Trust's mission is to offer wide-ranging arts experiences in well-managed venues.

Services

The Perth Theatre Trust operates under one service called Venue Management Services.

2.2 Schedules of income/expenses, assets/liabilities

The Trust is only responsible for delivering one service as set out above. All income, expenditure, assets, and liabilities are in relation to the delivery of this service.

NOTE 3. USE OF OUR FUNDING

3.1 Expenses incurred in the delivery of services

This section provides additional information about how the Trust's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Trust in achieving its objectives and the relevant notes are:

	Notes
Employee benefits expenses	3.1(a)
Employee related provisions	3.1(b)
Grants and subsidies	3.2
Supplies and Services	3.3
Accommodation Expenses	3.4
Other expenditure	3.5

3.1(a) Employee benefits expenses

	2022 (\$000)	2021 (\$000)
Employee benefits	9,039	8,490
Termination benefits	-	-
Superannuation – defined contribution plans	595	580
Superannuation – other schemes	328	307
Long Service Leave	39	380
Annual Leave	457	545
Other related expenses	212	204
Total employee benefits expenses	10,670	10,506

Employee benefits include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, and non-monetary benefits recognised under accounting standards other than AASB 16 (such as medical care, housing, cars and free or subsidised goods or services) for employees.

Termination benefits are payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Agency is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation is the amount recognised in profit or loss of the Statement of comprehensive income comprises employer contributions paid to the GSS (Gold State Superannuation) (concurrent contributions), the WSS (West State Superannuation), other GESB schemes or other superannuation funds.

AASB 16 non-monetary benefits are non-monetary employee benefits predominantly relating to the provision of vehicle and housing benefits that are recognised under AASB 16 which are excluded from the employee benefits expense.

Employee contributions are contributions made to the Agency by employees towards employee benefits that have been provided by the Agency. This includes both AASB 16 and non-AASB 16 employee contributions.

3.1(b) Employee related provisions

	2022 (\$000)	2021 (\$000)
Current		
Employee benefits provisions		
Annual leave	490	517
Long service leave	495	631
	985	1,148
Other provisions		
Employment on-costs	144	149
Total current employee related provisions	1,129	1,297
Non-current		
Employee benefits provisions		
Long service leave	423	510
Other provisions		
Employment on-costs	53	64
Total non-current employee related provisions	476	574
Total employee related provisions	1,605	1,871

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

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Annual leave liabilities	2022 (\$000)	2021 (\$000)
Within 12 months of the end of the reporting period	426	464
More than 12 months after the end of the reporting period	162	143
	588	607

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

Long service leave liabilities are unconditional long service leave provisions are classified as current liabilities as the Trust does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Trust has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Long service leave liabilities	2022 (\$000)	2021 (\$000)
Within 12 months of the end of the reporting period	211	182
More than 12 months after the end of the reporting period	806	744
	1,017	926

The provision for long service leave is calculated at present value as the Trust does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Employment on-costs involve settlements of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance premiums, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, Note 3.3 (Apart from the unwinding of the discount (finance cost))' and are not included as part of the Trust's 'employee benefits expense'. The related liability is included in 'Employment oncosts provision'.

Employment on-costs provision	2022 (\$000)	2021 (\$000)
Carrying amount at start of period	213	178
Additional/(reversals of) provisions recognised	(96)	139
Payments/other sacrifices of economic benefits	80	(104)
Carrying amount at end of period	197	213

3.2 Grants and subsidies

	2022 (\$000)	2021 (\$000)
<u>Recurrent</u>		
Perth Concert Hall - Operations	250	896
PICA	73	60
Total grants and subsidies	323	956

Transactions in which the Perth Theatre Trust provides goods, services, assets (or extinguishes a liability) or labour to another party without receiving approximately equal value in return are categorised as 'Grant or subsidy expenses'. These payments or transfers are recognised at fair value at the time of the transaction and are recognised as an expense in the reporting period in which they are paid. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to public sector agencies, local government, nongovernment schools, and community groups.

3.3 Supplies and Services

	2022 (\$000)	2021 (\$000)
Communications	280	298
Consultants and contractors	52	47
Consumables	241	224
Advertising and promotion	163	148
Programming	340	209
Equipment purchases	132	239
Insurance	374	306
Equipment Hire	43	13
Legal fees	52	26
Licences	71	74
Maintenance	348	474
Printing	43	32
Bank and credit card charges	84	68
Temporary Staff	340	84
Travel	21	9
Entertainment	4	13
Other	385	375
Total supplies and services expenses	2,973	2,639

Supplies and service expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

3.4 Accommodation expenses

	2022 (\$000)	2021 (\$000)
Office rental	9	13
Repairs and maintenance	1,789	1,628
Electricity and gas	803	751
Water	260	239
Cleaning	397	463
Security	569	445
Other	205	268
Total accommodation expenses	4,032	3,807

Office rental is expensed as incurred as Memorandum of Understanding Agreements between PTT and the Department of Finance for the leasing of office accommodation contain significant substitution rights.

3.5 Other Expenses

	2022 (\$000)	2021 (\$000)
Audit and Accounting Fees	115	114
Sponsorship	19	49
Expected credit losses expense	(4)	13
Employment on-costs	92	352
Total other expenses	222	528

Expected credit losses is an allowance of trade receivables, measured at the lifetime expected credit losses at each reporting date. The Perth Theatre Trust has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Employment on-cost includes workers compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included in Note 3.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

NOTE 4. OUR FUNDING SOURCES

How we obtain our funding

This section provides additional information about how the Perth Theatre Trust obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Perth Theatre Trust and the relevant notes are:

	Notes
Income from State Government	4.1
User charges and fees	4.2
Sale of goods	4.3
Other income	4.4

4.1 Income from the State Government

	2022 (\$000)	2021 (\$000)
Appropriation received during the period		
- Service appropriation	10,318	12,760
Total service appropriation received	10,318	12,760
State Grants and subsidies:		
Grant payments made by the Department of Local Government Sport and Cultural Industries (DLGSC) for the following projects:		
(i) Selling WA to the World – Live Streaming Project	374	757
(ii) Perth Cultural Centre Task Force Activities	-	104
Total income from other public sector entities	374	861
- Services received free of charge		
Computer equipment	40	41
Building maintenance paid by DLGSC	1,890	1,587
Total resources received free of charge	1,930	1,628
Royalties for Regions Fund		
- Regional Community Services Account	500	500
Total Royalties for Regions Fund	500	500
Total income from State Government	13,122	15,749

Service Appropriations are recognised as income at the fair value of consideration received in the period in which the Perth Theatre Trust gains control of the appropriated funds. The Trust gains control of the appropriated funds at the time those funds are deposited in the bank account or credited to the holding account held at Treasury.

The Regional Infrastructure and Headworks Account, and Regional Community Services Accounts are sub-funds within the overarching 'Royalties for Regions Fund'. The recurrent funds are committed to projects and programs in WA regional areas and are recognised as income when the Trust receives the funds.

Summary of consolidated account appropriations

For the year ended 30 June 2022	2022 Budget (\$000)	2022 Supplementary Funding (\$000)	2022 Revised Budget (\$000)	2022 Actual (\$000)	2022 Variance (\$000)
<u>Delivery of Services</u>					
Net amount appropriated to deliver services	9,184	1,134	10,318	10,318	-
Royalties for Regions Fund	500	-	500	500	-
Total appropriations provided to deliver services	9,684	1,134	10,818	10,818	-

The Trust received two tranches of supplementary funding during the year. Tranche 1 covered increased security at PCC and Arts and Culture Trust transition cost. Tranche 2 covered unbudgeted Covid 19 costs.

4.2 User charges and fees

	2022 (\$000)	2021 (\$000)
User charges and fees		
- Venue hire and related charges	4,711	3,444
- Ticketing fee income	927	670
Total User Charges and Fees	5,638	4,114

Revenue is recognised at the transaction price when the Trust transfers control of the services to customers. Revenue is recognised for the major activities as follows:

Revenue is recognised at a point-in-time for Venue Hire and related charges. The performance obligations for these user fees and charges are satisfied when the services have been provided, that is, when the event is held.

Revenue is recognised at a point-in-time for Ticketing Fee income. The Trust typically satisfies its performance obligations in relation to these user fees and charges when services have been provided, that is, when the event is held. If the event is cancelled, the Perth Theatre Trust is obligated to refund all cash collected from the customers.

4.3 Sale of Goods

	2022 (\$000)	2021 (\$000)
Sale of goods:	2,294	2,065
<u>Cost of Sales:</u>		
Opening Inventory	(72)	(57)
Purchases	(754)	(672)
	(826)	(729)
Closing Inventory	88	72
Cost of Goods Sold	(738)	(657)
Gross profit	1,558	1,408
Closing Inventory comprises:		
<u>Current Inventories</u>		
Raw materials & stores (at cost)	88	72
Total Inventories	88	72

Sale of Goods

Revenue is recognised at the transaction price when the Perth Theatre Trust transfers control of the goods to customers. Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each class of inventory, with the majority being measured on a first in first out basis. Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each class of inventory, with the majority being measured on a first in first out basis. Inventories not held for resale are measured at cost unless they are no longer required, in which case they are measured at net realisable value.

4.4 Other income

	2022 (\$000)	2021 (\$000)
Interest revenue	12	6
Sponsorship(a)	337	361
Grants and subsidies	474	452
Commission	9	7
Recoup of previous years expenditure	5	20
Other	80	142
Total other income	917	988

a) Sponsorship is recognised as income when the funds are receivable.

NOTE 5. KEY ASSETS

This section includes information regarding the key assets the Agency utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes
Property, plant and equipment	5.1
Intangibles	5.2
Right-of-use assets	5.3

5.1 Property, plant and equipment

For the year ended 30 June 2022

	Land	Buildings	Works in progress	Leasehold improvements	Plant, equipment, and vehicles	Works of art	Total
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
1 July 2021							
Gross carrying amount	15,618	85,843	523	5,250	25,775	6	133,015
Accumulated depreciation	-	(4)	-	(4,216)	(16,167)	-	(20,387)
Carrying amount at start of period	15,618	85,839	523	1,034	9,608	6	112,628
Additions	-	-	151	-	91	-	242
Revaluation increments/ (decrements)	690	7,016	-	-	-	-	7,706
Depreciation	-	(1,304)	-	(204)	(843)	-	(2,351)
Carrying amount at 30 June 2022	16,308	91,551	674	830	8,856	6	118,225
Gross carrying amount	16,308	91,555	674	5,250	25,866	6	139,659
Accumulated depreciation	-	(4)	-	(4,420)	(17,010)	-	(21,434)

For the year ended 30 June 2021

	Land	Buildings	Works in progress	Leasehold improvements	Plant, equipment, and vehicles	Works of art	Total
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
1 July 2020							
Gross carrying amount	15,903	83,504	-	5,250	25,485	6	130,148
Accumulated depreciation	-	(4)	-	(4,012)	(15,060)	-	(19,076)
Carrying amount at start of period	15,903	83,500	-	1,238	10,425	6	111,072
Additions	-	-	523	-	290	-	813
Revaluation increments/ (decrements)	(285)	3,603	-	-	-	-	3,318
Depreciation	-	(1,264)	-	(204)	(1,107)	-	(2,575)
Carrying amount at 30 June 2021	15,618	85,839	523	1,034	9,608	6	112,628
Gross carrying amount	15,618	85,843	523	5,250	25,775	6	133,015
Accumulated depreciation	-	(4)	-	(4,216)	(16,167)	-	(20,387)

Items of property, plant, and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no cost or significantly less than fair value, the cost is valued at its fair value at the date of acquisition. Items of property, plant, and equipment costing less than \$5,000 are immediately expensed direct to the Statement of comprehensive income (other than where they form part of a group of similar items which are significant in total).

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

Subsequent measurement

After initial recognition of an asset, the revaluation model is used for the measurement of:

(i) land; and

(ii) buildings.

Land is carried at fair value.

Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses.

Plant, and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Landgate) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as of 1 July 2021 by Landgate. The valuations were performed during the year ended 30 June 2022 and recognised on 30 June 2022. In undertaking the revaluation, fair value was determined by reference to market values for land: \$16,308,000 (2021: \$15,618,000) and buildings: \$91,555,000 (2021: \$85,839,000). For the remaining balance, fair value of buildings was determined based on current replacement cost and fair value of land was determined based on comparison with market evidence for land with low level utility (high restricted use land).

5.1.1 Depreciation and impairment charge for the period

	Notes	2022 (\$000)	2021 (\$000)
<u>Depreciation</u>			
Plant, equipment and vehicles	5.1	843	1,107
Buildings	5.1	1,304	1,264
Leasehold improvements	5.1	204	204
Total depreciation for the period		2,351	2,575

As at 30 June 2022, there were no indications of impairment to property, plant and equipment.

All surplus assets at 30 June 2022 have either been classified as assets held for sale or have been written-off.

Useful lives

All property, plant, and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exceptions to this rule include assets held for sale, land, and investment properties.

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
Building	66 years
Leasehold improvements	3 to 40 years
Plant, equipment AND VEHICLES	3 to 25 years

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

Land and works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

5.2 Intangible assets

Year ended 30 June 2022	Computer Software (\$000)	Total (\$000)
1 July 2021		
Gross carrying amount	2,262	2,262
Accumulated amortisation	(1,783)	(1,783)
Carrying amount at start of period	479	479
Additions	333	333
Amortisation expense	(205)	(205)
Carrying amount at 30 June 2022	607	607

Year ended 30 June 2021	Computer Software (\$000)	Total (\$000)
1 July 2020		
Gross carrying amount	2,141	2,141
Accumulated amortisation	(1,557)	(1,557)
Carrying amount at start of period	584	584
Additions	121	121
Amortisation expense	(226)	(226)
Carrying amount at 30 June 2021	479	479

Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset, and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefit;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$5,000 or more that comply with the recognition criteria of AASB 138.57 Intangible Assets (as noted above), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of comprehensive income.

Costs incurred in the research phase of a project are immediately expensed.

Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

5.2.1 Amortisation and impairment

Charge for the period	2022 (\$000)	2021 (\$000)
Computer software	205	226
Total amortisation for the period	205	226

As at 30 June 2022 there were no indications of impairment to intangible assets.

The Trust held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight-line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Trust have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Asset	Useful life (years)
Computer Software ^(a)	3 to 5 years

(a) Software that is integral to the operation of related hardware.

Impairment of intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually or when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 5.1.1.

5.3 Right-of-use assets

Year ended 30 June 2022	Plant, equipment and vehicles	Total
	(\$000)	(\$000)
1 July 2021		
Gross carrying amount	76	76
Accumulated depreciation	(46)	(46)
Carrying amount at start of period	30	30
Depreciation	(21)	(21)
Carrying amount at 30 June 2022	9	9
Gross carrying amount	76	76
Accumulated depreciation	(67)	(67)
Year ended 30 June 2021	Plant, equipment and vehicles	Total
	(\$000)	(\$000)
1 July 2020		
Gross carrying amount	76	76
Accumulated depreciation	(30)	(30)
Carrying amount at start of period	46	46
Depreciation	(16)	(16)
Carrying amount at 30 June 2022	30	30
Gross carrying amount	76	76
Accumulated depreciation	(46)	(46)

Initial recognition

At the commencement date of the lease, the Trust recognises right-of-use assets are measured at cost comprising of:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs, including dismantling and removing the underlying asset.

This includes all leased assets other than investment property ROU assets, which are measured in accordance with AASB 140 Investment Property.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 7.2 Lease liabilities.

The Trust has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Trust at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note [5.1.1](#).

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	2022 (\$000)	2021 (\$000)
Depreciation expenses of right-of-use assets	20	23
Lease interest expense	-	1
Short-term leases	2	2
Low-value leases	35	35

The total cash outflow for leases in 2022 was \$20,000 (2021: \$23,000). As at 30 June 2022 there were no indications of impairment to right-of-use assets.

The Trust's leasing activities and how these are accounted for:

- The Trust has leases for vehicles, office equipment and buildings.
- The Trust recognises leases as right-of-use assets and associated lease liabilities in the Statement of financial position.
- The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in [note 7.1](#).

NOTE 6. OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from the Trust's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes
Receivables	6.1
Amounts receivable for services	6.2
Other assets	6.3
Payables	6.4
Funds held in Trust	6.5
Other liabilities	6.6

6.1 Receivables

	2022 (\$000)	2021 (\$000)
<u>Current</u>		
Trade receivables	165	353
Allowance for impairment of trade receivables	(7)	(11)
Total receivables	158	342

Trade receivables are initially recognised at their transaction price or, for those receivables that contain a significant financing component, at fair value. The Agency holds the receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The Agency recognises a loss allowance for expected credit losses (ECLs) on a receivable not held at fair value through profit or loss. The ECLs based on the difference between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate. Individual receivables are written off when the Agency has no reasonable expectations of recovering the contractual cash flows.

For trade receivables, the Agency recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. The Agency has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to [note 3.5](#) for the amount of ECLs expensed in this financial year.

6.1.1 Movement in the allowance for impairment of trade receivables

	2022 (\$000)	2021 (\$000)
Reconciliation of changes in the allowance of impairment of trade receivables		
Opening Balance	11	5
Expected credit losses expense	(4)	6
Allowance for impairment at end of period	7	11

The maximum exposure to credit risk at the end of the reporting period for trade receivables is the carrying amount of the asset inclusive of any allowance for impairment as shown in the table at Note 8.1(c) 'Financial instruments disclosures'.

The Trust does not hold any collateral as security or other credit enhancements for trade receivables.

6.2 Amounts receivable for services (Holding Account)

	2022 (\$000)	2021 (\$000)
Current	-	-
Non-current	47,141	44,989
Total amounts receivable for services at end of period	47,141	44,989

Amounts receivable for services represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

The amounts receivable for services are financial assets at amortised cost, and are not considered impaired (i.e. there is no expected credit loss of the holding account).

6.3 Other assets

	2022 (\$000)	2021 (\$000)
Current		
Prepayments	219	195
Accrued income	419	561
Total other assets at end of period	638	756

6.4 Payables

	2022 (\$000)	2021 (\$000)
Current		
Trade payables	1	94
Other payables	28	24
Other- GST	(13)	55
Total payables at end of period	16	173

Payables are recognised at the amounts payable when PTT becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value as settlement is generally within 30 days.

6.5 Funds held in trust

	2022 (\$000)	2021 (\$000)
Current		
Ticketing Trust account – Event Settlements	2,567	2,471
Total funds held in trust	2,567	2,471

6.6 Other liabilities

	2022 (\$000)	2021 (\$000)
<u>Current</u>		
Accrued Expenses	571	267
Accrued Salaries	194	89
Income received in advance	632	691
Total other liabilities at end of period	1,397	1,047

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The Trust considers the carrying amount of accrued salaries to be equivalent to its fair value.

NOTE 7. FINANCING

This section sets out the material balances and disclosures associated with the financing and cashflows of the Trust.

	Notes
Lease liabilities	7.1
Finance costs	7.2
Cash and cash equivalents	7.3

7.1 Lease liabilities

	2022 (\$000)	2021 (\$000)
Current		
Current	7	21
Non-current	3	10
Total lease liabilities	10	31

Initial measurement

At the commencement date of the lease, the entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Trust uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Trust as part of the present value calculation of lease liability include:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options (where these are reasonably certain to be exercised);
- payments for penalties for terminating a lease, where the lease term reflects the Trust exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by the Trust if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by the Trust in profit or loss in the period in which the condition that triggers those payment occurs

This section should be read in conjunction with note [5.3](#).

Subsequent measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

7.2 Finance costs

	2022 (\$000)	2021 (\$000)
Finance costs		
Lease interest expense	-	1
Total finance costs expensed	-	1

'Finance cost' includes the interest component of lease liability repayments, interest component of service concession financial liabilities and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

7.3 Cash and cash equivalents

7.3.1 Reconciliation of cash

	2022 (\$000)	2021 (\$000)
Cash and cash equivalents	3,818	3,317
Restricted cash and cash equivalents	2,983	2,910
Total cash and cash equivalents at end of period	6,801	6,227

	2022 (\$000)	2021 (\$000)
Restricted cash and cash equivalents		
Current		
Event Settlements ^(a)	2,837	2,783
Non-current		
Accrued salaries suspense account ^(b)	146	127
Total Restricted cash and cash equivalents	2,983	2,910

(a) Funds from ticket sales held on behalf of promoters and other parties in relation to the staging of events and shows, pending due and proper performance of contractual obligations.

(b) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account is classified as non current for 10 out of 11 years.

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

The accrued salaries suspense account consists of amounts paid annually, from Trust appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

7.3.2 Reconciliation of net cost of services to net cash flows used in operating activities

	Notes	2022 (\$000)	2021 (\$000)
Net cost of services		12,685	14,751
Non-cash items			
Depreciation and amortisation expense	5.1.1, 5.2.1, 5.3	(2,576)	(2,824)
Resources received	4.1	(1,930)	(1,628)
(Increase)/decrease in assets			
Receivables		(184)	206
Inventories		16	15
Other current assets		(118)	593
Increase/(decrease) in liabilities			
Payables		89	(56)
Current provisions		266	(327)
Funds held in trust		(96)	(1,827)
Other current liabilities		(330)	(458)
Net GST receipts/(payments)		68	(12)
Net cash used in operating activities		7,890	8,433

NOTE 8. RISKS AND CONTINGENCIES

This note sets out the key risk management policies and measurement techniques of the Agency.

	Notes
Financial risk and management	8.1
Contingent assets and liabilities	8.2
Fair value measurement	8.3

8.1 Financial risk management

Financial instruments held by the Trust are cash and cash equivalents, restricted cash and cash equivalents, receivables, and payables. The Trust has limited exposure to financial risks. The Trust's overall risk management program focuses on managing the risks identified below.

(a) Summary of risks and risk management

Credit risk

Credit risk arises when there is the possibility of the Trust's receivables defaulting on their contractual obligations resulting in financial loss to the Trust.

Credit risk associated with the Trust's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than Government, the Trust trades only with recognised, creditworthy third parties. The Trust has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

In addition, receivable balances are monitored on an ongoing basis with the result that the Trust's exposure to bad debts is minimal. Debt will be written-off against the allowance account when it is improbable or uneconomical to recover the debt. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk arises when the Trust is unable to meet its financial obligations as they fall due.

The Trust is exposed to liquidity risk through its trading in the normal course of business.

The Trust has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Trust's income or the value of its holdings of financial instruments. The Trust does not trade in foreign currency and is not materially exposed to other price risks [for example, equity securities or commodity prices changes].

Other than as detailed in the interest rate sensitivity analysis table below, the Trust is not exposed to interest rate risk because the majority of cash and cash equivalents and restricted cash are non-interest bearing and it has no borrowings.

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2022 (\$000)	2021 (\$000)
Financial assets		
Cash and cash equivalents	3,818	3,317
Restricted cash and equivalents	2,983	2,910
Financial assets at amortised cost ^(a)	47,724	45,903
Total financial assets	54,525	52,130
Financial liabilities		
Financial liabilities at amortised cost ^(b)	3,992	3,636
Total financial liability	3,992	3,636

a) The amount of financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

b) The amount of financial liabilities at amortised cost excludes GST payable to the ATO (statutory payable).

(c) Credit risk exposure

The following table details the credit risk exposure on the Trust's trade receivables using a provision matrix.

	Total (\$000)	Days past due				
		Current (\$000)	<30 days (\$000)	30-60 days (\$000)	61-90 days (\$000)	>91 days (\$000)
30 June 2022						
Estimated total gross carrying amount at default	165	90	(52)	98	5	24
Expected credit losses	(7)	-	-	-	-	(7)
30 June 2021						
Estimated total gross carrying amount at default	354	275	10	14	24	31
Expected credit losses	(11)	-	-	-	-	(11)

Liquidity risk and Interest rate exposure

The following table details the Trust's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities												
	Interest rate exposure						Maturity dates					
	Weighted average effective interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing		Nominal amount	Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
	%	(\$000)	(\$000)	(\$000)	(\$000)		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
2022												
<u>Financial assets</u>												
Cash and cash equivalents	0.526%	3,818	-	3,818	-	3,818	3,818	-	-	-	-	
Restricted cash and cash equivalents	0.526%	2,983	-	2,837	146	2,983	2,837	-	-	-	146	
Receivables ^(a)		158	-	-	158	158	158	-	-	-	-	
Amounts receivable for services		47,141	-	-	47,141	47,141	-	-	47,141	-	-	
		54,100	-	6,655	47,445	54,100	6,813	-	47,141	-	146	
<u>Financial liabilities</u>												
Payables		16	-	-	16	16	16	-	-	-	-	
Lease liabilities ^(b)		10	-	-	10	10	1	1	2	6	-	
		26	-	-	26	26	17	1	2	6		

c) The amount of receivables excludes the GST recoverable from the ATO (statutory receivable).

d) The amount of lease liabilities includes \$2,835 from leased printers and \$7,068 from leased vehicles.

(e) **Interest rate sensitivity analysis**

The following table represents a summary of the interest rate sensitivity of the Trust's financial assets and liabilities at the end of the reporting period on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

		-100 basis points		+100 basis points	
	Carrying amount	Surplus	Equity	Surplus	Equity
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
2022					
Financial assets					
Restricted cash and cash equivalents	2,983	(29.8)	(29.8)	29.8	29.8
Total increase/(decrease)	-	(29.8)	(29.8)	29.8	29.8

		-100 basis points		+100 basis points	
	Carrying amount	Surplus	Equity	Surplus	Equity
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
2021					
<u>Financial assets</u>					
Restricted cash and cash equivalents	2,910	(29.1)	(29.1)	29.1	29.1
Total increase/(decrease)	-	(29.1)	(29.1)	29.1	29.1

8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at the best estimate.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

8.2.1 Contingent assets

There are no contingent assets.

8.2.2 Contingent liabilities

A party to a contractual arrangement with the Perth Theatre Trust, which expired in 2014, submitted a formal letter of demand in 2018 in the amount of \$243,989. The letter of demand relates to a contractual dispute. The Perth Theatre Trust does not agree nor accept any liability with regard to this dispute and this position was communicated to the other party in 2018. At the reporting date no response has been received from the other party.

8.3 Fair value measurements

Land (Level 3 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by Landgate and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

Buildings (Level 3 fair values)

Fair value for existing use specialised buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

Valuation using current replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by Landgate. The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings.

Basis of valuation

In the absence of market-based evidence, due to the specialised nature of some nonfinancial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

NOTE 9. OTHER DISCLOSURES

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

	Notes
Events occurring after the end of the reporting period	9.1
Changes in accounting policies	9.2
Future impact of Australian standards issued but not yet operative	9.3
Key management personnel	9.4
Related party transactions	9.5
Related bodies	9.6
Affiliated bodies	9.7
Special purpose accounts	9.8
Remuneration of auditors	9.9
Equity	9.10
Supplementary financial information	9.11

9.1 Events occurring after the end of the reporting period

Events occurring after the end of the reporting period

Perth Theatre Trust was abolished on the 30 June 2022 and the Arts and Culture Trust was formed by the *Arts Culture Trust Act 2021*. All assets and liabilities of Perth Theatre Trust as at 30 June 2022 were transferred to the Arts and Culture Trust as opening Balances on 1 July 2022, together with all the employees.

9.2 Changes in accounting policies

There are no changes to accounting policies.

Correction to prior period errors. The Statement of Cash Flows for the year ended 30 June 2021 was incorrect and did not match the Cash and cash equivalents at the end of the period. Below is the amended Statement of Cash Flows:

Statement of cash flows - For the year ended 30 June 2021

	Notes	2021 (\$'000)	2020 (\$'000)
Cash flows from State Government			
Service appropriation		10,369	9,165
Funds from other public sector entities		940	(7)
27th Pay Holding account movement		43	24
Royalties for Regions Fund		500	500
Net cash provided by State Government		11,852	9,682
<i>Utilised as follows:</i>			
Cash flows from operating activities			
Payments			
Payments from Trust fund		(3,932)	(8,269)
Employee benefits		(10,374)	(9,136)
Supplies and services		(3,251)	(3,024)
Finance costs		(1)	(1)
Accommodation		(2,218)	(2,533)
Grants and subsidies		(956)	(608)
GST payments on purchases		(577)	(660)
GST payments to taxation authority		(290)	(266)
Other payments		(55)	(1,051)
Receipts			
Receipts into trust fund		6,015	6,534
User charges and fees		3,198	5,691
Sale of goods and services		1,960	1,021
Sponsorship		361	367
Interest received		4	22
GST receipts on sales		723	886
GST receipts from taxation authority		242	27
Other receipts		718	952
Net cash provided by/(used in) operating activities	<u>7.6.2</u>	(8,433)	(10,048)
Cash flows from investing activities			
Payments			
Purchase of non-current assets		(413)	(223)
Receipts			
Net cash provided by/(used in) investing activities		(413)	(223)
Cash flows from financing activities			
Payments			
Principal elements of lease payments		(23)	(22)
Net cash provided by/(used in) financing activities		(23)	(22)

	Notes	2021 (\$000)	2020 (\$000)
Net increase/(decrease) in cash and cash equivalents		2,983	(611)
Cash and cash equivalents at the beginning of the period		3,244	3,855
Cash and cash equivalents at the end of the period	7.6	6,227	3,244

The Statement of cash flows should be read in conjunction with the accompanying notes.

9.3 Future impact of Australian Accounting Standards not yet operative

The Agency cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* or by an exemption from TI 1101. Where applicable, the Agency plans to apply the following Australian Accounting Standards from their application date.

	Operative for reporting Periods beginning on/after
Insurance Contracts This Standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. <i>The Trust has not assessed the impact of the Standard.</i>	1 Jan 2023
Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. <i>These is no financial impact.</i>	1 Jan 2023
Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments This Standard amends: <ul style="list-style-type: none"> (a) AASB 1 to simplify the application of AASB 1; (b) AASB 3 to update a reference to the <i>Conceptual Framework for Financial Reporting</i>; (c) AASB 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability; (d) AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset; (e) AASB 137 to specify the costs that an entity includes when assessing whether a contract will be loss-making; and (f) (f) AASB 141 to remove the requirement to exclude cash flows from taxation when measuring fair value. <i>There is no financial impact.</i>	1 Jan 2022
Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date This Standard amends AASB 101 to defer requirements for the presentation of liabilities in the statement of financial position as current or non-current that were added to AASB 101 in AASB 2020-1. <i>There is no financial impact.</i>	1 Jan 2022
Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 Jan 2023

This Standard amends:

- (a) AASB 7, to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements;
- (b) AASB 101, to require entities to disclose their material accounting policy information rather than their significant accounting policies
- (c) AASB 108, to clarify how entities should distinguish changes in accounting policies and changes in accounting estimates;
- (d) AASB 134, to identify material accounting policy information as a component of a complete set of financial statements; and
- (e) AASB Practice Statement 2, to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

There is no financial impact.

Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

1 Jan 2023

This standard amends:

- (a) AASB 1049, to require entities to disclose their material accounting policy information rather than their significant accounting policies;
- (b) AASB 1054 to reflect the updated accounting policy terminology used in AASB 101 Presentation of Financial Statements; and
- (c) AASB 1060 to required entities to disclose their material accounting policy information rather than their significant accounting policy and to clarify that information about measurement bases for financial instruments is expected to be material to an entity's financial statements.

There is no financial impact.

Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

1 Jan 2022

This standard further defers (to 1 January 2025) the amendments to AASB 10 and AASB 128 relating to the sale or contribution of assets between an investor and its associated or joint venture. The standard also includes editorial corrections

There is no financial impact.

9.4 Key management personnel

The Trust has determined key management personnel to include cabinet ministers and senior officers of the Trust. The Trust does not incur expenditures to compensate Ministers and those disclosures may be found in the *Annual Report on State Finances*.

Compensation of officers of the Perth Theatre Trust

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Trust for the reporting period are presented within the following bands:

Compensation Band (\$)	2022	2021
0 -10,000	6	10
10,001 – 20,000	-	1
	2022	2021
	\$000	\$000
Short-term Benefits	20	35
Post -employment Benefit	2	3
Other long term benefits	-	-
Total compensation of officers	22	38

Compensation of senior officers of Perth Theatre Trust

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Trust for the reporting period are presented within the following bands:

Compensation Band	2022 (\$000)	2021 (\$000)
190,001 – 200,000	-	1
170,001 – 180,000	2	-
160,001 – 170,000	1	3
150,001 – 160,000	2	-
140,001 – 150,000	2	-
130,001 – 140,000	-	1
120,001 – 130,000	2	-
100,001 – 110,000	1	1
80,001 – 90,000	1	-
40,001 – 50,000	1	-
0 -10,000	-	1

	2022 (\$000)	2021 (\$000)
Short-term employee benefits	1,446	733
Post-employment benefits	126	78
Other long-term benefits	33	-
Termination benefits	11	-
Total compensation of senior officers	1,616	811

Total compensation includes the superannuation expense incurred by the Trust in respect of senior officers.

9.5 Related party transactions

The Trust is a wholly owned public sector entity that is controlled by of the State of Western Australia.

Related parties of the Trust include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e., wholly owned public sector entities);
- associates and joint ventures of a wholly owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

Significant transactions with Government-related entities

In conducting its activities, the Trust is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Significant transactions include:

- service appropriation (Note 4.1);
- superannuation contributions to GESB (Note 3.1(a)); and
- remuneration for services provided by the Auditor General (Note 9.9).

Material transactions with other related parties

Outside of normal citizen type transactions with the Trust, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

9.6 Related bodies

At the reporting date, the Perth Theatre Trust had no related bodies as defined by Treasurer's Instruction 951.

9.7 Affiliated bodies

At the reporting date, the Trust had no affiliated bodies as defined by Treasurer's Instruction 951.

9.8 Special purpose accounts

Perth Theatre Trust Ticketing account (a)

The purpose of the account is to hold funds on behalf of promoters and other parties in relation to the staging of events and shows, pending due and proper performance of contractual obligations.

	2022 (\$000)	2021 (\$000)
Balance at start of period	2,783	700
Receipts	6,916	6,015
Payments	(6,862)	(3,932)
Balance at end of period	2,837	2,783
a) Established under section 16(1)(c) of FMA.		

9.9 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2022 (\$000)	2021 (\$000)
Auditing the accounts, financial statements, controls, and key performance indicators	28	27

9.10 Equity

	2022 (\$000)	2021 (\$000)
Contributed equity		
Balance at start of period	124,443	123,924
His Majesty's Theatre - Balconies	-	519
Total contributions by owners	124,443	124,443
Total contributed equity at end of period	124,443	124,443

	2022 (\$000)	2021 (\$000)
<u>Asset revaluation surplus</u>		
Balance at start of period	3,318	-
Land	690	(285)
Buildings	7,016	3,603
Total asset revaluation surplus at end of period	11,024	3,318

9.11 Supplementary financial information

During the financial year, \$nil was written off the Trust's asset register under the authority of:

Write-offs	2022 (\$000)	2021 (\$000)
The accountable authority	-	9
The Minister	-	-
The Treasurer	-	-

Losses through theft, defaults and other causes

There were no losses of public moneys and public and other property through theft or default during the financial year.

Gifts of public property

There were no gifts of public property provided by the Perth Theatre Trust.

NOTE 10. EXPLANATORY STATEMENTS

This section explains variations in the financial performance of the Trust.

10.1 Explanatory statement for controlled operations

This explanatory section explains variations in the financial performance of the Trust undertaking transactions under its own control, as represented by the primary financial statements.

All variances between annual estimates (original budget) and actual results for 2022, and between the actual results for 2022 and 2021 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the dollar aggregate of:

- Total Cost of Services for the Statements of comprehensive income and Statement of cash flows (1% of \$19,710,000), and
- Total Assets for the Statement of financial position (1% of \$165,523,000).

10.1.1 Statement of comprehensive income variances

	Variance note	Estimate 2022	Actual 2022	Actual 2021	Variance between actual and estimate	Variance between actual results for 2022 and 2021
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Expenses						
Employee benefits expense		10,457	10,670	10,506	213	164
Supplies and services	1	3,200	2,973	2,639	(227)	334
Depreciation and amortisation expense	(a)	2,152	2,576	2,824	424	(248)
Finance costs		-	-	1	-	(1)
Accommodation expenses	(c)	2,669	4,032	3,807	1,363	225
Grants and subsidies	(c),2		323	956	323	(633)
Cost of Sales		731	738	657	7	81
Other expenses	(d),3	501	222	528	(279)	(306)
Total cost of services		19,710	21,534	21,918	1,824	(384)
Income						
User charges and fees	(e),4	6,427	5,638	4,114	(789)	1,524
Sales	F	844	2,294	2,065	1,450	229
Sponsorship		376	337	361	(39)	(24)
Interest revenue		48	12	6	(36)	6
Other Income	(g)	1,086	568	621	(518)	(53)
Total income other than income from State Government		8,781	8,849	7,167	68	1,682
Net Cost of Services		10,929	12,685	14,751	1,756	(2,066)
Income from State Government						
Service appropriation	5	9,504	10,318	12,760	814	(2,442)
State Grants and subsidies	(h),6	-	374	861	374	(487)
Resources received	(i),7	925	1,930	1,628	1,005	302
Royalties for Regions Fund		500	500	500	-	-
Total income from State Government		10,929	13,122	15,749	2,193	(2,627)
Surplus/(deficit) for the period		-	437	998	437	(561)
Other comprehensive income						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation reserve		-	7,706	3,318	7,706	4,388
Total other comprehensive income		-	7,706	3,318	7,706	4,388
Total comprehensive income for the period		-	8,143	4,316	8,143	3,827

Major estimate and actual (2022) variance narratives:

- a) The increase in Depreciation and amortisation expense (\$424,000 or 16%) is due to a budgeting error.
- b) Accommodation expenses increase (\$1.363 million or 34%) was mainly due to budget expenditure on building maintenance, cleaning and security costs. The building maintenance is provided via the Department of Local Government, Sport and Cultural Industries (DGLSC). The increase in this cost item is also related to the increase in the revenue item "Services received free of charge" under income from State Government. Security at the Perth Cultural Centre Precinct was increased to 24 hour coverage during the year.
- c) The increase in Grants and subsidies (\$323,000 or 100%) was for unbudgeted funding to WA Venue and Events Pty Ltd to cover for lost revenue due to Covid restrictions.
- d) The decrease in Other expenses (\$279,000 or 126%) is due to workers compensation premium and lower sponsorship.
- e) User charges fees decrease (\$789,000 or 14%) due to performance delays due to border restrictions.
- f) Sales increase (\$1.450 million or 63%) better than expected patronage following lifting of Covid restrictions.
- g) Other Income decrease (\$518,000 or 91%) due to Covid restrictions and less opportunity to realise other income.
- h) State grants and subsidies increase (\$374,000 or 100%) due to no budget revenue for the period.
- i) Resources received increase (\$1.005 or 52%) due to increased building maintenance. This increase is related to the increase in accommodation expense above.

Major actual (2022) and comparative (2021) variance narratives:

- 1. Supplies and Services increase (\$334,000 or 11%) due to increased use of contract staffing and an increase in Insurance cost for the year.
- 2. Grants and subsidies decrease (\$633,000 or 196%) due to the lower funding for WA Venue and Events Pty Ltd to cover lost revenue due to Covid restrictions
- 3. Other Expenses decrease (\$306,000 or 138%) due to lower Workers Compensation insurance premium following a better claims experience.
- 4. User charges and fees increase (\$1.524 million or 27%) as capacity restrictions were partially lifted enabling an increased audience.
- 5. Service appropriation decrease (\$2.442 million or 24%) supplementary funding provided by the State Government to cover lost revenue due to Covid restriction was significantly reduced in the current year.
- 6. State grants and subsidies decrease (\$487,000 or 130%) due to decrease funding for WA Venues and Events Pty Ltd.
- 7. Services received free of charge decrease (\$302,000 or 16%) due to increased building maintenance.

10.1.2 Statement of financial position variances

	Variance notes	Estimate 2022	Actual 2022	Actual 2021	Variance between actual and estimate	Variance between actual results for 2022 and 2021
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Assets						
Current assets						
Cash and cash equivalents		2,172	3,818	3,317	1,646	501
Restricted cash and cash equivalents		2,500	2,837	2,783	337	54
Inventories		75	88	72	13	16
Receivables		167	158	342	(9)	(184)
Other current assets		680	638	756	(42)	(118)
Total current assets		5,594	7,539	7,270	1,945	269
Non-current assets						
Restricted cash and cash equivalents		157	146	127	(11)	19
Amounts receivable for services		47,141	47,141	44,989	-	2,152
Infrastructure, property, plant and equipment		117,874	118,225	112,628	351	5,597
Intangible assets		275	607	479	332	128
Right-of-use assets		10	9	30	(1)	(21)
Total non-current assets		165,457	166,128	158,253	671	7,875
Total assets		171,051	173,667	165,523	2,616	8,144
Liabilities						
Current liabilities						
Payables		197	16	173	(181)	(157)
Funds held in trust		2,200	2,567	2,471	367	96
Lease liabilities		8	7	21	(1)	(14)
Employee related provisions		1,748	1,129	1,297	(619)	(168)
Other current liabilities		1,109	1,396	1,047	287	349
Total current liabilities		5,262	5,115	5,009	(147)	106
Non-current liabilities						
Lease liabilities		2	3	10	1	(7)
Employee related provisions		273	476	574	203	(98)
Total non-current liabilities		275	479	584	204	(105)
Total liabilities		5,537	5,594	5,593	57	1
Net assets		165,514	168,073	159,930	2,559	8,143

Equity						
Contributed equity		132,444	124,443	124,443	(8,001)	-
Reserves	K,9	4,472	11,024	3,318	6,552	7,706
Accumulated surplus/(deficit)	L	28,598	32,606	32,169	4,008	437
Total equity		165,514	168,073	159,930	2,559	8,143

10.1.3 Statement of cash flows variances

	Variance notes	Estimate 2022	Actual 2022	Actual 2021	Variance between actual and estimate	Variance between actual results for 2022 and 2021
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Cash flows from state government						
Service appropriation	8	7,352	8,166	10,369	814	(2,203)
State Grants and Subsidies	J,9	-	374	940	374	(566)
Royalties for Regions Fund		500	500	500	-	-
27 th Pay holding account movement		-	19	43	19	(24)
Net cash provided by state government		7,852	9,059	11,852	1,207	(2,793)
Cash flows from operating activities						
Payments						
Payments from the Trust fund	K,10	(9,686)	(6,862)	(3,932)	2,824	(2,930)
Employee benefits		(10,508)	(10,771)	(10,374)	(263)	(397)
Supplies and services	L,11	(4,838)	(3,988)	(3,251)	850	(737)
Finance costs		-	-	(1)	-	1
Accommodation	M	(2,739)	(2,142)	(2,218)	597	77
Grants and subsidies	N,12	-	(323)	(956)	(323)	633
GST payments on purchases	O	(871)	(648)	(577)	223	(71)
GST payments to taxation authority		(507)	(395)	(290)	112	(105)
Other payments	P,13	(533)	271	(55)	760	282
Receipts						
Receipts into trust fund	Q,14	10,846	6,916	6,015	(3,930)	901
Sale of goods and services	R,15	844	2,399	1,960	1,555	439
User charges and fees	16	6,427	6,361	3,198	(66)	3,163
Sponsorship		376	337	361	(39)	(24)
Interest received		48	14	4	(34)	10
GST receipts on sales	17	1,053	945	723	(108)	222
GST receipts from taxation authority		232	30	242	(202)	(212)
Other receipts	S,18	1,086	(34)	718	(1,120)	(752)
Net cash provided by/(used in) operating activities		(8,770)	(7,890)	(8,433)	880	543

	<u>Variance</u> <u>notes</u>	Estimate 2022	Actual 2022	Actual 2021	Variance between actual and estimate	Variance between actual results for 2022 and 2021
		(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Cash flows from investing activities						
Payments						
Purchase of non-current assets		(465)	(575)	(413)	(110)	(162)
Net cash provided by/(used in) investing activities		(465)	(575)	(413)	(110)	(162)
Cash flows from financing activities						
Payments						
Principal elements of lease payments		(15)	(20)	(23)	(6)	2
Net cash provided by/(used in) financing activities		(15)	(20)	(23)	(6)	2
Net increase/(decrease) in cash and cash equivalents		(1,398)	574	2,983	1,972	(2,409)
Cash and cash equivalents at the beginning of the period		6,227	6,227	3,244	-	2,983
Cash and cash equivalents at the end of the period		4,829	6,801	6,227	1,972	574

Major estimate and actual (2022) variance narratives:

- J. State grants and subsidies increased (\$374,000 or 100%) was for unbudgeted funding to WA Venue and Events Pty Ltd to cover for lost revenue due to Covid restrictions.
- K. Payments from Trust Fund decrease (\$2.824 million or 41%) expected shows were impacted by the Border restrictions.
- L. Supplies and services decrease (\$850,000 or 21%) due to lower costs as most plant and equipment maintenance is undertaken by DLGSC.
- M. Accommodation decrease (\$597,000 or 28%) lower costs as most building maintenance is performed by DLGSC as a free service.
- N. Grants and subsidies increase (\$323,000 or 100%) was for unbudgeted funding to WA Venue and Events Pty Ltd to cover for lost revenue due to Covid restrictions.
- O. GST Payments on purchases decrease (\$223,000 or 34%) decreased expenditure on budget led to lower payments.
- P. Other payments decrease (\$760,000 or 297%) due to a larger than budget increase in accrued purchases.
- Q. Receipts into trust fund decrease (\$3.930 million or 57%) expected shows were impacted by the Border restrictions.
- R. Sale of goods and services increase (\$1.555 million or 65%) better than expected patronage following lifting of Covid restrictions.
- S. Other receipts decrease (\$1.120 million or 3,294%) due to a lower than budget accrued income.

Major actual (2022) and comparative (2021) variance narratives:

- 8. Service appropriation decrease (\$2.203 million or 27%) supplementary funding provided by the State Government to cover lost revenue due to Covid restriction was significantly reduced in the current year.

9. State grants and subsidies decrease (\$566,000 or 151%) due to the lower funding for WA Venue and Events Pty Ltd to cover lost revenue due to Covid restrictions.
10. Payments from trust fund increase (\$2.930 million or 43%) as Covid restrictions eased more shows were put on.
11. Supplies and services decrease (\$737,000 or 18%) due to increased use of contract staffing and an increase in Insurance cost for the year.
12. Grants and subsidies decrease (\$633,000 or 196%) due to decrease funding for WA Venues and Events Pty Ltd.
13. Other payments decrease (\$282,000 or 120%) as there was an increase in accrued expenses.
14. Receipts into trust fund increase (\$901,000 or 13%) expected shows were impacted by the Border restrictions.
15. Sale of goods and services increase (\$439,000 or 18%) as Covid restrictions eased there was more attendance at shows leading to increased sales.
16. User charges and fees increase (\$3.163 million or 50%) during 2020/21 discounted venue charges were charged ceasing in May 2021.
17. GST Receipts on sales increase (\$222,000 or 24%) increased sales and charges led to the increase.
18. Other Receipts decrease (\$752,000 or 2,212%) due to lower accrued income.

