



ARTS AND
CULTURE TRUST

Arts and Culture Trust

2022-23 Annual Report



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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 first Annual Report of the Arts and Culture Trust for the financial year ended 30 June 2023. This report has been prepared in accordance with the provisions of the *Financial Management Act 2006* and all other legislation including:

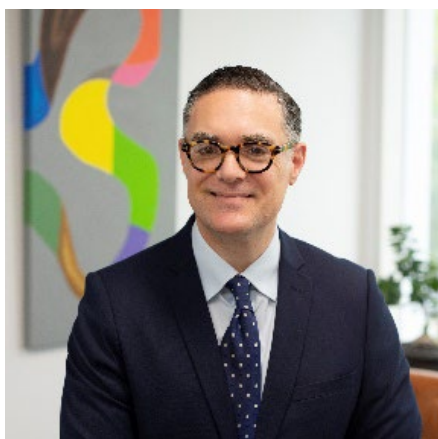
- *Auditor General Act 2006*
- *Corruption and Crime Commission Act 2003*
- *Disability Services Act 1993*
- *Electoral Act 1907*
- *Emergency Management Act 2005*
- *Equal Opportunity Act 1984*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*
- *Industrial Relations Act 1979*
- *Long Service Leave Act 1958*
- *Minimum Conditions of Employment Act 1993*
- *Procurement Act 2020*
- *Public Sector Management Act 1994*
- *Public Interest Disclosure Act 1993*
- *Salaries and Allowances Act 1975*
- *State Records Act 2000*
- *State Superannuation Act 2000*
- *Statutory Corporations (Liability of Directors) Act 1996*
- *Western Australian Jobs Act 2017*
- *Work Health and Safety Act 2020*
- *Workers' Compensation and Injury Management Act 1981*

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



Morgan Solomon
Chairman of Arts and Culture Trust
7 September 2023

MESSAGE FROM THE CHAIR



It is a pleasure to present the first Annual Report for the Arts & Culture Trust (ACT) since it became a legal entity on 1 July 2022. As a new statutory authority the ACT has greater responsibilities, broader powers and greater flexibility to carry out its duties than previously held by the Perth Theatre Trust (PTT).

The Trust now has responsibilities extending to all kinds of art and cultural venues, rather than being limited in its functions to theatres. It has greater power to engage in commercial activities in relation to the properties vested under its care.

Crucial to the success of the ACT has been the establishment of a new Board and it has been rewarding to work with the new Board to lay the foundations for the future of the ACT. I would like to sincerely thank my fellow Board members for their commitment and diligence this year and I would particularly like to thank Lanie Chopping who was instrumental in the transition of the organisation to its new legal status and carried both the responsibilities of the Director General of the Department of Local Government, Sport and Cultural Industries (DLGSC) and the CEO role for the Trust. In the same vein, we welcome Janis Carren as our new CEO and look forward greatly to her leadership and contribution to the sector as a whole.

Working with State-funded arts organisations is fundamental to the cultural and artistic fabric of WA and the ACT continues to work with 'resident companies' who help bring our venues and places alive. We have been honoured to showcase the many talents of local and touring artists in 2022-23 as we hosted our highest number of patrons in four years in our venues.

The ACT is excited by the opportunities ahead, of particular note are the State's major infrastructure investment projects for the sector, being the \$35m rejuvenation of the Perth Cultural Centre which will revitalise the precinct creating a vibrant, safe and attractive space connecting Perth cultural institutions and the surrounds; and the \$150m Perth Concert Hall redevelopment project which will secure the future of this iconic venue. This work will ensure that the venue will be enjoyed by future audiences for generations to come and exciting opportunities for gatherings, festivals and other exciting activations on the transformed forecourts.

On behalf of the Board, I would like to thank the Honourable Minister David Templeman for his support and advocacy of arts and culture. Looking ahead, the ACT Board will be launching a new five-year strategy and progressing its reform agenda in 2023-24 as we work to ensure that the ACT realises its potential to provide wide-ranging arts experiences for the benefit of all Western Australians now and into the future.

Morgan Solomon
Chairman
Arts and Culture Trust Board

MESSAGE FROM THE CEO



I'm delighted to be able to present the Arts & Culture Trust's (ACT) 2023 Annual Report.

This report highlights a successful return of live performances post the disruptions of the pandemic with almost half a million customers attending events. I'm pleased that despite a year of economic turndown, we delivered better than forecasted sales results.

Highlights of the year included the opening of the meticulously restored His Majesty's Theatre balconies which combined with the launch event for the Perth International Arts Festival. Patrons watched *The Strange Case of Jekyll and Hyde* at His Majesty's Theatre, witnessed the opening of the balconies and then the celebration culminated with a street party on Hay St. This one night was a true illustration of how successful partnering across government and industry sectors can deliver truly outstanding outcomes.

The 2022-23 Annual Report marks my last year as playing dual roles of Director General (DG) of the Department of Local Government, Sport and Cultural Industries (DLGSC) and CEO of ACT. I would like to sincerely thank the Board for their stewardship of the ACT in its first year. Thank you also to the Management team and staff for their focus on embedding new governance practices to support the ACT.

Looking forward, as DG DLGSC I will continue to work with the ACT and its incoming CEO, Janis Carren, to improve the capability and outcomes of the ACT and the wider artistic community, artists and business in Western Australia.

Lanie Chopping
CEO
Arts and Culture Trust

ARTS AND CULTURE TRUST RESULTS AT A GLANCE

ITEM	TOTAL
Cost of services	\$25.354 Million
Revenue	\$9.747 million
Income from WA State Government	\$13.764 million
Number of Performances	1,025
Performance Attendance	407,517
Number of Other Events	943
Other Events Attendance	50,592
ACT Supported Performances	234
Attendance at ACT Supported Performances	40,117
Total events (performance and other events)	1,968
TOTAL Attendances	458,109

HIGHLIGHTS

- Establishing the Arts and Culture Trust and the seamless handover of operations from the Perth Theatre Trust.
- Converting 45 employees to permanency.
- Rebuilding operations post the pandemic, with performance and audience numbers returning to pre-COVID levels.
- The grand opening of the exterior balconies of His Majesty's Theatre.
- Working with the Department of Local Government, Sport and Cultural Industries on the \$152.3m restoration program of the Perth Concert Hall precinct and the \$35m Perth Cultural Centre (PCC) rejuvenation.
- Introducing new website functionality 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 description, closed captioning, Auslan services, and tactile tours of venues.
- Successful ACT programmed events across venues including *STATE OF PLAY 2023* which sold 18,882 tickets to 31 productions and 145 performances at State Theatre Centre; and activations at the PCC such as Bluey stage shows, Dinosaur Trail, Music on the Wetlands, Mermaid Tales and NAIDOC Week.

SECTION 1

AGENCY OVERVIEW

AGENCY PROFILE

The Arts and Culture Trust (ACT) was established on 1 July 2022 to replace the Perth Theatre Trust. Its establishment is the result of the first legislative reform in the culture and arts portfolio in over 40 years.

ACT's purpose is to manage, care for and develop the State's cultural assets for our future generations.

ACT has broader powers, more responsibility and greater flexibility than its predecessor, whose role was limited to managing performing arts theatres.

ACT can manage a broad and diverse range of arts and cultural assets, indoor venues, outdoor spaces, permanent structures and temporary spaces both state-owned and privately owned assets. ACT can also develop its own productions and use its venues for an expanded range of artistic, cultural, recreational or educational purposes.

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. The 'Downstairs at the Maj' facility seats 142 in cabaret mode.

State Theatre Centre of Western Australia

The State Theatre Centre (STC) opened in 2011. It features the 575-seat Heath Ledger Theatre, the 250-seat flexible Studio Underground, 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. SAC also has three multi-purpose spaces - the Gallery, Rehearsal Room and Undercroft, as well as the outdoor Amphitheatre within the Theatre Gardens. 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 cocktail style or 180 conference style. The Hanover Room function space can seat up to 20 people or accommodate up to 50 people standing.

Perth Cultural Centre Public Realm

The Perth Cultural Centre (PCC) Public Realm 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, attracting local, interstate and international tourists. The ACT is responsible for the management and activation of the PCC public realm. The PCC is home to WA's most significant cultural institutions including:

- Art Gallery of Western Australia
- WA Museum Boola Bardip
- State Library of Western Australia
- State Records Office of Western Australia
- Perth Institute of Contemporary Arts

- The Blue Room Theatre
- State Theatre Centre of WA

Perth Concert Hall

The Perth Concert Hall (PCH) 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 300 guests. ACT leases the PCH 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. ACT 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 ACT venues. The Perth Festival and FRINGE WORLD Festival also present productions in ACT venues.

- Barking Gecko Theatre
- Black Swan State Theatre Company of WA
- 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

Arts and Culture Trust Act 2021

Other key legislation

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

Arts and Culture Trust Act 2021

Auditor General Act 2006

Corruption and Crime Commission Act 2003

Disability Services Act 1993

Electoral Act 1907

Emergency Management Act 2005

Equal Opportunity Act 1984

Financial Management Act 2006

Freedom of Information Act 1992

Industrial Relations Act 1979

Long Service Leave Act 1958

Minimum Conditions of Employment Act 1993

Procurement Act 2020

Public Sector Management Act 1994

Public Interest Disclosure Act 1993

Salaries and Allowances Act 1975

State Records Act 2000

State Superannuation Act 2000

Statutory Corporations (Liability of Directors) Act 1996

Western Australian Jobs Act 2017

Work Health and Safety Act 2020

Workers' Compensation and Injury Management Act 1981

ORGANISATIONAL STRUCTURE

Governance

The Arts and Culture Trust reports to the Minister for Culture and the Arts.

The Board is responsible for the performance of the functions and powers of ACT under the section 10 and 11 of the *Arts and Culture Trust 2021*. 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 and promoting all activities taking place in each of the Trust theatres
- promote public awareness of/foster public interest in the culture and the arts and
- provide educational and training activities in relation to culture and the arts.

The Board consists of nine members who are all appointed by the Minister for Culture and the Arts. An ex-officio position is held by the Department of Local Government, Sport and Cultural Industries (DLGSC) Director General, or their nominee.

Board Governance

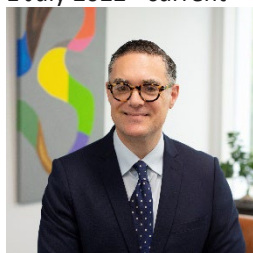
The Board's governance is shaped by:

- Requirements of legislative compliance, including the *Arts and Culture Trust Act 2021*, *Financial Management Act 2006*, *Auditor General Act 2006* and the *Public Sector Management Act 1994* as well directive instructions issued by the Treasurer, Premier 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 Charter.
- Board Code of Conduct.
- Disclosures of Conflicts of Interest and Gifts, Benefits and Hospitality.

Arts and Culture Trust Trustees

Morgan Solomon

1 July 2022 - current



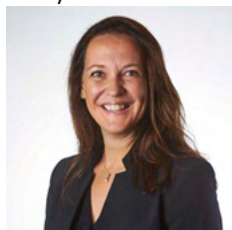
Founding Director at Perth law firm Solomon Hollett Lawyers, Morgan Solomon is a nationally recognised and awarded lawyer who specialises in all forms of succession law.

As one of the state's leading legal practitioners in his field Morgan is recognised by Doyle's Guide as a pre-eminent Wills and Estates Succession Planning lawyer and as a leading Wills and Estates Litigation lawyer. He is a member of the Society of Trust and Estate Practitioners.

A third-generation Western Australian lawyer, Morgan also takes an active role in the State's cultural community having obtained an honours degree in fine art before his studies in law. Morgan is also a Founding Member of the WA Chamber of Culture and the Arts, former Chair of Law Australasia and former Chair of the Perth Theatre Trust.

Janelle Marr

1 July 2022 - current



Janelle Marr has been involved in corporate strategy for over 25 years, spanning foresight, planning, sustainability and business transformation across Asia, Europe and Australia.

She has extensive experience across WA's business, government and community sectors and over 25 years' experience in corporate advisory across health; social services; mobility, ports and transport; government; utilities; infrastructure; renewables; environmental management; agribusiness; regional development; education; creative industries across Australia and the Indo Pacific.

She currently serves as a Commissioner of Tourism WA and Chair of its Audit and Risk Committee; Councillor and Executive Committee Member at Charles Darwin University (NT) and is an Ambassador of the WA Parks Foundation.

Zoë Atkinson

1 July 2022 - current



Zoë Atkinson is one of Australia's most established designers of live performance, with a career of nearly 30 years creating across Australia and internationally in theatre, opera, dance, puppetry, devised work and large-scale events. She has been the recipient of numerous awards for her work, including Helpmann, Green Room, and Equity.

Zoë studied under the highly acclaimed designers Petr Matásek and Josef Svoboda at The Prague Academy of Performing Arts and the International Institute of Figurative Theatre in the Czech Republic, and since moving back to Australia in the late 1990s has based her national practice in Perth.

She has been a member of many advisory panels and boards to the arts, including formative roles held early in her career helping shape inaugural Young People and the Arts policy and funding. She has held several teaching positions and is currently a non-executive director of Black Swan State Theatre Company.

Zoë brings significant and current experience at the ground level of the sector- as a freelance artist- combined with adjunct contribution through advisory into policy, funding and governance. She is the mother of two school-aged boys and is as passionate about the natural and built environments of Western Australia as she is about its cultural ones.

Stuart Bell





1 July 2022 - current



Stuart Bell is a highly respected and trusted property and project advisor. After studying construction management and economics at university he worked for several small start-up building companies, navigating his way through the industry with minimal guidance and learning how to engage the supply chain and successfully deliver projects.

Stuart brings a diverse and broad level of experience and expertise to the Board. He has global experience in London and Copenhagen working for large complex engineering firms to leading Westpac's Property leasing and Capital Works investment nationally in Australia.

Stuart is now an accomplished managing consultant leading APP Corporations business in Western Australia. He is responsible for leading a Property and Infrastructure business servicing both the public and private sector in health, aviation, commercial, education,

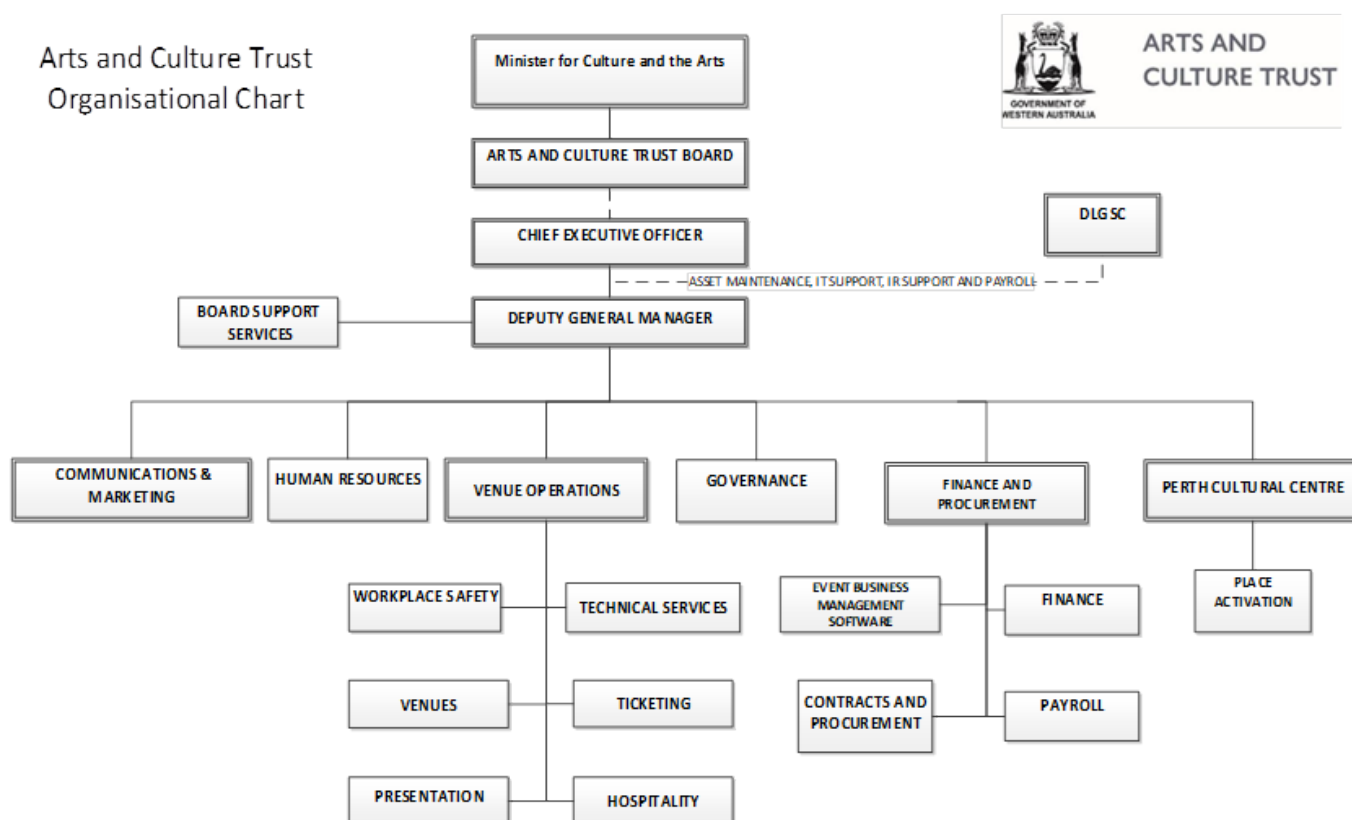
	<p>retail, transport, residential and recreation through local government agencies to global private institutional investors.</p>
<p>Shane Colquhoun AM 1 July 2022 - current</p> 	<p>Following a career as a professional dancer overseas and in Australia, Shane's arts management career includes positions within the Western Australian Government and in the arts sector including General Manager roles with West Australian Ballet (1992-96) and Black Swan State Theatre Company (2009-14).</p> <p>From 2000-09, Shane worked at the WA Department of Culture and the Arts in a range of senior roles including Director Arts Funding and Development. For 16 months in the lead up to the 2005 State General Election, he was seconded to the Minister for Culture and the Arts as Policy Advisor.</p> <p>In 2014, Shane re-established his arts management consultancy Colquhoun Arts Management working for a diverse range of government and sector clients. He has held various board appointments over many years including Ausdance National (President), Country Arts WA (Deputy Chair), the Blue Room Theatre (Chair), WA Chamber of Arts & Culture and Seesaw Magazine (Inaugural Chair). In January 2020, Shane was awarded a Member of the Order of Australia (AM) for significant services to performing and cultural arts administration.</p> <p>Recently retired, Shane continues a close involvement in the arts sector through board memberships, mentoring arts leaders and philanthropy.</p>
<p>Nadia van Dommelen 1 July 2022 - current</p> 	<p>Nadia van Dommelen is a professional engineer with over 25 years of industry experience in project direction of social and economic infrastructure projects. Through her independent consultancy she provides infrastructure advisory and project management services for clients with complex and large-scale infrastructure asset portfolios and needs.</p> <p>During her career Nadia has had the privilege of undertaking key roles on some of Perth's most complex and transformative infrastructure projects. Together with her enthusiasm and personal passion for culture and the arts, she brings her knowledge of asset planning, development and management to the Arts and Culture Trust portfolio.</p> <p>Nadia was appointed to the Board of the Perth Theatre Trust in January 2018 and is thrilled to continue to support and strengthen the sector as a member of the Arts and Culture Trust.</p>
<p>Michelle Tremain 1 July 2022 – current</p> 	<p>Michelle Tremain is PwC Perth's Market Managing Partner and also leads the firm's national Indirect Tax team.</p> <p>Michelle is widely recognised for her innovative thinking and insight in providing specialised indirect tax consultancy services to a wide range of clients throughout Western Australia.</p> <p>With over 25 years' experience in the local market, Michelle is highly respected across the business community, and she has led the PwC Perth GST team for the last 16 years.</p>
<p>Melvin Yeo 1 July 2022 - current</p> 	<p>Melvin Yeo is a company director and corporate lawyer with more than 25 years' experience. He has a global client base and has also co-founded various international mineral exploration projects. Melvin's experience includes governance, strategic planning, legal affairs, capital raising, operational oversight and transaction negotiations.</p> <p>Melvin is a supporter of the arts and keen collector of contemporary works by Australian artists. He is a non-executive director of Perth Institute of Contemporary Arts (PICA) and has previously served on the Murdoch University Art Collection Board.</p>

Leadership

The Chief Executive Officer of ACT 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.

Arts and Culture Trust Senior Officers	
Chief Executive Officer	Lanie Chopping
Deputy General Manager	Margaret Butcher
Director, Finance and Procurement	Michael Seaton
A/Director, Strategic Projects	Glenn Hall
A/Director, Place Management	Mark Howett
A/Director, Venue Operations	Drew Dymond
A/Director, Technical Services	Matthew Nankivell
A/Manager, Corporate Governance	David Ashton
Manager Human Resources	Sandra Jovanou
Manager Corporate Communications & Marketing	Hayley Longman

Organisational chart



PERFORMANCE MANAGEMENT FRAMEWORK

The ACT is a statutory authority established by the *Arts and Culture Trust Act 2021*. ACT is shown under Community Services in Division 36 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.	ACT'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 ACT funded programmes

CHANGES TO OUTCOMES-BASED MANAGEMENT FRAMEWORK

The Trust's outcome-based management framework did not change during 2022-23.

SHARED RESPONSIBILITIES WITH OTHER AGENCIES

The Trust did not share any responsibilities with other agencies in 2022-23.

SECTION 2

AGENCY PERFORMANCE

REPORT ON OPERATIONS

The 2022-2023 financial year was the first year of operation for the Arts and Culture Trust (ACT). The assets and liabilities of the Perth Theatre Trust (PTT) were transferred to the ACT. While owned source income grew by 10 per cent over the PTT figures for 2021-2022, the total cost of services increased by 18 per cent when compared to the previous year's PTT figure. Increased costs for staffing (including contract staffing), repairs and maintenance and insurance were all contributors to the increase in costs.

Appropriation from Government remained at a similar level received by the former PTT, after allowing for the increased appropriation to cover salary increases provided by the State Wages Policy.

The challenging operating environment saw a large increase in costs for operations and only a small increase in own sourced income, which resulted in ACT incurring a \$1.843 million deficit for the year. Ageing infrastructure and equipment continue to compound the pressure on the ACT's operating expenses and the organisation will seek further review of its funding model with government as a result.

Unrestricted cash at the end of the year was only \$553,000 which will make 2023-24 challenging as the organisation utilises the broader provisions of the new ACT.

ACTUAL RESULTS VERSUS BUDGET TARGETS

Financial

Financial Targets	2022-23 Target (1) \$000	2022-23 Actual \$000	Variation (2) \$000	Variance from Budget %
Total cost of services (expense limit)	23,746	25,354	1,608	6%
Net cost of services	9,651	15,607	5,965	61%
Total equity	161,787	192,160	30,373	18%
Net increase / (decrease) in cash held	(261)	(3,832)	(3,571)	(1,373%)
Approved salary expense level	9,921	11,578	1,657	17%
Agreed borrowing limit (where applicable)	-	-	-	-

(1) As specified in the Budget Statements

(2) Further explanations are contained in Note 9 'Explanatory statement' to the financial statements.

Summary of Key Performance Indicators

Key Effectiveness Indicators		2022-23 Target	2022-23 Actual	Variation
Effectively managed performing arts venues attracting optimal utilisation	Attendance Rates across principal performance spaces	320,000	451,533	131,533
Key Efficiency Indicators				
Venue Management Services	(a) Average Cost per attendee	\$69	\$56	\$13
	(b) Average subsidy per attendee for ACT funded programmes	\$2	\$4	\$2

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	2022 - 2023	
	Performances	Attendance
Albany Entertainment Centre		
Princess Royal Theatre	77	26,963
Kalyenup Studio	14	1,090
Harbourside Foyers and Hanover Room	10	793
TOTAL Albany Entertainment Centre	101	28,846
Goldfields Art Centre		
Main Auditorium	48	12,280
Ensemble Room	0	0
Gallery	8	5,633
Function Room and others	1	49
TOTAL Goldfields Arts Centre	57	17,962

His Majesty's Theatre		
Main Auditorium	112	59,698
Downstairs at the Maj	37	3,560
Dress Circle and Other	3	112
Studio Spaces	0	0
TOTAL His Majesty's Theatre	152	63,370
Perth Concert Hall		
Main Auditorium	176	180,971
Wardle Room	0	0
Balcony/Veranda/Forecourt	0	0
Foyers	1	140
TOTAL Perth Concert Hall	177	181,111
State Theatre Centre of WA		
Heath Ledger Theatre	156	57,948
Studio Underground	158	22,451
Courtyard	27	5,920
Rehearsal Rooms and Others	95	5,659
TOTAL State Theatre Centre	436	91,978
Subiaco Arts Centre		
Main Auditorium	71	21,567
The Studio	29	2,183
Community Spaces	2	500
TOTAL Subiaco Arts Centre	102	24,250
TOTAL All Venues	1,025	407,517

ATTENDANCE AT OTHER EVENTS

This table shows other events held in ACT 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	2022 - 2023	
	Performances	Attendance
Albany Entertainment Centre		
Princess Royal Theatre	12	4,091
Kalyenup Studio	28	2,300
Harbourside Foyers and Hanover Room	21	544
TOTAL Albany Entertainment Centre	61	6,935
Goldfields Arts Centre		
Main Auditorium	12	6,018
Ensemble Room	34	1,254
Gallery	4	159
Function Room and other	32	8,192
TOTAL Goldfields Arts Centre	82	15,623
His Majesty's Theatre		
Main Auditorium	1	1,196
Downstairs at the Maj	1	80
Dress Circle and other	19	801
Studio Spaces/King's Lair	0	0
TOTAL His Majesty's Theatre	21	2,077
Perth Concert Hall		
Main Auditorium	0	0
Wardle Room	11	805
Balcony/Veranda/Forecourt	1	125
Foyers	80	5990
TOTAL Perth Concert Hall	92	6,920
State Theatre Centre		
Heath Ledger Theatre	25	8,967
Studio Underground	2	180
Courtyard	2	350
Rehearsal Rooms and other	8	576
TOTAL State Theatre Centre	37	10,073
Subiaco Arts Centre		
Main Auditorium	68	1,261

The Studio	100	1,218
Community spaces	482	6,485
TOTAL Subiaco Arts Centre	650	8,964
TOTAL Other Events, All Venues	943	50,592

ATTENDANCE AT ACT-PROGRAMMED PERFORMANCES (BY VENUE)

Albany Entertainment Centre

EVENT / SHOW	Producer	Performances held	Attendee numbers
Stardust and the Mission	The Space Company	1	74
The Stories of Swing	Offbeat Sounds/Savoy Productions	1	144
Impermanence	Sydney Dance Company with Australian String Quintet	1	264
Erth's Prehistoric World	Erth's	2	1,176
Edward the Emu	Monkey Baa	2	828
A String Celebration	ACO Collective	1	245
By a Thread	One Fell Swoop Circus	1	397
Jane Eyre	Shake & Stir	1	257
Vivaldi Masterworks	Australian Baroque	1	237
Eaters	PVI collective	1	58
Bang! Bang!	Libby Klysz	1	89
ARCO	WA Youth Theatre Company	2	70
Tony Galati the Musical	Western Sky Projects-Circuitwest	1	170
Sandsong "Stories from the Great Sandy Desert"	Bangarra Dance Theatre	1	593
Zoom	Patch Theatre Co	2	565
Sydney International Piano Competition Winner- Alexander Gadjiev	Sydney International Piano Competition	1	147
This is Us- A Musical reflection of Australia	Grigoryan Brothers	1	219
Show Day	SPPT	8	640
Crying Over Spilled Milk	Amy Hetherington	1	187
360 All Stars	Onyx Productions	3	1,320
Eric Bibb- Ridin Tour	Laing Entertainment SHOWPRO touring	1	460

Don't Mess With Dummies	Dummies Corp	1	195
Kronos Quartet with Maatakitj	Perth Festival	1	3,71
Slumber Party	Kinetica	1	329
Dickless	Justin Sider	1	91
Deadset	Yuck Circus (Circuitwest)	1	277
Dating Black	Yirra Yaakin (Circuitwest)	1	220
Alphabet of Awesome Science	That Science Gang	2	898
Lior & Domini- Animal in Hiding	Raz Music	1	184
Grove Classics Albany	Cappuccino Concerts	5	240
Melbourne International Comedy Festival Roadshow	Melbourne International Comedy Festival	1	449
Cicada	Barking Gecko	1	202
Are We There Yet?	CDP Theatre Productions	1	393
Harbourside Concert Series	AEC Curated by Rod Vervest	8	263
Possum Magic	Monkey Baa	2	929
TOTAL		61	13,181

His Majesty's Theatre

EVENT / SHOW	Producer	Performances held	Attendee numbers
Morning Melodies	ACT	4	1,983
Downstairs at the Maj	ACT	17	2,033
Koorlanka! Aliwah! Woolah!	Perth International Cabaret Festival	1	1,906
TOTAL		22	5,922

State Theatre Centre of WA

EVENT / SHOW	Producer	Performances held	Attendee numbers
Impermanence	Arts and Culture Trust and Sydney Dance	5	1,619
State of Play: FRINGE WORLD 2023	Arts and Culture Trust	140	16,454
Courtyard Club	Arts and Culture Trust and RTR	6	2,941
TOTAL		151	21,014

EVENT / SHOW	Producer	Performances held	Attendee numbers
No ACT programmed performances for this financial year.		0	0

PERFORMANCE DIVERSITY STATISTICS

	Performances	Total of all ACT patronage
	2022-23	2022-23
Ballet / Dance	10%	8%
Children's / Family	16%	14%
Classical Music	11%	22%
Circus / Physical Theatre	1%	1%
Comedy	2%	5%
Non-classical Music	8%	10%
Theatre	21%	15%
Musical Theatre	4%	4%
Opera	1%	3%
Special Events / Other	8%	9%
Festivals (Multi-category)	17%	7%
Festivals (Single category)	1%	2%
TOTAL	100%	100%

SECTION 3

DISCLOSURES AND LEGAL COMPLIANCE

MINISTERIAL DIRECTIVES

No ministerial directives were received during the 2022-23 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

Since the conversion to permanency project started in March 2022, a total of 61 employees were assessed and found to be eligible to convert to permanent status.

There were initially 117 employees within scope to be assessed against the criteria in the Commissioner's Instruction No. 23. The project involved analysing employee service records, contracts, timesheets and job descriptions from each employee's original hire date, some going back to 2015.

The project was completed in April 2023.

The Commissioners Instruction No 23 has now been repealed as it is now included in some of the industrial instruments that cover ACT employees. Reviewing casual and fixed term employee's length of service to determine eligibility to be converted to permanent roles is an ongoing activity to ensure that we are compliant with the relevant industrial instruments that apply to ACT employees.

Employment Type	2022-23
Permanent - Full-time	12
Permanent - Part-time	8
Fixed Term Contract - Full-time	20
Fixed Term Contract - Part-time	11
Casual	291
Secondments	2
Total	344

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 2022-23 financial year:

- Morgan Solomon disclosed that, in relation to Item 6.13, his wife is a Member of the Fringe Festival Board - 18/8/2022.
- Janelle Marr disclosed that she has provided consultancy services to clients who have (or may in the future) use the Perth Cultural Centre and other venues of the Arts and Culture Trust, including Awesome, Barking Gecko Theatre and Propel - 18/8/2022.
- Melvin Yeo disclosed that he is a Director of PICA - 18/8/2022.
- Michelle Tremain disclosed that she is a Member of the Perth Festival Board - 20/10/2022.
- Zoe Atkinson disclosed that she is a non-Executive Director of the Black Swan State Theatre Company Board – 20/10/2022.
- Janelle Marr disclosed that her husband is a non-Executive Director of Aboriginal Tourism WA (a spin-off entity from WAITOC) - 8/12/2022.
- Nadia van Dommelen disclosed that she was the Peer Reviewer for the State Infrastructure Strategy – 8/12/2022.
- Melvin Yeo disclosed that WA Live Events has been deregistered, this standing item can be withdrawn from the Register. He also has been asked to join a committee of the PICA Board – 23/2/2023.
- Janelle Marr disclosed her husband has left the Outdoors WA Board and has been interim, part-time CEO from 7/2/2023 – 23/2/2023.
- Janelle Marr disclosed a potential conflict regarding agenda item 6.6 AWESOME Festival as AWESOME are a client – 23/2/2023.
- Janelle Marr disclosed she is working with the Minderoo Foundation regarding an Arts and Culture Strategy – 23/2/2023.
- Nadia Van Dommelen disclosed she has been asked to renew her membership of the ECU's Project Management, Business Analytics, MIS and Supply Chain & Logistics Management Consultative Committee for a further two years – 23/2/2023.
- Zoe Atkinson has disclosed that she is involved in three applications for DLGSC grants; one is over \$15,000 and two are less than \$10,000 – 23/2/2023.
- Zoe Atkinson disclosed she is a Black Swan State Theatre Company Board Director – 23/2/2023.
- Morgan Solomon requested the following Disclosure of Interest made on 26 May 2022 which had been removed, be reinstated to the current register: Solomon Hollett Lawyers; APM Ltd; Race Oncology Ltd – 20/4/2023.

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	
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	\$14
Aggregate amount of personal use expenditure settled by the due date (within five working days)	\$4
Aggregate amount of personal use expenditure settled after the period (after five working days)	\$10
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 ACT 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	Messee4U 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
TOTAL SPEND			\$57,216

DISABILITY ACCESS AND INCLUSION PLAN OUTCOMES

ACT 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.

ACT commenced revising its Disability Access and Inclusion Plan (DAIP) 2023 – 2027 and focused on increased community consultation to ensure meaningful feedback was incorporated into the revised plan. The revised plan continues to build awareness of the needs of people living with disability in the community. The DAIP is promoted within the organisation, to staff, stakeholders, and contractors as a dedicated section in online inductions. Some DAIP initiatives in 2022-23 at ACT venues included:

- Continued dedicated booking information for accessible performances including wheelchair seating, Auslan Interpreted Service, Captioning Service, Audio Description and Tactile Tour Service.
- Information on accessibility included in all ACT-managed venues email marketing campaigns.
- Perth Concert Hall (PCH) parking arrangement with City of Perth Parking for WA Symphony Orchestra Morning Symphonies, maintaining the number of ACROD bays on the Upper Level of the PCH car park at 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

ACT is committed to educating its workforce in the Public Sector Standards in Human Resource Management and the Public Sector Code of Ethics. In the 2022-2023 financial year, ACT recorded:

Type of Breach	2022-23
Breaches in Public Sector Standards in Human Resource Management	0
Breaches in Public Sector Code of Ethics, or the Department of Local Government, Sport and Cultural Industries Code of Conduct	0
Incidences of misconduct requiring investigation	1
Public Interest Disclosures lodged	0
Total Breaches	1

RECORDKEEPING PLAN

A draft Recordkeeping Plan is currently with the State Records Office for review with a view to finalising the document by September 2023.

FREEDOM OF INFORMATION

The ACT and the ACT Board are considered part of the DLGSC for the purposes of the *Freedom of Information Act 1992*. All applications requesting access to ACT documents are processed by DLGSC. DLGSC is also responsible for making decisions about the release of documents and annual reporting of statistics. ACT provides information to DLGSC as required.

GOVERNMENT POLICY REQUIREMENTS

WORK HEALTH AND SAFETY AND INJURY MANAGEMENT

ACT 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 ACT with work-related injury and corrective action implementation.

ACT 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, ACT'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	
	2022-23	Target	Comment on Result
Number of fatalities	0	0	Target Met
Lost time injury and disease incidence rate	1.1%	Zero (0) or 10% improvement on the previous three (3) years.	Target Met
Lost time injury and disease severity rate	50%	Zero (0) or 10% improvement on the previous three (3) years.	Target Not Met
Percentage of injured workers returned work:	50%	Greater than or equal to 80% return to work in 26 weeks.	Target Not Met
(i) Within 13 weeks			
(ii) Within 26 weeks	50%		
Percentage of managers trained in work health safety and injury management responsibilities	96%	Greater than or equal to 80%.	Target Met

Training modules completed 2022-2023	Number of staff trained
Rigging (Dogging, Basic, Intermediate & Advanced combined total)	4
Working at Heights	0
Traffic Management	5
Elevated Work Platform	1
First Aid	19
Low Voltage Rescue	0
Confined Space Access	0
Mental Health First Aid Trainings	10
Test and Tag	10
Plugs and Cords Training	3
3 Phase Testing	3
Health and Safety Representative	6
Fallen Worker Rescue Training	12
Advance Resuscitation	3
Oxy-Viva Training	2
New Manager Training	7
Effective People Management	6
Hazardous Substances	2
WHS Harmonisation Training	95
TOTAL	188

NATIONAL STRATEGIC PLAN FOR ASBESTOS AWARENESS AND MANAGEMENT 2019-2023

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

WA MULTICULTURAL POLICY FRAMEWORK

ACT 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

ACT 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. ACT drafted its first stand-alone Equal Employment Opportunity (EEO) Management Plan 2023 – 2025 as prior to this ACT amalgamated its EEO initiatives and reporting data with the Department Local Government, Sport and Cultural Industries.

SECTION 4

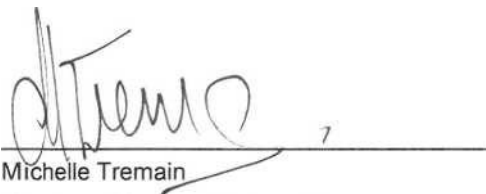
KEY PERFORMANCE INDICATORS

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 2023.



Morgan Solomon
Chairman of Arts and Culture Trust
7 September 2023



Michelle Tremain
Member of Arts and Culture Trust
7 September 2023

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

	2023 Target	2023 Actual
Attendance rates across principal performance spaces	320,000	451,353

Explanatory Notes

The above target actual attendance figures for 2022-23 was due to the easing of COVID-19 restrictions allowing for greater audiences. Shows previously delayed due to COVID-19 restrictions were able to be performed.

KEY EFFICIENCY INDICATORS

	2023 Target	2023 Actual
Average cost per attendee	\$69	\$56
Average subsidy per attendee for ACT funded programs	\$2	\$4

Explanatory Notes

The increase in the average cost per attendee in 2022-23 was due to higher Total Cost of Services was above target expectations by \$1,608,000.

SECTION 5

FINANCIAL STATEMENTS AND NOTES

CERTIFICATION OF FINANCIAL STATEMENTS

For the reporting period ended 30 June 2023.

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 2023 and the financial position as at 30 June 2023.

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.



Michael Seaton
Chief Financial Officer

7 September 2023



Morgan Solomon
Chairman of Arts and Culture Trust

7 September 2023



Michelle Tremain
Member of Arts and Culture Trust 7 September 2023



Auditor General

INDEPENDENT AUDITOR'S REPORT

2023

Arts and Culture Trust

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Arts and Culture Trust (Trust) which comprise:

- the Statement of Financial Position at 30 June 2023, 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 Arts and Culture Trust for the year ended 30 June 2023 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), 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 Trustee for the financial statements

The Trustee is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), 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.

In preparing the financial statements, the Trustee 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 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 misstatements, 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 Arts and Culture Trust. The controls exercised by the Trustee 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 the State's financial reporting framework (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Arts and Culture 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 the State's financial reporting framework during the year ended 30 June 2023.

The Trustee's responsibilities

The Trustee is 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 Engagement 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 Arts and Culture Trust for the year ended 30 June 2023. 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 Arts and Culture Trust are relevant and appropriate to assist users to assess the Trust's performance and fairly represent indicated performance for the year ended 30 June 2023.

The Trustee's responsibilities for the key performance indicators

The Trustee 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 controls as the Trustee 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 Trustee is responsible for identifying key performance indicators that are relevant and appropriate, having regard to their purpose in accordance with Treasurer's Instructions 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 management 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other information

The Trustees are responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, 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 and key performance indicators 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

The auditor's report relates to the financial statements and key performance indicators of the Arts and Culture Trust for the year ended 30 June 2023 included in the annual report on the Trust's website. The Trust's management is responsible for the integrity of the Trust's website. This audit does not provide assurance on the integrity of the 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 September 2023

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Notes	2023 \$000
Expenses		
Employee benefits expense	2.1(a)	11,856
Supplies and services	2.3	4,698
Depreciation and amortisation expense	4.1, 4.2, 4.3	2,609
Finance costs	6.2	1
Accommodation expenses	2.4	4,485
Grants and subsidies	2.2	833
Cost of Sales	3.3	724
Other expenses	2.3	148
Total cost of services		25,354
User charges & fees	3.2	6,732
Sale of goods	3.3	2,000
Sponsorship	3.4	351
Interest income	3.4	62
Other income	3.4	602
Total income		9,747
NET COST OF SERVICES		15,607
Service Appropriation	3.1	11,473
State Grants and subsidies	3.1	0
Services received Free of Charge	3.1	1,791
Royalties for Regions Fund	3.1	500
Total Income from State Government		13,764
SURPLUS/Deficit for the period		(1.843)
OTHER COMPREHENSIVE INCOME		
Items not reclassified subsequently to profit or loss		
Changes in asset revaluation surplus		12,774
Total other comprehensive income		12,774
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		10,931

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	2023 \$000
ASSETS		
Current Assets		
Cash and cash equivalents	6.3	553
Restricted cash and cash equivalents	6.3	2,250
Inventories	3.3	81
Receivables	5.1	644
Other current assets	5.3	966
Total Current Assets		4,494
Non-Current Assets		
Restricted cash and cash equivalents	6.3	166
Amounts receivable for services	5.2	49,481
Infrastructure, property, plant and equipment	4.1	142,173
Intangible assets	4.2	1,222
Right-of-use assets	4.3	3
Total Non-Current Assets		193,045
TOTAL ASSETS		197,539
LIABILITIES		
Current Liabilities		
Payables	5.4	167
Funds held in trust	5.5	2,078
Lease liabilities	6.1	3
Employee related provisions	2.1(b)	1,178
Other current liabilities	5.6	1,513
Total Current Liabilities		4,939
Non-Current Liabilities		
Lease liabilities	6.1	0
Employee related provisions	2.1(b)	441
Total Non-Current Liabilities		441
TOTAL LIABILITIES		5,380
NET ASSETS		192,159
EQUITY		
Contributed equity		181,228
Reserves		12,774
Accumulated surplus/(deficit)		(1,843)
TOTAL EQUITY		192,159

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 2023

	Notes	Contributed Equity \$000	Reserves \$000	Accumulated surplus/ (deficit) \$000	Total Equity \$000
Balance at 1 July 2022		-	-	-	-
Surplus/(deficit)		-	-	(1,843)	(1,843)
Other comprehensive income		-	12,774	-	12,774
Total comprehensive income for the period		-	12,774	(1,843)	10,931
<i>Transactions with owners in their capacity as owners:</i>					
Transfer of net assets from Perth Theatre Trust		168,073			168,073
Capital appropriation		13,155			13,155
Total		181,288	-	-	181,228
Balance at 30 June 2023		181,228	12,774	(1,843)	192,159

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 2023

	Notes	2023 \$000
CASH FLOWS FROM STATE GOVERNMENT		
Service appropriation		9,133
Funds from other public sector entities		0
27 th Pay Holding account movement		20
Royalties for Regions Fund		500
Net cash provided by State Government		9,653
<i>Utilised as follows:</i>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Payments from Trust fund		(9,022)
Employee benefits		(11,737)
Supplies & Services		(5,237)
Finance costs		(1)
Accommodation		(2,694)
Grants and subsidies		(833)
GST Payments on purchases		(1,013)
GST payments to taxation authority		(264)
Other Payments		150
Receipts		
Receipts into trust fund		8,398
User charges and fees		6,396
Sale of goods and services		2,000
Sponsorship		351
Interest received		62
GST receipts on sales		1,040
GST received from taxation authority		146
Other receipts		17
Net cash provided by/(used in) operating activities		(12,241)
Cash flows from investing activities		
Payments		
Purchase of non-current assets		(1,210)
Net cash provided by/(used in) investing activities		(1,210)
Cash flows from financing activities		
Receipts		
Transfer of Cash balances attributed to Perth Theatre Trust on 1 July 2022		6,801
Payments		
Principal elements of lease payments		(34)
Net cash provided by/(used in) financing activities		6,767
Net increase/(decrease) in cash and cash equivalents		2,969
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at the end of period		2,969

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 2023.

NOTE 1. BASIS OF PREPARATION

The Arts and Culture Trust is a State 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 has been included in the Overview which does not form part of these financial statements.

These annual financial statements were authorised for issue by the accountable authority of the Trust on 17/08/2023

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 – Simplified Disclosures
- Where appropriate, those Australian Accounting Standards paragraphs applicable for not-for-profit entities have been modified.

The FMA and TIs take precedence over Australian Accounting Standards. Several Australian Accounting Standards 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).

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

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.

Comparative information

The Arts and Culture Trust commenced operations on 1 July 2022. The Assets and Liabilities and all the employees of the Perth Theatre Trust at 30 June 2022 were subsequently transferred to the Arts and Culture Trust on 1 July 2022. There is no comparative financial information for the Arts and Culture Trust.

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- Property, Plant and Equipment reconciliations;
- Intangible Asset reconciliations; and
- Right-of-Use Asset reconciliations.

NOTE 2. USE OF OUR FUNDING

2.0 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	2.1(a)
Employee related provisions	2.1(b)
Grants and subsidies	2.2
Other expenditure	2.3

2.1(a) Employee benefits expenses

	2023 (\$000)
Employee benefits	9,661
Superannuation – defined contribution plans	740
Superannuation – other schemes	341
Long Service Leave	186
Annual Leave	620
Other related expenses	308
Total employee benefits expenses	11,856

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 good or services) for employees.

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.

2.1(b) Employee related provisions

	2023 (\$000)
Current	
Employee benefits provisions	
Annual leave	567
Long service leave	459
	1,026
Other provisions	
Employment on-costs	152
Total current employee related provisions	1,178
Non-current	
Employee benefits provisions	
Long service leave	392
Other provisions	
Employment on-costs	50
Total non-current employee related provisions	441
Total employee related provisions	1,619

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.

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.

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 2.3 (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	2023 (\$000)
Carrying amount at start of period	-
Transfer from Perth Theatre Trust (a)	197
Additional/(reversals of) provisions recognised	(267)
Payments/other sacrifices of economic benefits	272
Carrying amount at end of period	202

(a) On 1 July 2022, employment on-cost provision balances previously attributed to the Perth Theatre Trust were transferred to the Arts and Culture Trust.

Key Sources of estimation uncertainty – long service leave. Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year. Several estimates and assumptions are used in calculating an agency's long service leave provision. These include:

- expected future salary rates
- discount rates
- employee retention rates
- expected future payments.

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

2.2 Grants and subsidies

	2023 (\$000)
<u>Recurrent</u>	
Perth Concert Hall - Operations	750
PICA	83
Total grants and subsidies	833

Transactions in which the Arts and Culture 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.

The Arts and Culture Trust is not responsible for administering a government subsidy scheme.

2.3 Other expenses

	2023 (\$000)
Supplies and services expenses	
Communications	305
Consultants and contractors	64
Consumables	189
Advertising and promotion	277
Programming	568
Equipment purchases	227
Insurance	479
Equipment Hire	111
Legal fees	31
Licences	130
Maintenance	390
Printing	59
Bank and credit card charges	88
Temporary Staff	1,116
Travel	16
Entertainment	58
Other	590
Total supplies and services expenses	4,698
Accommodation expenses	
Office rental	101
Repairs and maintenance	1,641
Electricity and gas	1,014
Water	234
Cleaning	429
Security	885
Other	181
Total accommodation expenses	4,485
Other expenses	
Audit and Accounting Fees	136
Sponsorship	70
Expected credit losses expense	6
Employment on-costs	(64)
Total other expenses	148
Total other expenditure	9,331

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.

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

Expected credit losses is an allowance for impairment of trade receivables.

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 2.1(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 3. OUR FUNDING SOURCES

How we obtain our funding

This section provides additional information about how the Arts and Culture 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 Arts and Culture Trust and the relevant notes are:

	Notes
Income from State Government	3.1
User charges and fees	3.2
Sale of goods	3.3
Other income	3.4

3.1 Income from the State Government

	2023 (\$000)
Appropriation received during the period	
- Service appropriation	11,473
Total service appropriation received	11,473
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	-
Total income from other public sector entities	-
- Services received free of charge from other public sector entities	
Computer equipment	43
Building maintenance paid by DLGSC	1,748
Total resources received free of charge	1,791
Royalties for Regions Fund	
- Regional Community Services Account	500
Total Royalties for Regions Fund	500
Total income from State Government	13,764

Service Appropriations are recognised as income at the fair value of consideration received in the period in which the Arts and Culture 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.

Income from other public sector entities is recognised as income when the Agency has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the Agency receives the funds.

Resources received from other public sector entities is recognised as income equivalent to the fair value of assets received, or the fair value of services received that can be reliably determined and which would have been purchased if not donated.

The Regional Infrastructure and Headworks Account, and Regional Community Services Accounts are sub-funds within the over-arching '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 2023	2023 Budget (\$000)	2023 Supplementary Funding (\$000)	2023 Revised Budget (\$000)	2023 Actual (\$000)	2023 Variance (\$000)
<u>Delivery of Services</u>					
Net amount appropriated to deliver services	10,772	701	11,473	11,473	-
Royalties for Regions Fund	500	-	500	500	-
Total appropriations provided to deliver services	11,272	701	11,973	11,973	-

The Trust received one tranches of supplementary funding during the year. Tranche 1 covered increased cost of wages in accordance with State Wages Policy.

3.2 User charges and fees

	2023 (\$000)
User charges and fees	
- Venue hire and related charges	5,595
- Ticketing fee income	1,137
Total User Charges and Fees	6,732

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 Arts and Culture Trust is obligated to refund all cash collected from the customers.

3.3 Sale of goods

	2023 (\$000)
Sale of goods:	2,000
<u>Cost of Sales:</u>	
Opening Inventory	-
Transfer from Perth Theatre Trust (a)	(88)
Purchases	(717)
	(805)
Closing Inventory	81
Cost of Goods Sold	(724)
Gross profit	1,276
Closing Inventory comprises:	
<u>Current Inventories</u>	
Raw materials & stores (at cost)	81
Total Inventories	81

(a) on 1 July 2022, inventories previously attributed to the Perth Theatre Trust were transferred to the Arts and Culture Trust

Sale of Goods

Revenue is recognised at the transaction price when the Arts and Culture Trust transfers control of the goods to customers.

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.

3.4 Other income

	2023 (\$000)
Interest revenue	62
Sponsorship(a)	351
Grants and subsidies	482
Commission	11
Recoup of previous years expenditure	-
Other	109
Total other income	1,015

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

NOTE 4. 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

Infrastructure, property, plant and equipment	4.1
Intangibles	4.2
Right-of-use assets	4.3

4.1 Infrastructure, property, plant and equipment

For the year ended 30 June 2023

	Land	Buildings	Works in progress	Leasehold improvements	Plant, equipment, and vehicles	Infrastructure	Works of art	Total
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Carrying amount at start of period	-	-	-	-	-	-	-	-
Transfers from Perth Theatre Trust (a)	16,308	91,551	674	830	8,856	-	6	118,225
Additions			(144)		307			163
Transfer from other agency		12,261			1,173			13,434
Revaluation increments/ (decrements)	1,106	11,668						12,774
Depreciation		(1,387)		(204)	(832)			(2,423)
Carrying amount at 30 June 2023	17,414	114,093	530	626	9,504		6	142,173
Gross carrying amount	17,414	115,484	530	5,250	27,346		6	166,030
Accumulated depreciation		(1,391)		(4,624)	(17,842)			(23,857)

(a) On 1 July 2022, amounts previously attributed to the Perth Theatre Trust were transferred to the Arts and Culture Trust.

Initial recognition

Items of infrastructure, 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 infrastructure, 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.

Infrastructure, 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 2022 by Landgate. The valuations were performed during the year ended 30 June 2023 and recognised on 30 June 2023. In undertaking the revaluation, fair value was determined by reference to current use for land: \$17,414,000 and current replacement cost for buildings: \$101,838,000.

Useful lives

All infrastructure, 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
Air conditioning upgrades	4 to 25 years
Leasehold improvements	3 to 40 years
Communication equipment	4 to 10 years
Computer hardware	3 to 4 years
Furniture, fixtures and fitting	4 to 20 years
Plant and equipment	3 to 25 years
Office equipment	5 to 10 years
Other Equipment	4 to 20 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.

Impairment

Non-financial assets, including items of infrastructure, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost and is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for the class of asset.

As the Arts and Culture Trust is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

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

4.2 Intangible assets

Year ended 30 June 2023	Licences (\$000)	Computer Software (\$000)	Total (\$000)
Carrying amount at start of period		-	-
Transfers from Perth Theatre Trust (a)		607	607
Additions		768	768
Amortisation expense		(153)	(153)
Carrying amount at end of period		1,222	1,222

(a) On 1 July 2022, amounts previously attributed to the Perth Theatre Trust were transferred to the Arts and Culture Trust.

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.

Acquired and internally generated intangible asset costing \$5,000 or more that comply with the recognition criteria of AASB 138 Intangible Assets (as noted above) are capitalised.

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

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.

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.

Useful lives

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)
Licences	Up to 10 years
Development Costs	3 to 5 years
Software ^(a)	3 to 5 years
Website Costs	3 to 5 years

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

Impairment of intangible assets

Intangible assets with an indefinite useful life are tested for impairment annually or when an indication of impairment is identified. As at 30 June 2023 there are no indications of impairment to intangible assets.

The policy in connection with testing for impairment is outlined in note 4.1.

4.3 Right-of-use assets

Year ended 30 June 2023	Land	Buildings	Plant, equipment and vehicles	Residential housing	Concessionary leases [Specify asset class]	Total
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
Carrying amount at start of period			-			
Transfers from Perth Theatre Trust(a)			9			9
Additions			27			27
Depreciation			(33)			(33)
Carrying amount as at end of period			3			3
Gross carrying amount			103			103
Accumulated depreciation			(100)			(100)

(a) On 1 July 2022, amounts previously attributed to the Perth Theatre Trust were transferred to the Arts and Culture Trust.

The Trust has leases for vehicles, and office accommodation. The lease contracts are typically made for fixed periods of 1-10 years with an option to renew the lease after that date. Lease payments for buildings not leased through the Department of Finance are renegotiated every five years to reflect market rentals.

The Trust has also entered into a Memorandum of Understanding Agreements with the Department of Finance for the leasing of office accommodation. These are not recognised under AASB 16 because of substitution rights held by the Department of Finance and are accounted for as an expense as incurred.

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
- 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 6.2 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 [4.1](#).

NOTE 5. 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	5.1
Amounts receivable for services	5.2
Other assets	5.3
Payables	5.4
Funds held in Trust	5.5
Other liabilities	5.6

5.1 Receivables

	2023 (\$000)
<u>Current</u>	
Trade receivables	554
Allowance for impairment of trade receivables	(13)
Other- GST	103
Total receivables	644

Trade receivables are initially recognised at their transaction price or, for those receivables that contain a significant financing component, at fair value. The Trust 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 Trust 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 Trust recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. The 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. Please refer to [note 2.3](#) for the amount of ECLs expensed in this financial year.

5.2 Amounts receivable for services (Holding Account)

	2023 (\$000)
Current	-
Non-current	49,481
Total amounts receivable for services at end of period	49,481

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).

5.3 Other assets

	2023 (\$000)
<u>Current</u>	
Prepayments	534
Accrued income	432
Total other assets at end of period	966

5.4 Payables

	2023 (\$000)
<u>Current</u>	
Trade payables	135
Other payables	32
Total payables at end of period	167

Payables are recognised at the amounts payable when Arts and Culture Trust 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.

5.5 Funds held in trust

	2023 (\$000)
<u>Current</u>	
Ticketing Trust account – Event Settlements	2,078
Total funds held in trust	2,078

5.6 Other liabilities

	2023 (\$000)
<u>Current</u>	
Accrued Expenses	675
Accrued Salaries	243
Income received in advance	595
Total other liabilities at end of period	1,513

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 6. FINANCING

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

	Notes
Lease liabilities	6.1
Finance costs	6.2
Cash and cash equivalents	6.3

6.1 Lease liabilities

	2023 (\$000)
Current	
Current	3
Non-current	-
Total lease liabilities	3

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 [4.3](#).

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.

6.2 Finance costs

	2023 (\$000)
Finance costs	
Lease interest expense	1
Total finance costs expensed	1

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

6.3 Cash and cash equivalents

	2023 (\$000)
Cash and cash equivalents	553
Restricted cash and cash equivalents	2,416
Total cash and cash equivalents at end of period	2,969

Restricted cash and cash equivalents	2023 (\$000)
Current	
Event Settlements ^(a)	2,250
Non-current	
Accrued salaries suspense account ^(b)	166
Total Restricted cash and cash equivalents	2,416

(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 special purpose 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.

NOTE 7. FINANCIAL INSTRUMENTS AND CONTINGENCIES

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

Notes

Financial instruments	7.1
Contingent assets and liabilities	7.2

7.1 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:

	2023 (\$000)
<u>Financial assets</u>	
Cash and cash equivalents	553
Restricted cash and equivalents	2,416
Financial assets at amortised cost ^(a)	50,456
Total financial assets	53,425
<u>Financial liabilities</u>	
Financial liabilities at amortised cost ^(b)	3,758
Total financial liability	3,758

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).

7.2 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.

7.2.1 Contingent assets

There are no contingent assets.

7.2.2 Contingent liabilities

A party to a contractual arrangement with the Arts and Culture Trust (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 Arts and Culture Trust (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.

NOTE 8. 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	8.1
Corrections of period errors/changes in accounting policies	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies	8.5
Affiliated bodies	8.6
Special purpose accounts	8.7
Remuneration of auditors	8.8
Supplementary financial information	8.9

8.1 Events occurring after the end of the reporting period

Events occurring after the end of the reporting period.

There were no significant events occurring after the reporting period.

8.2 Changes in accounting policies

There are no changes to accounting policies.

8.3 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 Arts and Culture Trust

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

Compensation Band (\$)	2023
0 -10,000	7
30,001 – 40,000	1
	2023
	\$000
Total compensation of officers	82

Compensation of senior officers of Arts and Culture 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	2023 (\$000)
200,001 – 250,000	1
150,001 – 200,000	7
100,001 – 150,000	1
50,001 – 100,000	2
1 – 50,000	-
	2023 (\$000)
Total compensation of senior officers	1,701
Total compensation includes the superannuation expense incurred by the Trust in respect of senior officers.	

8.4 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
- 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 3.1)
- superannuation contributions to GESB (Note 2.1(a))
- remuneration for services provided by the Auditor General (Note 8.8).

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, other than those disclosed below.

An ACT Board member is also a Board member of Perth Institute of Contemporary Arts Ltd (PICA). PICA is the sub-lessee of a sub-lease of the old Boys School in the Perth Cultural Centre, where the sub-lessor is ACT.

8.5 Related bodies

At the reporting date, the Arts and Culture Trust had no related bodies as defined by Treasurer's Instruction 951.

8.6 Affiliated bodies

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

8.7 Special purpose accounts

Arts and Culture 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.

	2023 (\$000)
Amounts transferred from Perth Theatre Trust (b)	2,837
Receipts	8,434
Payments	(9,021)
Balance at end of period	2,250

a) Established under section 16(1)(c) of FMA.

b) On 1 July 2022, amounts previously attributed to the Perth Theatre Trust were transferred to the Arts and Culture Trust.

8.8 Remuneration of auditors

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

	2023 (\$000)
Auditing the accounts, financial statements, controls, and key performance indicators	35

8.9 Supplementary financial information

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

Write-offs	2023 (\$000)
The accountable authority	-
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 Arts and Culture Trust.

NOTE 9. EXPLANATORY STATEMENTS

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

9.1 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 2023, 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:

- Total Cost of Services for the Statements of comprehensive income and Statement of cash flows (1% of \$23,746,000), and
- Total Assets for the Statement of financial position (1% of \$167,380,000).

9.1.1 Statement of comprehensive income variances

	Variance note	Estimate 2023	Actual 2023	Variance between actual and estimate
		(\$000)	(\$000)	(\$000)
Expenses				
Employee benefits expense		12,306	11,856	(450)
Supplies and services		4,268	4,698	430
Depreciation and amortisation expense	(a)	2,152	2,609	457
Finance costs		-	1	1
Accommodation expenses	(b)	2,967	4,485	1,518
Grants and subsidies		821	833	12
Cost of Sales		731	724	(7)
Other expenses	(c)	501	148	(353)
Total cost of services		23,746	25,354	1,608
Income				
User charges and fees		7,268	6,732	(536)
Sales	(d)	5,469	2,000	(3,469)
Sponsorship		376	351	(25)
Interest revenue		6	62	56
Other Income	(e)	976	602	(374)
Total income other than income from State Government		14,095	9,747	(4,348)
Net Cost of Services		9,651	15,607	5,956
Income from State Government				
Service appropriation		10,772	11,473	701
State Grants and subsidies		-	-	-
Resources received	(f)	925	1,791	866
Royalties for Regions Fund		500	500	-
Total income from State Government		12,197	13,764	1,567
Surplus/(deficit) for the period		2,546	(1,843)	(4,389)
Other comprehensive income				
Items not reclassified subsequently to profit or loss				
Changes in asset revaluation reserve		-	12,774	12,774
Total other comprehensive income		-	12,774	12,774
Total comprehensive income for the period		2,546	10,931	8,385

Major estimate and actual (2023) variance narratives:

- a) The increase in Depreciation and amortisation expense (\$457,000 or 21%) is due to additional assets purchased.
- b) Accommodation expenses increase (\$1.518 million or 51%) 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 for the year.
- c) The decrease in other expenses (\$353,000 or 70%) is due to workers compensation premium and lower sponsorship.
- d) Sales decrease (\$3.469 million or 63%) due expected uplift following lifting of Covid restrictions not eventuating.
- e) Other Income decrease (\$374,000 or 38%) due to less opportunity to realise other income.
- f) Resources received an increase (\$866,000 or 94%) due to increased building maintenance. This increase is related to the increase in accommodation expense above.

9.1.2 Statement of financial position variances

	Variance notes	Estimate 2023	Actual 2023	Variance between actual and estimate
		(\$000)	(\$000)	(\$000)
Assets				
Current assets				
Cash and cash equivalents	(h)	3,578	553	(3,025)
Restricted cash and cash equivalents		2,783	2,250	(533)
Inventories		72	81	9
Receivables		342	644	199
Other current assets		756	966	210
Total current assets		7,531	4,494	(3,140)
Non-current assets				
Restricted cash and cash equivalents		127	166	(39)
Amounts receivable for services		44,685	49,481	4,786
Infrastructure, property, plant and equipment	(i)	114,528	142,173	27,645
Intangible assets		479	1,222	743
Right-of-use assets		30	3	(27)
Total non-current assets		159,849	193,045	33,196
Total assets		167,380	197,539	30,056

Liabilities			
Current liabilities			
Payables	173	167	(109)
Funds held in trust	2,471	2,078	(393)
Lease liabilities	21	3	(18)
Employee related provisions	1,297	1,178	(119)
Other current liabilities	1,047	1,513	466
Total current liabilities	5,009	4,939	(173)
Non-current liabilities			
Lease liabilities	10	0	(10)
Employee related provisions	574	441	(133)
Total non-current liabilities	584	441	(143)
Total liabilities	5,593	5,380	(316)
Net assets	161,787	192,159	30,372
Equity			
Contributed equity	126,342	181,228	54,886
Reserves	3,318	12,774	9,456
Accumulated surplus/(deficit)	32,126	(1,843)	(33,972)
Total equity	161,787	192,159	30,373

Major estimate and actual (2023) variance narratives:

- (h) Cash and Restricted Cash decreased (\$3.025 million or 85%) due to lower than estimated own source revenue and higher the estimated expenditure.
- (i) Infrastructure, property, plant and equipment increased (\$27.645 million or 24%) due to valuation increases for land and building and part of the cost for the HMT balcony reconstruction.

9.1.3 Statement of cash flows variances

Variance notes	Estimate 2023	Actual 2023	Variance between actual and estimate
	(\$000)	(\$000)	(\$000)
Cash flows from state government			
Service appropriation	8,432	9,133	701
State Grants and Subsidies	-	-	-
Royalties for Regions Fund	500	500	-
27 th Pay holding account movement		20	20
Net cash provided by state government	8,932	9,653	721
Cash flows from operating activities			
Payments			
Payments from the Trust fund	(9,686)	(9,022)	664
Employee benefits	(12,306)	(11,737)	570
Supplies and services (j),	(4,268)	(5,237)	(969)
Finance costs	-	(1)	(1)
Accommodation (k)	(2,967)	(2,694)	273
Grants and subsidies	(821)	(833)	(12)
GST payments on purchases	(806)	(1,013)	(207)
GST payments to taxation authority		(264)	(264)
Other payments (l)	(501)	150	651
Receipts			
Receipts into trust fund (m)	10,846	8,398	(2,448)
Sale of goods and services (n)	2,880	2,000	(880)
User charges and fees (o)	7,268	6,396	(872)
Sponsorship	376	351	(25)
Interest received	13	62	49
GST receipts on sales (p)	654	1,040	386
GST receipts from taxation authority	151	146	(5)
Other receipts (q)	976	17	(959)
Net cash provided by/(used in) operating activities	(8,191)	(12,241)	(4,048)

<u>Variance notes</u>	Estimate 2023	Actual 2023	Variance between actual and estimate
	(\$000)	(\$000)	(\$000)
Cash flows from investing activities			
Payments			
Purchase of non-current assets	(465)	(1,210)	(745)
Receipts			
Proceeds from sale of non-current assets			
Net cash provided by/(used in) investing activities	(465)	(1,210)	(745)
Cash flows from financing activities			
Receipts			
Transfer of cash balances attributed to Perth Theatre Trust on 1 July 2022	6,227	6,801	574
Payments			
Principal elements of lease payments	(15)	(34)	(19)
Net cash provided by/(used in) financing activities	6,212	6,767	555
Net increase/(decrease) in cash and cash equivalents	6,488	2,969	(3,519)
Cash and cash equivalents at the beginning of the period	-	-	-
Cash and cash equivalents at the end of the period	6,488	2,969	(3,519)

Major estimate and actual (2023) variance narratives:

- (j) Supplies and services increase (\$973,000 or 23%) due to increase security costs for PCC.
- (k) Accommodation decrease (\$273,000 or 10%) due to lower repairs and maintenance.
- (l) Other payments decrease (\$651,000 or 130%) due to a larger than budget increase in accrued purchases.
- (m) Receipts into Trust fund decrease (\$2.448 million or 23%) due to lower than projected ticket sales.
- (n) Sale of goods and services decrease (\$880,000 or 31%) due to lower than projected food and beverage sales.
- (o) User Charges and fees decrease (\$872,000 or 12%) due to lower than anticipated sales.
- (p) GST Receipts on Sales increase (\$386,000 or 59%) due to estimate error.
- (q) Other receipts decrease (\$959,000 or 98%) due to a lower than budget accrued income.

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