

# Annual Report

2018–19  
Museums Board  
of Victoria



**MUSEUMS  
VICTORIA**

## Declaration of the Responsible Body

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for the Museums Board of Victoria for the year ending 30 June 2019.

**Mr Leon Kempler AM**  
President  
Museums Board of Victoria  
28 August 2019

This annual report has been produced in accordance with FRD 30C Standard Requirements for the Design and Production of Annual Reports, in order to minimise our impact on the environment.

Further information about Museums Victoria is available at [museums victoria.com.au](http://museums victoria.com.au).

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### FRONT COVER

*LOVE* Exhibition, Immigration Museum; Rodney Start, Photography

**THIS PAGE (left to right, top to bottom)**  
Melbourne Museum collection store; Benjamin Healley, Photography

Jan Juc coast field work; Rodney Start, Photography

*Mandela My Life* Exhibition, Melbourne Museum; Rebecca Davies, Photography

School Holiday Program, Melbourne Museum; Rodney Start, Photography

First Peoples' *Little Kids Day In*, 2018; Rodney Start, Photography

*Kahlil Gibran - The Garden of the Prophet* Exhibition, Immigration Museum; Jon Augier, Photography

*Earthlight* - Lunar Hub, Scienceworks; Benjamin Healley, Photography

*Little Kids' Day In* 2018, Scienceworks; Rodney Start, Photography

*Fashion Redux* Exhibition, Melbourne Museum; Benjamin Healley, Photography

Otways Bioscan 2019; Benjamin Healley, Photography

*Kahlil Gibran - The Garden of the Prophet* Exhibition, Immigration Museum; Rodney Start, Photography

*LOVE* exhibition, Immigration Museum; Benjamin Healley, Photography

Dr Erich Fitzgerald & baleen whale fossils; Thomas Holloway, Photography

Dr Ken Walker, Otways Bioscan 2019; Rodney Start, Photography



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## First Peoples' Acknowledgement

Museums Victoria acknowledges the Woi Wurrung (Wurundjeri) and Boonwurrung peoples of the eastern Kulin Nations where we work, and First Peoples language groups and communities across Victoria and Australia.

Our organisation, in partnership with the First Peoples of Victoria, is working to place First Peoples' living cultures and histories at the core of our practice.

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Above image  
*Silent Witness* photographic exhibition of Scar Trees by Jim Berg, Gunditjmara Elder.  
Birrarung Gallery, Bunjilaka.;  
Benjamin Healley, Photography

# Message from the President

It gives me great pleasure to present this report of our operations, financial results and key achievements for 2018–19.

This year Museums Victoria has been imbued with a sense of renewal. Importantly, we have progressed towards the ambitious goals of our Strategic Plan 2017–25, to substantially expand our broad engagement with Victorians of all ages and walks of life at our museums, across digital platforms and through activities delivered across the State.

A particular focus has been on developing organisational capacity in two key strategic areas, First Peoples and Digital Life. An expanded First Peoples department extended programs that foster cultural awareness among our visitors, and provided greater community access to the First Peoples collections. Additional resources for digital content creation will increase multi-channel access and engagement, as outlined in the Digital Life strategy, which launched in December.

New initiatives to broaden Museums Victoria’s visitor base and address audience gaps saw encouraging results, most notably with the often difficult to engage teenage and young adult demographics. In order to develop these audiences sustainably, it is critical that our museums remain relevant to today’s audiences. Accordingly, as our facilities and long-term exhibitions reach maturity, we are developing masterplans for future experiences, drawing on extensive audience research. The provision in the

State Budget of an additional year’s funding for our long-term exhibition renewal program starts us on that journey, and I would like to acknowledge the support of the Victorian Government and particularly Martin Foley MP, Minister for Creative Industries.

This year the Museums Board farewelled two long-serving board members, Annette Vickery and Colin Golvan AM QC. Both Annette and Colin have made substantial and meaningful contributions, in particular as members of the Aboriginal Cultural Heritage Advisory Committee (ACHAC), and on behalf of all the board, I give my sincere thanks for their dedication and passion for Museums Victoria.

This year was my last as President of the Museums Board of Victoria. I am delighted to welcome Leon Kempler AM as incoming President, knowing that he will bring his considerable expertise and deeply held enthusiasm for Museums Victoria to the role.

It has been both a great honour and immense pleasure to have worked with this wonderful and esteemed organisation over the past three years. I would like to sincerely thank my fellow board members for their support, and acknowledge the exceptional Museums Victoria team, led by Lynley Crosswell, Director and Chief Executive Officer. Their dedication, and that of all the volunteers, members, partners, sponsors and other supporters, assure a positive future for Museums Victoria.



**Professor Rufus Black**

President, Museums Board of Victoria

# Message from the Chief Executive Officer and Director

This has been an important year for Museums Victoria, and I am delighted to provide this report as Chief Executive Officer and Director.

Museums Victoria continues to be a major contributor to the rich cultural life of the state. This year we connected with more than 8 million people at our museums, across our digital platforms and via our outreach programs to all parts of Victoria, with strong growth in visitation across our museums.

2018–19 was the first full year of implementation of the Museums Victoria Strategic Plan 2017–25, and the increase in visitors in part reflects new initiatives to broaden audiences at our museums. At the Immigration Museum we have begun a process of transformation, re-imagining our role as a champion of diversity in ways that are relevant to contemporary audiences. This fresh approach took shape in *LOVE*, an exhibition and program series created with Heide Museum of Contemporary Art, which explored love as a fundamental experience shared across all cultures.

*LOVE* was one of a series of creative industries collaborations that included the *Fashion Redux* exhibition, developed with the Virgin Australia Melbourne Fashion Festival (VAMFF) and our partnership with the Department of Environment, Land, Water and Planning (DELWP) to create *From the Heart*, an intimate and heartfelt commemoration of the 2009 Victorian Bushfires. The monthly Nocturnal at Melbourne Museum featured collaborations with a wide range of partners including the Melbourne Jazz Festival, Midsumma and the Melbourne Writers Festival.

We also saw growth in international tourism, with a continuing increase in Chinese visitation bringing overall growth in this market to 83% over two years. This increase in cultural tourism to Museums Victoria has been supported by strategic marketing and new partnerships including the Chinese New Year United, AirAsia and Air China.

Our long and short-term exhibitions remain a primary driver for visits to our museums, and this year I have been especially proud of those developed in house by our talented staff: *Fashion Redux*; *Make Believe: The Story of the Myer Windows*; *Gut Feelings*; *LOVE*; *Silent Witness*; and *River of Language*, developed in partnership with the Victorian Aboriginal Corporation for Language (VACL). Exhibitions at Melbourne Museum, Scienceworks and the Immigration Museum were recognised with a number of national and international awards including top honours from the Asia Pacific Network of Science and Technology Centres and the Australian Museum and Gallery Association.

Museums Victoria's scientists were also recognised with several major discoveries receiving extensive national and international media attention. These included the discovery of fossil teeth from a 25 million-year-old mega shark discovered in the Jan Juc region, and new research into species evolution in marine environments from the equator to Antarctica. This year research activities at Museums Victoria included nine Australian Research Council Linkage Projects with major universities across Australia and an important partnership with Parks Victoria to continue critical research into biodiversity within Victoria's state and national parks. Another significant project built on a biodiversity study of the Budj Bim National Heritage Landscape, working closely with the Gunditj Mirring Traditional Owners Corporation in support of the successful UNESCO World Heritage bid.

On behalf of all staff I would like to thank Martin Foley MP, Minister for the Creative Industries and Andrew Abbott, Deputy Secretary, Creative, Sport and Visitor Economy for their ongoing support and leadership of Victoria's vibrant creative industries sector. I would also like to acknowledge the commitment and contribution of our First Peoples Yulendj Group and the Aboriginal Cultural Heritage Advisory Committee (ACHAC), and the Te Pasifika Community Advisory Group who are such important partners as we work together to re-imagine our museums.

My sincere thanks to all of our board members for their dedicated leadership throughout the year, and to our many supporters and donors for their generosity and support of our activities. And I would like to especially thank our outgoing Board President, Professor Rufus Black, whose insight and strategic leadership over the past three years have been invaluable.

Finally, I would like to thank all my colleagues at Museums Victoria for their expertise, creativity and commitment. As always, this year I have been deeply impressed by their passion and professionalism as we work together to build an exciting future for this wonderful organisation.



**Lynley Crosswell**

Chief Executive Officer and Director

# About Museums Victoria

Museums Victoria is Australia's largest public museum organisation. Founded in 1854, we are the major custodian of the State collection of scientific and cultural heritage, an invaluable record of Victoria's history. Our museums present unique and exceptional experiences for nearly 2 million visitors each year, who come from all over Australia and around the world to be inspired and to learn about themselves and the world we inhabit.

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## VISION

People enriched by wondrous discovery and trusted knowledge

Society compelled to act for a thriving future

## MISSION

We create knowledge and experiences that help us make sense of the world

We exchange stories about culture, history and science and fearlessly discuss the big questions of life

We collect traces of time and place that allow us to connect the past, present and future

We make captivating physical and virtual spaces that open minds and hearts

## VALUES

**Strive** – We are intrepid and enjoy a challenge

**Embrace** – We are a place where everybody belongs

**Explore** – We passionately search for bold new ideas and smarter ways of doing things

**Respect** – We walk in the shoes of those we meet

**Illuminate** – We ensure our knowledge, actions and decisions are visible, and welcome investigation

**Sustain** – We nourish and care for ourselves and the things we are responsible for

# Strategic Framework

## TRANSFORMATIONAL THEMES

- 1** Place First Peoples’ living cultures, histories and knowledge at the core of Museums Victoria’s practice
- 2** Develop a set of foundation narratives that tell the story of the Universe, Life and Humans
- 3** Develop an audience-centred Digital Life that delivers experiences beyond our walls

## STRATEGIC OBJECTIVES

- 1** Museums Victoria provides unmissable experiences for all audiences
- 2** Museums Victoria has the primary material collection that inspires and allows excellent enquiry into our region’s big contemporary and historical questions
- 3** Museums Victoria engages with, welcomes and celebrates all communities
- 4** Museums Victoria is a centre for technological and scientific expertise and fosters innovation to build economic value
- 5** Museums Victoria is a sustainable and thriving organisation

## BACKBONE FOR DELIVERY

### Knowledge

### Spaces



## ENABLERS



# 2018–21 Initiatives

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## Strategic Objective 1

### Museums Victoria provides unmissable experiences for all audiences

- |                |  |
|----------------|--|
| Initiative 1.1 | Introduce a layer of interpretation reflecting First Peoples' history and culture to Museums Victoria's experiences  |
| Initiative 1.2 | Create innovative and engaging experiences across all sites, platforms and channels that fulfil our Vision and Mission, connect to the foundation narratives and contribute to Museums Victoria's sustainability |
| Initiative 1.3 | Deliver unique and engaging content to audiences through Museums Victoria's Digital Life Strategy  |
| Initiative 1.4 | Develop and implement a plan to grow international visitation  |
- 

## Strategic Objective 2

### Museums Victoria has the primary material collection that inspires and allows excellent enquiry into our region's big contemporary and historical questions

- |                |   |
|----------------|---|
| Initiative 2.1 | Develop and implement a strategy to partner and collaborate with First Peoples to ensure a culturally respectful and appropriate approach to our collections and research |
| Initiative 2.2 | Develop and implement a sustainable research and collections strategy   |
| Initiative 2.3 | Develop strategic partnerships that grow Museums Victoria's external research funding base  |
| Initiative 2.4 | Develop a Sustainable Collections Storage Strategy to address collection preservation, access and storage needs   |
| Initiative 2.5 | Align Museums Victoria's current Collection Digitisation Plan to Museums Victoria's Digital Life strategy and future digital initiatives                                  |
- 

## Strategic Objective 3

### Museums Victoria engages with, welcomes and celebrates all communities

- |                |   |
|----------------|---|
| Initiative 3.1 | Transform the Immigration Museum to be a vibrant living multicultural centre for the exploration of identity and multicultural life in Melbourne and Victoria |
| Initiative 3.2 | Develop and implement a strategy to increase Museums Victoria's inclusiveness of under-represented audiences  |
| Initiative 3.3 | Develop a coordinated strategy that broadens and deepens engagement with regional and rural communities   |
| Initiative 3.4 | Strengthen Museums Victoria's multi-lingual services  |

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## Strategic Objective 4

Museums Victoria is a centre for technological and scientific expertise and fosters innovation to build economic value

Initiative 4.1	Reposition and redevelop Scienceworks as a museum for the future
Initiative 4.2	Develop the strategic capability to rapidly deliver programs and exhibitions that respond to emerging opportunities and the world around Museums Victoria
Initiative 4.3	Establish an incubator that works with partners to seed, develop and fund new concepts that drive economic value and contribute to Museums Victoria's sustainability
Initiative 4.4	Develop and launch a dedicated Learning Lab that facilitates learning for visitors from pre-school age through to retirement

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## Strategic Objective 5

Museums Victoria is a sustainable and thriving organisation

Initiative 5.1	Collaborate with First Peoples to develop and implement an employment strategy for First Peoples across all areas of Museums Victoria
Initiative 5.2	Develop a high-performing workplace that is diverse, innovative, responsive, inclusive, safe, and reflects Museums Victoria's values
Initiative 5.3	Grow Museums Victoria's sustainable funding base through new philanthropic and corporate sponsorship and by optimising government and non-government funding streams
Initiative 5.4	Refresh the Museums Victoria brand and strengthen marketing and promotion of Museums Victoria, the individual museums and their unique proposition
Initiative 5.5	Develop a performance measurement framework that enables tracking, reporting and analysis of performance of Museums Victoria, including performance against our environmental, social and economic impact
Initiative 5.6	Develop a strategic corporate services framework that enables forward-looking and results-based outcomes, through planning, delivering and reporting cycles

# 2018–19 Year in Review

## Strategic Objective 1: Museums Victoria provides unmissable experiences for all audiences

Museums Victoria presents a compelling, year-round program of contemporary experiences that are diverse, inspiring and globally relevant.

Our exhibitions and programs are the cornerstone of our audience engagement, drawing a demographically diverse local, national and international audience to our museums. In 2018–19 this included 203,720 visitors from regional Victoria; 141,217 from interstate and 167,799 from overseas. Through our education programs, exhibitions and events, Museums Victoria is a key contributor to Victoria's cultural, tourism, education and economic aims.

Highlights from 2018–19 include exhibitions developed by Museums Victoria:

- *Make Believe: The Story of the Myer Christmas Windows*, produced in collaboration with Myer and Stage One (Melbourne Museum).
- *LOVE*, developed in partnership with Heide Museum of Modern Art (Immigration Museum).
- *Kahlil Gibran: The Garden of the Prophet*, in collaboration with Gibran National Museum and with support from the Council for Australian-Arab Relations of the Department of Foreign Affairs and Trade (Immigration Museum).
- *Gut Feelings*, an exhibition about the ways in which our microbes, minds and bodies interact and featuring the Museum's very own 'fatberg' courtesy of Yarra Valley Water (Melbourne Museum).
- *Fashion Redux*, in collaboration with leading Melbourne fashion designers and VAMFF (Melbourne Museum).
- *Because of Her, We Can!* which highlighted the achievements of twelve extraordinary Victorian First Peoples women, presented as part of Museums Victoria's NAIDOC Week celebrations (Bunjilaka Aboriginal Cultural Centre).
- *Mandela My Life: The Exhibition*, co-created with the Nelson Mandela Foundation, International Entertainment Consulting (IEC) and TEG Live (Melbourne Museum).
- *From the Heart*, curated in collaboration with Parks Victoria, the Victoria Police Museum, and DELWP to mark the tenth anniversary of the 2009 Victorian bushfires (Melbourne Museum).
- *Silent Witness* in partnership with Uncle Jim Berg (Bunjilaka).

Exhibitions from external partners included:

- *Revolutions: Records and Rebels*, from the Victoria & Albert Museum, London.
- *Above and Beyond*, Boeing's interactive flight exhibit produced in collaboration with Smithsonian's National Air and Space Museum.
- *Museum of the Moon*, a luminous sculpture of the moon, seven metres in diameter, by UK artist Luke Jarram.
- *Midawarr: Harvest*, featuring the art of Mulkun Wirrpanda and John Wolseley, from the National Museum of Australia.
- *For Country, For Nation*, an exhibition about Australian Aboriginal and Torres Strait Islander military service from the Australian War Memorial.

Initiatives to engage new and under-represented audiences across our museums included several new experiences for young adults and teenagers:

- *Road to Zero* TAC Road Safety Education Complex at Melbourne Museum, opened in August 2018 by Minister Donellan, Minister for Roads and Road Safety.
- *Nocturnal* at Melbourne Museum, now in its second successful year, attracted 13,527 guests, 17%<sup>1</sup> of which were first time visitors. These night-time events featured collaborations with VAMFF, Midsumma Festival, the Melbourne International Jazz Festival, and artists and performers Mick Harvey, Ngaiire, Electric Fields, Penny Ikingier & The Silver Bells, Disco Faith Sunshine Choir, Cut Copy and the Avalanches.
- Three *Sync* after-hours events grew teenage audiences for *Scienceworks* and the *Beyond Perception* exhibition. Featuring live music, virtual reality, science activations and more, *Sync* attendance more than doubled, from 135 visitors at the first event in September 2018 to 406 in June 2019. The event is a partnership initiative with Minus18, a youth-driven network for LGBTQIA+ youth.
- Taking inspiration from the *LOVE* exhibition, *I Feel LOVE* in Immigration Museum's courtyard celebrated Australia's vibrant queer community, artistic expression and love in all its guises. 617 young adults attended this after-hours event co-curated by Kelly Lovemonster (Swagger Like Us) and featuring LGBTQIA+ artists of colour Bhenji Ra and the House of Slé, performance art duo The Huxleys, and First Nations drag queen and host Zodiac.

<sup>1</sup> As at May 2019

Expanding reach and engagement beyond museum walls is a priority in the Museums Victoria Strategic Plan 2017–25. The *One Digital Life* strategy, launched in December 2018, outlines our ambition to grow audiences via curated digital content and expanded digital platforms. The first key initiative of the strategy, MV Stories, launched in April 2019 with the release of several versions of the *What is a Fatberg?* story. By the end of May, this story had reached more than 150,000 users via Museums Victoria’s digital channels (YouTube, IGTV, Twitter, Facebook and EDMs) and beyond, including appearing on Yarra Valley Water and ArtsHub channels.

Another area of growth was international tourism, increasing 37% on the previous year. This growth was supported in

part by Lunar New Year celebrations at Melbourne Museum and the Immigration Museum presented in partnership with Chinese New Year United. These now annual events are part of a broader campaign targeting growth in the Chinese visitor market that has increased visitors of Chinese origin by more than 80% in two years.

Museums Victoria’s excellence in programming was recognised in national and international awards including from the Australian Museum and Gallery Association, Asia Pacific Network of Science and Technology Centres, Victorian Premier’s Design Awards and the Giant Screen Cinema Association.



*Midnight Moon*, Scienceworks; Tiny Empire Collective, Source & Joel Checkley, Photography

## Strategic Objective 2: Museums Victoria has the primary material collection that inspires and allows excellent enquiry into our region's big contemporary and historical questions

In 2018–19 Museums Victoria reviewed the scope, nature and impact of its wide-ranging research activities and collecting practice to develop new strategic directions that maximise the potential and opportunities of our diverse disciplines and expertise. This review informed the development of the *Research and Collections Strategy 2019–25*, which will transition Museums Victoria to adopt an interdisciplinary and collaborative model to explore our region within a context of change.

This year work also commenced on a First Peoples Strategy that will best enable Museums Victoria's to placing First Peoples cultures, histories and knowledge at the heart of our practice. The strategy will outline the approach to strengthen Museums Victoria's leadership in increasing understanding and exchange between all Australians and providing greater representation and inclusion of Australia's First People in all parts of the organisation.

Museums Victoria continued its critical work connecting community with the collections through the Indigenous Repatriation Program. In 2018–19 Museums Victoria, in liaison with the Victorian Aboriginal Heritage Council, arranged for the return of ancestral remains to the Balranald Local Aboriginal Land Council (LALC) and Dareton LALC in New South Wales. Museums Victoria is also actively working on several overseas repatriations, including an important cloak, Korowai, to a Maori community on the north island of New Zealand, and a cultural collection to the Yaghan community in Chile.

Museums Victoria's role as custodians and developers of the State collection continued in 2018–19 with a number of significant collection acquisitions. Highlights included:

- A rare 17-kilogram stony meteorite discovered at Maryborough by a local gold prospector.
- Several sets of fossilised teeth from the Giant Jagged Narrow-Toothed Shark and Sixgill Shark, recovered from the Jan Juc coastline.
- Items from the estate of beloved Melbourne artist Mirka Mora including unfinished artwork, an inscribed novel and materials from her artist's studio.
- Protest material from Melbourne's #schoolstrike4climate protest in September 2018.
- Items discovered beneath the Royal Exhibition Building during excavation works for the current Protection and Promotion project.

The collections were further developed through a wide range of research projects, many with external partners:

- An international team of scientists from Museums Victoria, Monash University, Natural History Museum (London) and Royal Belgian Institute of Natural Sciences (Brussels) used 3D scans of a fossilised whale ear bone in the Museums Victoria collections to make new discoveries into the evolutionary origins of the pygmy right whale.
- Collaborative research between Museums Victoria, CSIRO Oceans and Atmosphere, University of Tasmania, and University of Melbourne has revealed that new marine species are evolving fastest in Antarctica. The research was published in the high profile scientific journal, *Nature*.
- A team of scientists from Museums Victoria, Louisiana State University, and Museum Zoologicum Bogoriense in Indonesia described a new species of climbing shrew from Sulawesi. This is the latest in a series of important biological discoveries made in partnership with local communities.
- Key discoveries around Australia's extinct and endangered fauna, including projects on the Tasmanian Tiger, New Holland Mouse and Smoky Mouse in association with the University of Melbourne; and the Plains Wanderer biodiversity fellowship supported by the Ian Potter Foundation.

Museums Victoria researchers honoured in 2018–19 included:

- Dr Jane Melville (Senior Curator, Terrestrial Vertebrates) – awarded a Fulbright Fellowship, to enable her to continue important research into the conservation of Australia's unique reptile fauna with colleagues in the USA.
- Dr Thomas Rich (Senior Curator, Vertebrate Palaeontology) – awarded the Robert Etheridge Jr Medal from the Geological Society of Australia, in recognition of his lifetime contribution to Australasian palaeontology.
- Dr Timothy O'Hara (Senior Curator, Marine Biology) and Dr Maria Byrne (University of Sydney) – won the 2018 Whitley Medal from the Royal Zoological Society of NSW for their landmark publication *Australian Echinoderms: Biology, Ecology and Evolution*.

Additionally, several new zoological and geological species were named in honour of Museums Victoria staff members:

- A new squat lobster species, *Corralliogalatea joae* (named for Dr Joanne Taylor, Manager, Natural Science Collections)
- A new wasp species, *Aulacus walkeri* (named after Dr Ken Walker, Senior Curator, Entomology)
- A new mineral species, *Millsite* (named for Dr Stuart Mills, Senior Curator, Mineralogy).

Museums Victoria's impact and capacity in research and collections is supported through a number of important funding partnerships. This year Museums Victoria received a grant of \$600,000 over four years from Creative Victoria to continue the Great Melbourne Telescope (GMT) Restoration Project. This significant contribution, along with previous major philanthropic funding from the Ian Potter Foundation, Myer Foundation and Copland Foundation, will help see the GMT reinstalled at the former Melbourne Observatory site at the Royal Botanic Gardens Melbourne.

Museums Victoria renewed its partnership with Parks Victoria and undertook the first in a new series of biodiversity surveys in the Great Otway National Park. Museums Victoria also collaborated with the Gunditj Mirring Traditional Owners Aboriginal Corporation in south-western Victoria to support the successful bid for the area's United Nations Educational, Scientific and Cultural Organization's (UNESCO) World Heritage listing. The bid drew from the knowledge generated by previous partnership initiatives including the Field Guide to the Budj Bim Cultural Landscape and a Bush Blitz survey.

Museums Victoria's capabilities in research and collections are also boosted by partnerships with universities and other institutions around Australia and globally. Notable among these are the formal partnerships with the University of Melbourne (McCoy Project) and Monash University (Robert Blackwood Partnership). Museums Victoria is a key partner organisation in nine Australian Research Council (ARC) Linkage Projects including:

- A new ARC Linkage Project with Monash University to examine the biodiversity and biology of Australian lizards.
- An existing Linkage Project with Deakin University which uncovered previously forgotten Aboriginal names for sites around inner Melbourne, including Fitzroy (Ngár-go), Collingwood (Yálla-birr-ang) and Brunswick (Bulleke-bek).



Dr Genefer Walker-Smith, Otways Bioscan 2019;  
Rodney Start, Photography

## Strategic Objective 3: Museums Victoria engages with, welcomes and celebrates all communities

Museums Victoria has a range of audience engagement strategies to ensure that the diversity of Victoria's population is reflected in our audiences, and to identify and remove barriers to access and participation. A key initiative is the revitalisation of the Immigration Museum to better connect with audiences and extend the impact of its important work and mission. In 2018–19 this refreshed approach came to life in *LOVE*, an exhibition that explored this fundamental human experience through myriad cultural, social and historical perspectives. Developed in partnership with Heide Museum of Modern Art, the exhibition and *Summer of Love* programs proved hugely popular, with attendance exceeding targets by more than 15%.

Programming highlights at the Immigration Museum also included:

- *Free to Feed*, a special event featuring cooking classes with Syrian, Iranian and Sri Lankan instructors as part of Refugee Week.
- *Blue Black Beatz*, a day of live music, spoken word and performance poetry paying respect to Melbourne's African communities and heritage.
- Exhibitions, including *Mao's Last Dancer*, *Kahlil Gibran: The Garden of the Prophet*, *Kimlik*, and *Grow, gather, share* highlighted our multicultural heritage.
- *Our Bodies, Our Voices, Our Marks*, a program of exhibitions and experiences exploring the art of tattoo.
- *Indonesian Film Festival – Under The Stars launch*, part of the Indonesian Film Festival in partnership with The University of Melbourne Indonesian Student Association, was enjoyed by 420 people from the Indonesian university student cohort and Melbourne's general public.

Another key initiative was *Think People*, a major audience research project that has provided fresh and comprehensive insights into visitors across all three museums. *Think People* used trend and population data to identify target audiences and opportunities for strategic growth as well as audience segments that are currently under-represented. These insights are now being incorporated into mid and long-term exhibition and program development.

Museums Victoria's regional engagement remained strong with programs reaching more than 140,000 people in 108 towns throughout Victoria in 2018–19. Expanding this reach into regional Victoria is a priority identified in the Museums Victoria Strategic Plan 2017–25, and in 2018–19 a Regional Engagement Plan was developed to deliver sustainable growth and impact across all of Victoria. The plan encompasses increased outreach and digital engagement and builds on existing programs including outreach to aged care and other audiences that may find it difficult to visit our museums for reasons including geographic distance, hospitalisation and imprisonment; Federation Handbells activations at regional and rural festivals; and engagement

in local rural communities through bioscans and place-based citizen science activities.

Broadening audiences includes addressing barriers to accessibility and inclusion. During the year Museums Victoria offered a range of accessible events and programs, including:

- Sensory-friendly *Dinosaur Playdates* at Melbourne Museum for families with children who require sensory considerations
- Auslan classes at Scienceworks, in partnership with Vicdeaf
- Expansion of the Autism Friendly Museum program to include both Melbourne Museum and Scienceworks.

During the year 255,552 students from across Victoria participated in Museums Victoria's education programs. Education initiatives engage students both at our museum locations and through initiatives such as virtual learning. In 2018–19, virtual learning programs increased access to Museums Victoria's informative and engaging education content for 47 individual schools, 30 of which were located in regional and outer metro areas. Of government schools participating from non-metro areas, 28% were ranked in the bottom third of the Victorian government's social disadvantage<sup>1</sup> rankings. Virtual Learning sessions included guest experts such as NASA scientists and our own museum experts, with topics ranging from colonial violence to exoplanets.

Museums Victoria also provided a range of professional development programs for teachers, covering topics from digital technologies to First Peoples, including:

- Professional Learning programs for 3,310 teachers; with 1,287 attending onsite programs, 1,989 engaged offline (e.g. conference, school visit), and 34 participating in online virtual learning sessions.
- MV teachers, an online information and subscription service. In 2018 (calendar year) MV Teachers had 8,619 subscribers, the highest number since the introduction of the program in 2006.

The breadth and depth of Museums Victoria's comprehensive education program was made possible through several strategic partnerships including:

- The Department of Education Strategic Partnership Program, supported by a grant of \$1.64 million over three-years (2018–20) to deliver education programs and relationships at all Museums Victoria venues.
- Placements for trainee Maternal and Child Health nurses from RMIT and early childhood education students from various Victorian universities in the Pauline Gandel Children's Gallery at Melbourne Museum.

<sup>1</sup> Student Family Occupation and Education (SFOE)

## Strategic Objective 4: Museums Victoria is a centre for technological and scientific expertise and fosters innovation to build economic value

Museums Victoria plays an important role promoting skills fundamental to Australia's innovation and science agenda through exhibitions, collections and education programs. As the economy continues to evolve, science, technology, engineering and mathematics (STEM) literacy and related skills such as problem solving, hypothesising and experimenting are becoming critically important. Museums Victoria is taking an active role in expanding our audiences for STEM programs while exploring how we will meet the needs of generations into the future.

In 2018–19 a preliminary business case was completed for an exciting project to redevelop Scienceworks as the National Museum for the Future, which will form the centrepiece of an innovation precinct combining research, education and industry partners. Stakeholders from state and local government, tertiary, education and the private sector helped refine the vision for this major project which will enhance participation in science and technology in the Victorian community, improve visitor attraction and experiences at Scienceworks, and support regional economic development.

This year Scienceworks achieved its second highest attendance on record, supported by an expanded program of evening events for teenage and young adult audiences. In March, the Planetarium received a \$1.2 million upgrade including a six-projector system that will support expanded features such as dome casting, video capture and a cloud library. The weekly Planetarium Nights program attracted strong audiences throughout the year for a diverse program of astronomy and full-dome art experiences, including five Australian premiere feature films.

Other 2018–19 highlights at Scienceworks included:

- *AstroLight*, an evening festival exploring space science, attracted nearly 1500 people. More than 15 partners from the university sector, industry, education, and amateur societies collaborate to realise the museum's largest after-hours event. Highlights this year included presentations from the European Space Agency, the Australian Space Agency and the International Space Station on topics from Indigenous astronomy to gravitational waves.
- National Science Week featured a range of lectures and workshops, including a special evening event with NASA astrophysicist Dr Jessie Christiansen who shared stories of searching for planets beyond our solar system.
- At the *Robotica: Festival of Futurism* expo 1735 visitors explored future technologies and robotics through virtual reality, makerspaces, guest speakers and, of course, robots.
- More than 800 early learning educators attended a pilot STEM professional learning program at Scienceworks and at kindergartens in regional and outer-metropolitan areas.

Development also continued on a new innovation space at Melbourne Museum. The inspiring new Learning Lab, which will open in 2020, will provide 21st-century learning experiences for audiences of all ages using digital technology ranging from immersive films to data visualisation and digital art interactives.

## Strategic Objective 5: Museums Victoria is a sustainable and thriving organisation

Museums Victoria's strategic goals are underpinned by the professionalism and commitment of more than 500 ongoing staff and 660 volunteers. Our culture is characterised by passionate people pursuing excellence in museum practice and audience experiences. In 2018–19 several key initiatives focused on developing a diverse, outcomes-oriented workplace, engaged networks of supporters and the long-term sustainability of the organisation.

In 2018–19 Museums Victoria formed a Diversity and Inclusion Committee to advocate for, develop and implement initiatives that foster a diverse and representative workplace culture. The Committee supports a number of staff-led subgroups, including Carers and Parents Group and the LGBTIQ+ Advisory Group, who meet regularly to ensure Museums Victoria remains a place that welcomes, celebrates and supports all communities.

Museums Victoria's community of volunteers provide invaluable support across all parts of the organisation. Our team of 667 volunteers continue to donate in excess of 43,000 hours annually to the organisation. This includes long-serving volunteer Lyn Haupt, who was recognised at the Australian Museums and Galleries Association (AMaGA) Awards for her incredible contribution of more than 7,300 hours over 38 years.

Securing and investing in our systems and infrastructure is also critical to ensure sustainability and efficiency. Initiatives to improve Museums Victoria's environmental impact included the Siemens partnership solar array project, which saw helicopters transport 1350 solar panels from the grounds of Carlton Gardens to the roof of the Melbourne Museum in late 2018. This was the culmination of the project which resulted in 2700 solar panels installed across four of Museums Victoria's iconic sites. This initiative will help Museums Victoria decrease emissions by 35% and save 4590 tonnes of carbon dioxide emissions per year.

Stage 1 of the Greener Government Buildings Project, also in partnership with Siemens, included upgrades to 8,200 light fittings across all Museums Victoria sites. The project received Best Commercial Building Energy Efficiency Project at the National Energy Efficiency Council's annual awards.

Museums Victoria's ongoing financial sustainability was supported with new and renewing corporate partnerships:

- Metro Tunnels sponsored the highly successful *Above, Below and Beyond* interactive children's installation at Melbourne Museum.
- The Bank of Sydney was the presenting partner for *Kahlil Gibran: The Garden of the Prophet* exhibition at the Immigration Museum.
- Paessler sponsored the highly successful 'I Want to Go to the Museum' Access Program
- Yarra Valley Water, City West Water and South East Water collaborated on an Autumn school holiday program.
- Rio Tinto, ExxonMobil and Powershop continued their ongoing support. Metro Trains, All On 4, SKOOP, Futureye, QMS and YDT (Your Development Team) joined Museums Victoria's corporate member program, MV Business+, in the first full year of running the program.

Museums Victoria's network of supporters and donors also expanded, with a 50% increase in funds raised through the annual appeal, which this year was supported by matching gifts from three Director's Circle members to fund development of an Auslan inclusion project. The Director's Circle also provided significant support for the development of a STEM lab at Scienceworks and established the Botten-Cuthbertson Bursary to fund professional development for emerging Museums Victoria leaders.



*Gut Feeling* exhibition, Melbourne Museum;  
Benjamin Healley, Photography

# The Year in Brief

## Visitation

	2018-19	2017-18	2016-17	2015-16	2014-15
Immigration Museum	135,372	117,757	122,574	116,024	122,662
Scienceworks	506,342	481,037	433,472	502,109	486,938
Melbourne Museum	1,106,169	1,191,862	1,140,618	991,132	828,379
IMAX	224,903	261,495	230,040	258,271	252,446
<b>Total ticketed visitation</b>	<b>1,972,786</b>	<b>2,052,151</b>	<b>1,926,704</b>	<b>1,867,536</b>	<b>1,690,425</b>
Outreach Program	141,233	182,451	134,318	440,450	135,881
Website	6,213,921	5,192,921	5,327,403	5,897,515	5,624,812
<b>Total offsite visitation</b>	<b>6,355,154</b>	<b>5,375,372</b>	<b>5,461,721</b>	<b>6,337,965</b>	<b>5,760,693</b>
Royal Exhibition Building	701,267	635,218	567,136	541,404	660,962
<b>Total visitation</b>	<b>9,029,207</b>	<b>8,062,741</b>	<b>7,955,561</b>	<b>8,746,905</b>	<b>8,112,080</b>

Notes:

Melbourne Museum, Scienceworks and Immigration Museum performed strongly in 2018-19 with all three museums achieving their second highest ticketed attendance. Scienceworks' year-end total represented year on year growth of 5% while attendance at the Immigration Museum was 15% up on 2017-18.

These high results absorbed impacts of lower than expected attendance for Touring Hall exhibitions during 2018-19 and lower than expected movie release attendance at IMAX Melbourne.

Website total is an aggregate of web sessions across a range of Museums Victoria websites and Museums Victoria supported project websites including Museums Victoria, Melbourne Museum, Scienceworks, Immigration Museum, IMAX, MV Collections Online, Museums Spaces, Bunjilaka and Victorian Collections Online.

The Key Performance Indicator results above for Total Ticketed Visitation and Website form part of the published Victorian Government Budget Paper 3 (BP3) measures tracking Museums Victoria's Performance.

## Key Indicators

	2018-19	2017-18	2016-17	2015-16	2014-15
Collection stored to industry standard	74%	74%	74%	75%	75%
Visitors satisfied with visit overall	97%	96%	98%	99%	92%
Students participating in education programs	255,552	255,725	272,731	287,460	281,095
Volunteer hours	43,349	40,012	41,692	37,685	44,124
Memberships	23,522	29,216	20,307	16,295	16,368

Notes:

The decrease in memberships 2018-19 compared to 2017-18 is due to the impact of the Museum Generation campaign which provided a free 6-month membership to every child born, fostered and adopted in Victoria during 2017.

These Key Performance Indicator results, along with Total Ticketed Visitation and Website in Table 1, form part of the published Victorian Government Budget Paper 3 (BP3) measures tracking Museums Victoria's Performance.

## Financial Summary

	2018-19 \$'000	2017-18 \$'000	2016-17 \$'000	2015-16 \$'000	2014-15 \$'000
Revenue from government	86,894	85,799	86,474	84,152	84,377
Total income from transactions	124,944	137,009	125,047	123,472	114,971
Total expenses from transactions	(125,093)	(133,753)	(117,696)	(117,297)	(110,475)
Net result from transactions before depreciation	(149)	3,256	7,351	6,175	4,496
Net result from transactions after depreciation	(30,376)	(26,126)	(20,936)	(11,369)	(13,448)
<b>Net result for the period</b>	<b>(31,326)</b>	<b>(26,044)</b>	<b>(20,577)</b>	<b>(11,943)</b>	<b>(13,510)</b>
Net cash flow from operating activities	(5,462)	12,414	4,469 <sup>1</sup>	16,363	6,572
Total assets	1,870,462	1,719,362	1,646,097	1,669,093	1,023,949
Total liabilities	32,802	30,798	23,955	26,367	17,344

### Notes to Financial Summary:

Revenue received from government was higher in comparison to the previous financial year, mainly from an increase in operational grant which was partly offset by the reduction in Exhibition Renewal project funding. In accordance with government policy, a capital asset charge is included in revenue from government and disclosed separately as an expense within the financial statements.

Overall total income and expenditure from transactions decreased from previous year due to the development of Road to Zero Safety Complex project which was completed in August 2018. The reduction in net result before depreciation was mainly due to increased salary costs of Staff Partnership Agreement (SPA) and increased FTE compared to previous year.

Net cash flow from operating activities is significantly lower, mainly due to reduced self-generated income from and a return of unused funds to TAC for the Road to Zero Safety Complex development.

Museums Victoria receives a substantial proportion of its revenue from government, which does not fund the depreciation expense. The lack of depreciation funding may result in infrastructure that is no longer fit-for-purpose and may require significant government investment. This does not impact Museums Victoria's ability to operate as a going concern. Museums Victoria has apart from this financial year due to timing of TAC funding, continued to generate a positive net cash flow from operations.

<sup>1</sup> This figure has altered since the 2016-17 Annual Report, due to an accounting change warranting the movement of \$17,000 to Financing Activities.

## Environmental Performance

	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Energy</b>					
Total energy consumption (gigajoules)	72,284	61,728	100,100	130,181	151,747
Greenhouse emissions associated with energy use (tonnes – CO2)	14,512	16,196	19,195	21,698	25,107
<b>Waste</b>					
Percentage of total waste recycled	46 %	45%	51%	55%	53%
<b>Water</b>					
Water consumption (kilolitres)	73,185	77,588	67,924	93,130	79,852

### Notes:

Museums Victoria engages in sustainable management practices under the State Government's Energy Management Program. This is reflected in reduced greenhouse emissions and water consumption due to efficiency upgrades occurring across all Museums Victoria sites. In 2018-19 these included the Siemens partnership solar array project, installing 2700 solar panels across four Museums Victoria's sites to help reduce Museums Victoria's emissions by 35% and save 4590 tonnes of carbon dioxide emissions per year.

Stage 1 of the Greener Government Buildings Project, also in partnership with Siemens, included upgrades to 8,200 light fittings across all Museums Victoria sites. The project received Best Commercial Building Energy Efficiency Project at the National Energy Efficiency Council's annual awards.



*Our Bodies, Our Voices, Our Marks* Exhibition, Immigration Museum; Xavier Smerdon Photography

# Future Priorities

## Learning Lab – Melbourne Museum

This initiative will expand and evolve Museums Victoria's education and public programs to build new audiences, evolve sector relationships, and increase visitation and revenue through immersive learning experiences.

The contract for fit out construction is expected to commence in August, with works completed late 2019 for a soft opening and commissioning period during January 2020. Bookings for Education programs will open on 1 December 2019 and will commence delivery in Term 1 2020. A family focused Learning Lab program will be offered as part of Summer 2020 programming.

## Te Pasifika Redevelopment – Melbourne Museum

The redeveloped Te Pasifika gallery is scheduled to open in November 2020. Our approach is to lead the way in best-practice cultural engagement to incorporate and reflect contemporary community knowledge and understanding, achieved through deep and authentic consultation.

Te Pasifika redevelopment will showcase a distinctive Victorian Pacific story, locating ourselves within the region and placing local Pacific voices and stories at the centre of the exhibition. Te Pasifika will offer a rich, sensory and evocative experience, alive with colour, sound and movement.

## Exhibition Experience Program renewal – Melbourne Museum

The Exhibition Experience Program (EEP) renewal is a key element of Museums Victoria's Strategic Plan 2017–25. Investment in the EEP will provide unmissable experiences and engage, welcome and celebrate all communities. The proposed EEP includes: major exhibition renewals at Melbourne Museum to present landmark stories and experiences, including immersive digital storyscapes; a re-imagining of the Immigration Museum; development of new, world-leading Planetarium experiences; and innovative education programming.

Museums Victoria received \$4.5 million in the 2019–20 State Budget as a one-year renewal of the funding program that lapsed in 2018–19, to continue the exhibition renewal program for an additional year.

## Museum for the Future – Scienceworks

The Museum for the Future will go beyond a traditional science museum, serving as an incubator to facilitate the interpretation and creation of the future by inspiring and supporting entrepreneurship in STEM-related fields. By creating compelling science experiences, it will inspire community members of all ages to engage with science and technology and build the talents of Victorians with a passion for science and technology. Over the next three years, Museums Victoria will develop the full scope of the project, and commence planning, design, and fundraising strategies to support this significant and considerable redevelopment.

## Royal Exhibition Building Protection and Promotion Project – Carlton Gardens Precinct

Work continues on the Royal Exhibition Building Protection and Promotion Project to preserve and secure the future of the World Heritage Listed building. The project will deliver restoration works to preserve the heritage fabric of the building, improve facilities for both exhibitors and visitors, and recreate the spectacular 1880's Dome Promenade to access 360-degree views of Melbourne. Completion of the restoration is scheduled for 2020.

# Purpose, Functions and Corporate Governance

## Museums Board of Victoria

Museums Victoria is governed by the Museums Board of Victoria, a statutory body established under the *Museums Act 1983* (Vic.). It comprises a maximum of 11 members appointed by the Governor-in-Council, and is subject to the direction and control of the Victorian Minister for Creative Industries.

The Museums Board of Victoria is directly accountable to the Victorian Government, through the Minister for Creative Industries, and works with Creative Victoria to deliver policy objectives.

The Board is responsible for maintaining the standards of management of Museums Victoria set out in the *Museums Act 1983*, Section 23, which has the following Statutory Functions:

- control, manage, operate, promote, develop and maintain Museums Victoria
- control, manage, operate, promote, develop and maintain the exhibition land as a place for holding public exhibitions and for the assembly, education, instruction, entertainment and recreation of the public
- develop and maintain the state collections of natural sciences, Indigenous cultures, social history and science and technology
- exhibit material from those collections for the purposes of education and entertainment
- promote the use of those collections for scientific research
- promote the use of the museum's resources for education in Victoria
- research, present and promote issues of public relevance and benefit
- act as a repository for specimens upon which scientific studies have been made or which may have special cultural or historical significance
- provide leadership to museums in Victoria
- advise the Victorian Minister for Creative Industries on matters relating to museums and the coordination of museum services in Victoria.

Number of meetings during the financial year: 6

<b>Board member</b>	<b>No. of meetings attended</b>
Professor Rufus Black (President)	6
Mr Andrew Butcher	6
Mr Wilkin Fon (from 3 July 2018)	5
Mr Colin Golvan AM QC	5
Dr Alison Inglis (from 3 July 2018)	6
Ms Linda Bardo Nicholls AO	5
Mr Peter Tullin	5
Ms Annette Vickery (from 3 July 2018 to 29 January 2019)	2 (of 3)

## Board Member Profiles

### Professor Rufus Black – President<sup>1</sup>

Appointed 2016

Rufus is the Vice Chancellor and President at the University of Tasmania. Previously, he was Master of Melbourne University's Ormond College and a Principal Fellow in both the Department of Philosophy and the Department of Management and Marketing at the University of Melbourne. Rufus' private sector experience includes nine years as a partner at McKinsey and Company, serving clients in Australia and Asia, and as a Director for national law firm Corrs Chambers Westgarth. His social and educational sector experience includes being the Deputy Chancellor of Victoria University, the founding Chair of the Board of the Teach for Australia Board and a Director of the Walter and Eliza Hall Institute of Medical Research. Rufus holds degrees in law, politics, economics, ethics and theology from the University of Melbourne and Oxford University, where he studied as a Rhodes Scholar. For Museums Victoria, Rufus is also Chair of the People, Culture and Governance Committee.

### Mr Leon Kempler AM – President<sup>2</sup>

Appointed 2019

As a leading figure and contributor to Australia's business and cultural sectors, Leon's current board roles include Chairman of the Advisory Council of Qvestacon and Director of the Royal Children's Hospital Foundation Victoria, among many others. In 2018 Leon received the Order of Australia for his significant service to the community through contributions across cultural, charitable, education and children's medical foundation sectors.

<sup>1</sup> Concluded 30 June 2019

<sup>2</sup> Commenced 1 July 2019

### **Mr Andrew Butcher**

Appointed 2013

Andrew has worked in the media since 1988, initially as a journalist before switching to corporate affairs at News Corporation in New York in 1999, where Andrew became the Senior Vice President of Corporate Affairs and Communication. Andrew established Butcher and Co in 2010 and has since advised some of Australia's best known companies, including Telstra, Westpac, Foster's and Billabong. Prior to this, Andrew was Executive Director of Communication and Media Relations at Telstra. Andrew is Chair of the Development Committee.

### **Mr Wilkin Fon**

Appointed 2012

Wilkin is Director of the retailing company Jeanswest and has extensive experience in the banking and finance sector. He has been a member of the Victorian Board of the Australia China Business Council since 2005. Wilkin is a member of the Audit and Risk Committee.

### **Mr Colin Golvan AM QC**

Appointed 2010

Colin is a Queen's Counsel at the Victorian Bar and practises law in the areas of intellectual property and trade practices. He is chairperson of the board of trustees of the Victorian Bar Indigenous Barristers' Fund. In 2018, Colin was awarded an AM in the General Division of the Order of Australia for his service to the law, legal education and particular his support for Indigenous students, and to the arts through governance and philanthropy. Colin a member of the Aboriginal Cultural Heritage Advisory Committee, the Audit and Risk Committee, and the People, Culture and Governance Committee.

### **Dr Alison Inglis**

Appointed 2015

Alison is currently Associate Professor, Art History Program; and Course Coordinator, Master of Art Curatorship at the University of Melbourne. Alison teaches subjects on 19th Century art history and museum studies, and researches and publishes in the area of 19th Century British art and museum collections and exhibitions. She is a board member of the Heide Museum of Modern Art and the Donald Thomson Collection Administration Committee. She was appointed as an Emeritus Trustee of the National Gallery of Victoria in 2010. Alison is a member of the Research and Development Committees.

### **Ms Linda Bardo Nicholls AO**

Appointed 2017

Linda is a corporate advisor and a non-executive director of a number of leading Australian companies and organisations. She is Chairman of Japara Healthcare and a Director of Fairfax Media, Medibank Private, Ingham's Enterprises and the Olivia Newton John Cancer Research Institute. Previously she was Chairman of Healthscope, Chairman of Australia Post, Chairman of Keolis Downer (trading as Yarra Trams) and a Director of Pacific Brands, Sigma Pharmaceuticals and St George Bank. In 2007 she was made an Officer in the General Division of the Order of Australia; in 2014 she was named as a Victorian Distinguished Fellow by the Australian Institute of Company Directors and in 2015 was made a Life Fellow. Linda is Treasurer of the Museums Board of Victoria, Chair of the Audit and Risk Committee.

### **Mr Peter Tullin**

Appointed 2017

A successful entrepreneur, Peter is the Co-Founder of CultureLabel.com, a Venture Capital-funded ecommerce site retailing art and design products from leading international culture brands. He is co-author of the book *Intelligent Naivety*, created to help entrepreneurs turn their ideas into reality, and his second book, *REMIX*, was published by The Guardian and later became *REMIX Summits*, a series of leading global ideas conferences that explore the intersection of culture, technology and entrepreneurship. Peter is a member of Creative Victoria's Creative State Advisory Group and has served on similar groups for the BBC and UK government. Peter is a member of the Infrastructure and Development Committees.

### **Ms Annette Vickery**

Appointed 2013

Holding qualifications in business and community mediation, Annette has held a wide range of positions in her professional career across the Victorian Aboriginal Legal Service, the Department of Justice and Victoria Police. Annette is Chair of the Aboriginal Cultural Heritage Advisory Committee and a member of the People, Culture and Governance Committee.

## Committees

The Board has established a number of sub-committees under the Act, to focus on specified matters within the Board's responsibilities and to provide advice back to the full Board.

### Aboriginal Cultural Heritage Advisory Committee

The Aboriginal Cultural Heritage Advisory Committee advises the Board and Museums Victoria operations on matters relevant to Aboriginal cultural heritage, principally around repatriation. Its members include representatives from Aboriginal communities throughout Victoria.

For the period 2014-18 the activities of the Aboriginal Cultural Heritage Advisory Committee (ACHAC) focused primarily on governing Museums Victoria's response to amendments made in 2015 to the *Aboriginal Heritage Act (2006)* (Vic), enabling the transfer of custody and responsibility for coordination of Ancestral Remains in Victoria to the Victorian Aboriginal Heritage Council (VAHC). In accordance with these amendments, in June 2017 the Museums Board approved the deaccession and transfer of 260 Victorian Ancestral Remains to the VAHC.

In light of the above, ACHAC has not convened since June 2018. The committee's focus in 2019-20 will be on reconsidering its structure and function to best support delivery of Museums Victoria's Strategic Plan and First People's transformational theme.

#### Committee members:

- Ms Annette Vickery (Chair up to 29 January 2019)
- Mr Colin Golvan AM QC
- Ms Julie Andrews
- Professor Henry Atkinson
- Ms Carolyn Briggs
- Ms Gail Harradine
- Ms Diane Kerr
- Mr Ricky Mullett

### Audit and Risk Committee

The Audit and Risk Committee maintains oversight of Museums Victoria's custodial responsibilities, strategic risk matters, internal controls and governance processes.

Number of meetings during the financial year: 7

<b>Committee member</b>	<b>No. of meetings attended</b>
Ms Linda Bardo Nicholls AO (Chair)	7
Mr Colin Golvan AM QC	6
Mr Wilkin Fon	4 (of 4)
Mr Matthew Hunt <sup>1</sup>	1 (of 1)

### Development Committee

The Development Committee drives the planning and implementation of the Museum's fundraising, philanthropy and partnership pipeline activities, to grow Museums Victoria's sustainable funding base.

Number of meetings during the financial year: 4

<b>Committee member</b>	<b>No. of meetings attended</b>
Mr Andrew Butcher (Chair)	3
Dr Alison Inglis	4
Mr Peter Tullin	4

### Infrastructure Committee

The Infrastructure Committee maintains oversight of Museums Victoria's suite of strategic asset management needs, infrastructure planning and capital project delivery.

Number of meetings during the financial year: 5

<b>Committee member</b>	<b>No. of meetings attended</b>
Mr Jim Cousins AO (Chair) (external member co-opted by the Board)	5
Mr Peter Tullin	5

<sup>1</sup> Non-voting independent member

### People, Culture and Governance Committee

The People, Culture and Governance Committee maintains oversight of Museums Victoria's human resources, remuneration, governance and Board membership needs.

Number of meetings during the financial year: 4

<b>Committee member</b>	<b>No. of meetings attended</b>
Professor Rufus Black (Chair)	4
Mr Colin Golvan AM QC	3
Ms Annette Vickery (up to 29 January 2019)	1 (of 2)

### Research Committee

The Research Committee steers the development, conduct and management of research undertaken by Museums Victoria. The committee oversees the Museums Board of Victoria's Animal Ethics Committee, which was established in February 2007.

Number of meetings during the financial year: 2

<b>Committee member</b>	<b>No. of meetings attended</b>
Dr Alison Inglis (Acting Chair from 1 January 2018)	2
Professor Lynette Russell	0
Professor Alistair Thomson	1
Professor Gregor Kennedy (from 1 March 2019)	1 (of 1)

The Museums Board of Victoria is represented on the following committee:

### Donald Thomson Collection Administration Committee

This committee was established to administer the legal agreement between the University of Melbourne, members of the Thomson family and Museums Victoria for the long-term loan of the Donald Thomson Collection to Museums Victoria.

# Our Workplace

## Organisation Functions

### Chief of Staff

Team led by the Chief of Staff, and under the direction of the Chief Executive Officer and Director, the Chief of Staff has responsibility for Governance, Strategy, Planning and Reporting, and Corporate Communications.

### Corporate Services

The role of the Corporate Services division, led by the Chief Operating Officer, is to support the continued success of Museums Victoria by developing an agile, responsive and accountable organisation. The division's key areas of activity are Finance; Financial Planning and Analysis; Legal; Strategic Facilities Management; Risk, Knowledge and Information Access Management; Technology Strategy and Delivery.

### People and Culture

People and Culture is responsible for all Human Resources, Occupational Health and Safety functions and support, including Recruitment; Engagement and Retention strategies; Payroll; Workforce Planning; Learning and Development; Diversity and Inclusion, as well as ensuring Museums Victoria complies with all relevant Occupational Health and Safety (OHS) legislation, Compliance Codes, Codes of Practice, and relevant standards. People and culture also have oversight of Customer Service operations at Melbourne Museum and Scienceworks.

### Melbourne Museum, Scienceworks and Immigration Museum

General Managers at each of our museum locations are responsible for ensuring and enabling the successful operation of each of our venues to provide high quality, engaging experiences for all visitors. The General Manager at Immigration Museum has oversight of Customer Service operations at the Immigration Museum. During 2018-19 the General Manager Melbourne Museum was also responsible for leading Commercial activities – Museums Spaces, Retail Services, Car Park and IMAX.

### Research and Collections

Responsible for the development, conservation and promotion of the State collection of more than 17 million items through research and acquisition; providing access to the collections and associated information for museum visitors, scholars, community groups and national and international audiences; and conducts research to address local, national and international issues.

### First Peoples

Provides strategic leadership to place First Peoples' living cultures, histories and knowledge at the core of Museums Victoria's practice. The First Peoples' department manages, develops and promotes Museums Victoria's Indigenous collections through strategic oversight of Bunjilaka – Australia's leading Aboriginal Cultural Centre, the Australian First Peoples curatorial team, international First Nations – including Indonesia, Micronesia and Polynesia – curatorial team, and the First Peoples collection management team.

### Experience and Engagement

The Experience and Engagement Division is responsible for leading the museums' engagement with communities and individuals through venues and at offsite locations. Functions include exhibition and experience development at Melbourne Museum, Scienceworks, Immigration Museum and Royal Exhibition Building; Education and outreach programs across Victoria for broad public engagement; and leadership in technical and creative delivery of content and experiences.

### Digital Life

The Digital Life Department provides strategic leadership of Museums Victoria's approach to connecting people to our knowledge, research and collections on the digital platforms they use. Responsibilities include management of digital product development, digital collections and access, digital content production and distribution, and digital multimedia systems. The department has developed an organisation-wide Digital Life strategy to grow reach and impact beyond our walls and is implementing a multi-channel digital storytelling initiative.

### Development and Commercial Operations

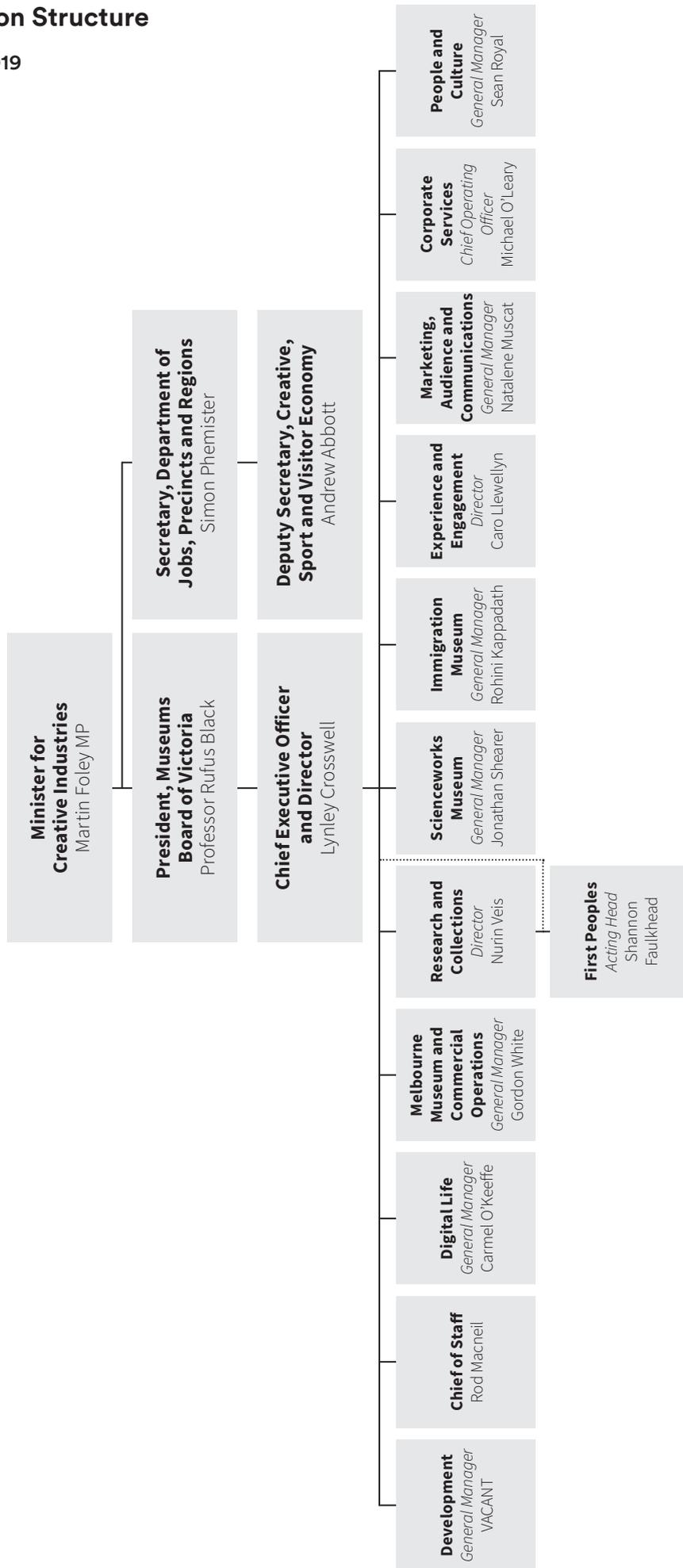
The Development and Commercial Operations department is responsible for building and strengthening Museums Victoria's financial sustainability by growing and nurturing Philanthropic and Corporate Partnerships, Museum Memberships, generating Fundraising income from individuals and leading our Commercial activities incorporating Museums Spaces, Retail Services, Car Park and IMAX.

### Marketing, Audience and Communications

The Marketing, Audience and Communications Department, incorporating Brand and Marketing, Public Relations and Communications, and Audience Insights, is responsible for communicating the needs of our audiences and driving Museums Victoria's brand and positioning. Responsibilities include publicity, marketing core product as well as special exhibitions to achieve visitation targets at each venue, researching audiences and product development.

# Organisation Structure

At 30 June 2019



## Staff Profile

Museums Victoria commenced 2018–19 with 521 full-time equivalent employees (FTE) and ended the period with 551.

### Employee Count

	Ongoing Employees			Fixed-term & Casual		Total FTE*
	Employees (Headcount)	Full-time (Headcount)	Part-time (Headcount)	FTE	FTE	FTE
June 2019	429	295	134	377	174	551
June 2018	427	285	142	375	146	521

### Employee gender, age and classification

	2018–19			2017–18		
	Ongoing		Fixed-term & Casual	Ongoing		Fixed-term & Casual
	Employees (Headcount)	FTE	FTE	Employees (Headcount)	FTE	FTE
<b>Gender</b>						
Female	264	223	103	262	224	86
Male	165	154	71	166	149	49
Self-described**	0	0	0	0	0	0
<b>Total</b>	<b>429</b>	<b>377</b>	<b>174</b>	<b>427</b>	<b>375</b>	<b>146</b>
<b>Age</b>						
Under 25	4	4	20	0	0	21
25–34	93	80	71	97	84	60
35–44	126	111	44	123	109	33
45–54	106	93	26	111	96	20
55–64	78	71	13	70	64	11
Over 64	22	18	0	26	22	1
<b>Total</b>	<b>429</b>	<b>377</b>	<b>174</b>	<b>427</b>	<b>375</b>	<b>146</b>
<b>Classification</b>						
VPS 1	0	0	0	0	0	0
VPS 2	142	107	85	157	121	84
VPS 3	104	97	43	103	96	23
VPS 4	90	82	27	87	79	23
VPS 5	68	66	9	62	61	7
VPS 6	24	24	6	17	17	4
VPS 7	1	1	0	1	1	0
Executive Officers	0	0	4	0	0	5
<b>Total</b>	<b>429</b>	<b>377</b>	<b>174</b>	<b>427</b>	<b>375</b>	<b>146</b>

\*FTE = Full-time equivalent

Note: Staffing numbers are as at the last pay cycle in the financial year.

Employees have been correctly classified in workforce data collections.

\*\*From 2017–18 existing staff were invited to verify their details in the personal details section of Museums Victoria's Employee Self Service (ESS) portal and the on-boarding processes for new employees allowed for capture of gender descriptor preferences.

### Executive Officers by gender

Classification	All No.	Male No.	Female No.	Self-described* No.
Executive Officer 1	0	0	0	0
Executive Officer 2	1	0	1	0
Executive Officer 3	3	1	2	0
<b>Total</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>0</b>

### Reconciliation of executive movements throughout the year

Classification	2019	2018
Executives	5	7
Accountable Officer (CEO)	1	1
Less Separations	1	3
<b>Total executive numbers at 30 June</b>	<b>4</b>	<b>5</b>

Note: Staffing numbers are as at the last pay cycle in the financial year. Employees have been correctly classified in workforce data collections.

### Salary bands of Executive staff

The following table discloses the annualised total salary for senior employees at 30 June 2019, categorised by classification. The salary amount is reported as the full-time annualised salary.

Income band (salary)	Executives	Senior Technical Specialist
>\$160,000	0	0
\$160,000 – \$179,999	0	0
\$180,000 – \$199,999	1	1
\$200,000 – \$219,999	1	0
\$220,000 – \$239,999	0	0
\$240,000 – \$259,999	1	0
\$260,000 – \$279,999	0	0
\$280,000 – \$299,999	0	0
\$300,000 – \$319,999	0	0
\$320,000 – \$339,999	0	0
\$340,000 – \$359,999	0	0
\$360,000 – \$379,999	0	0
\$380,000 – \$399,999	1	0
<b>Total Headcount</b>	<b>4</b>	<b>1</b>

Note: The salaries reported above are at a full-time rate and exclude superannuation.

## Staff Development

Museums Victoria's learning and development framework aims to improve the capabilities of our people, not just through technical skills and knowledge, but also through their attributes, attitudes and behaviours. In 2018–19, the corporate learning and development program delivered a diverse range of classroom sessions, e-learning modules and workshops. Through face-to-face participative programs and online learning opportunities, we were able to cater to the unique learning styles of our employees and so create an environment conducive to learning.

Our e-learning compliance modules are an integral component for establishing a clear understanding of the expected behaviours amongst our employees, which support our organisational values. Classroom educational sessions were also offered in conjunction with the compliance requirements. These sessions helped to reinforce consistency with respect to our actions, upholding an inclusive and respectful workforce culture and environment.

In total, Museums Victoria offered 87 corporate learning and development sessions, representing 20 individual training programs. Additionally, 14 e-learning modules were completed (including the compliance e-learning project, which has been completed by more than 75% of all employees to date).

Through the internal feedback process, we have been able to identify that the majority of participants continue to rate their level of satisfaction of learning programs offered at Museums Victoria as 'high' to 'very high'.

Museums Victoria was able to participate in the 'Raise it' program, which was a pilot program organised by the Victorian Equal Opportunity and Human Rights Commission and was designed to support and equip Victorian workers to have safe conversations about sexual harassment, pregnancy, parental leave and access to flexible work. This program further supported and underpinned the expected behaviours of an employee at Museums Victoria.

Museums Victoria celebrated the annual International Women's Day (IWD) with a number of different activities and themed events in support of the campaign #BalanceforBetter. In recognition of building steps towards a gender-balanced world, the IWD committee produced a number of events showcasing many of Museums Victoria's female contributors, including key speeches, celebrating women from the First Peoples community.

Museums Victoria continued to encourage external opportunities for individuals to attend both local and/or international seminars and conferences, undertake temporary assignments, and participate in mentoring programs and cross-divisional project opportunities.

## Employee Relations

Museums Victoria continues to maintain an excellent working relationship with staff and with their primary representative, the Community and Public Sector Union (CPSU). Regular CPSU Consultative Committee meetings were held, facilitating effective communication between management and the CPSU in relation to major issues affecting Museums Victoria. There has been no industrial action.

# Statutory Reports

## Building and Maintenance Compliance

As at 30 June 2019, Museums Victoria was responsible for six government-owned buildings and also occupied premises at Swann House, Melbourne, as a tenant. Museums Victoria complied with all provisions of the *Building Act 1993*.

All works undertaken by Museums Victoria during 2018–19 complied with the Building Code of Australia and with the relevant Australian Standards for building and maintenance works.

Appropriate mechanisms are in place for the service, inspection, completion and monitoring of maintenance and rectification works on existing buildings.

### Major Works (more than \$50,000)

#### Melbourne Museum

- Melbourne Museum Boiler Upgrade
- Energy Management Program Upgrades
- Melbourne Museum Sewer Repairs
- Glass Replacement Science and Life Gallery
- Grollo Fountain Repairs

#### Scienceworks

- HVAC Upgrade Special Exhibition Space

#### Immigration Museum

- Long Room HVAC Upgrade
- Immigration Museum Passenger Lift Upgrade

#### Royal Exhibition Building

- Protection and Promotion Project

#### Moreland Annexe

- Moreland Boiler Upgrade

### Building permits, occupancy permits and certificates of final inspection

During 2018–19 the following were issued in relation to buildings owned by Museums Victoria:

Building permits	24
Occupancy permits	1
Certificates of final inspection	14
Emergency orders	0

## Carers Recognition Act 2012

Museums Victoria recognises its responsibilities under the *Carers Recognition Act 2012* (Vic.). The following activities promote and implement the principles of the Act for our staff and for people in care relationships:

- The Carer Card Program gives concession entry to our museums and IMAX.
- The Companion Card Program gives free entry to cardholders when accompanying their care recipient.
- Flexible work arrangements that support staff who are carers through the Accessibility Policy Museums Victoria actively works to reduce accessibility barriers to its venues, experiences and services.

## Accessibility Action Plan

In 2018–19, Museums Victoria continued its partnership with the deaf community and Expressions Australia by securing a grant to support the development of the Auslan Inclusion Program. This program provides Auslan Outreach Programs to both hearing impaired and hearing preschool children, and enables Auslan tours to be offered across Museums Victoria's venues.

The partnership with AMAZE and the autism community extended this year, with 14,225 people accessing the home pages for the Autism Friendly Museum Project; 2879 people accessing the social stories for all venues and the Outreach kindergarten program; and the writing of the social story for the Pauline Gandel Children's Gallery informed by evaluation and feedback from autism community.

Professional development programs for staff included 58 employees completing the Disability Awareness course and 19 members of the Diversity and Inclusion Committee completing the Managing Unconscious Bias program. Additional initiatives in 2018–19 included:

- Introduction of mobility scooters across Museums Victoria as part of a broader access initiative of the Diversity and Inclusion Committee.
- Development of four subcommittees of the Diversity and Inclusion Committee – Accessibility; Carers and Parents; LGBTQIA+; and cultural diversity and awareness.
- Conversion of designated toilets to All-gender/Gender neutral access.
- Development of educational resources specific to LGBTQIA+ inclusion.

## Compliance with the Standing Directions of the Assistant Treasurer (2018)

I Leon Kempler, on behalf of the Museums Board of Victoria, certify that the Museums Board of Victoria has complied with the applicable Standing Directions made under the *Financial Management Act 1994* and Instructions.



### Mr Leon Kempler AM

President  
Museums Board of Victoria

28 August 2019

## DataVic Access Policy

Museums Victoria is committed to the principles of open access to public data and information.

Museums Victoria makes more than 1.2 million collection records freely available on the site Museums Victoria Collections and shares data with major national and international data aggregators, including:

- *Trove*, the National Library of Australia's portal, through which we share humanities collections data, with approximately 90,000 item and image records available.
- *Atlas of Living Australia*, through which we share science specimen data, with over 841,000 specimen records, 16,369 of which have one or more images. Individual specimen records have been downloaded over 21 million times between July 2018 and June 2019.
- *Digital New NZ*, through which we share collections data related to New Zealand, with 2,400 items and image records from our collection available.
- *Biodiversity Heritage Library*, through which we facilitate and share scans of important scientific literature from organisations across Australia, with approximately 300,000 pages contributed.

## Freedom of Information

The *Freedom of Information Act 1982* (Commonwealth) entitles members of the public to obtain information, other than information that is exempt under the Act, held by Museums Victoria. For the 12 months ending 30 June 2019, Museums Victoria received zero Freedom of Information requests.

The information below must be published annually under part II of the *Freedom of Information Act 1982*. The information required under section 7(1)(a)(i) is located elsewhere in this annual report.

### Contacts

Principal Officer:  
Lynley Crosswell, Chief Executive Officer and Director

Freedom of Information Officer:  
Head, Strategic Information and Compliance

Address: GPO Box 666, Melbourne VIC 3001

Telephone: (03) 8341 7109

Fax: (03) 8341 7299

Email: [foi@museum.vic.gov.au](mailto:foi@museum.vic.gov.au)

### Categories of Documents

Documents maintained in the possession of Museums Victoria include:

- records pertaining to our buildings and other assets
- records pertaining to objects in the Museums Victoria collection
- Museums Victoria policies and procedures
- records of divisional operations
- records of Museums Board of Victoria meetings
- finance and accounting records
- volunteer records
- personnel and salary records
- Board member records
- Museums Victoria member records.

### **Requests for Access to Documents**

Access to documents (as defined in section 5 of the Act) may only be obtained through a written request to the Freedom of Information Officer; a fax is sufficient. Each request should be accompanied by a \$29.60 application fee. An applicant may request photocopies of documents or inspection of specific documents at Museums Victoria, or other access arrangements as appropriate to the application.

Applications should be as specific as possible to enable Museums Victoria to identify the documents sought. Where a request does not sufficiently identify the documents, the applicant will be advised and will be provided with an opportunity to consult with Museums Victoria in order to redefine the request.

Section 21 of the Act requires that all reasonable steps be taken to notify the applicant of the decision concerning the release of documents as soon as practicable. It must be no later than 45 days after the date on which the request was received.

### **Charges Under the Act**

Section 22 of the Act outlines the principles for the levy to be paid by an applicant before access to a document is given, and for the waiver of charges. The application fee is \$29.60. Further charges may be levied for photocopying and searching for documents, or for supervising access. Some charges may be waived in certain circumstances.

### **Availability of Additional Information**

The following information relating to Museums Victoria and relevant to the financial year is available to the Minister, members of parliament and the public on request:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers

- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by Museums Victoria about the museum, and the places where publications can be obtained
- details of changes in prices, fees, charges, rates and levies charged by Museums Victoria
- details of any major external reviews carried out on Museums Victoria
- details of major research and development activities undertaken by Museums Victoria
- details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by Museums Victoria to develop community awareness of and engagement with museum venues and the services we provide
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within Museums Victoria and details of time lost through industrial accidents and disputes
- a list of major committees sponsored by Museums Victoria, the purpose of each committee and the extent to which its purposes have been achieved
- details of all consultancies and contractors, including those engaged, services provided and expenditure committed to for each engagement.

## Consultancies

In 2018–19, nine consultancies attracted total fees payable of \$10,000 or greater. The total expenditure incurred during the year in relation to these consultancies is \$366,413 as outlined in the table of consultancies below.

There were two consultancies during the year with fees of less than \$10,000. The total expenditure incurred during the year in relation to these consultancies was \$10,840.50.

Consultant	Purpose	Total approved project fee (excl. GST)	Expenditure 2018–19 (excl. GST)	Future expenditure (excl. GST)
Art of Fact Limited	Development of Planning Framework for Delivery of Capital and Strategic Projects in Strategic Plan	67,700	67,700	-
Arup Pty Ltd	Melbourne Museum – Advice regarding glass	60,000	45,768	-
Bureau Veritas Asset Integrity and Reliability Services Australia Pty Ltd	Provision of Asbestos Management Plan	16,490	-	16,490
Brandhook	Museums Victoria Brand Refresh Project	111,000	111,000	-
Ernst and Young	Operating Model and Feasibility Report for Learning Lab at Melbourne Museum	16,000	16,000	-
John Wardle Pty Ltd	Architectural Services – Concept Masterplan for Museum of the Future	164,700	14,700	-
SGS Economics and Planning Pty Ltd	Audience Market Analysis 2018	110,757	71,700	-
Studio Mether Pty Ltd	Exhibition Design Services	89,498	39,545	49,952
University of Melbourne	Inter-Agency Review of Digital Asset Management Systems	42,943	-	42,943

## Disclosure of major contracts

In 2018–19, there was one major contract that was \$10,000,000 or greater.

Party	Project Name	Purpose	Total Value \$ (excl. GST)
HBS Group Pty Ltd	Royal Exhibition Building Protection and Promotion Project	Head Contractor	15,547,997

## Government Advertising Expenditure

Name of campaign	Campaign summary	Advertising (media) expenditure (excl. GST)	Creative and campaign development expenditure (excl. GST)	Research and evaluation expenditure (excl. GST)	Print and collateral expenditure (excl. GST)	Other campaign costs (excl. GST)	Total
<b>LOVE</b> October 2018 – April 2019	To drive visitation to Immigration Museum's exhibition <i>LOVE</i>	61,877	-	-	22,758	45,364	130,000
<b>Revolutions: Records and Rebels</b> March 2019 Ongoing	To drive visitation to Melbourne Museum's exhibition <i>Revolutions: Records and Rebels</i>	301,070	29,415	-	75,836	97,653	503,975

Notes:

Information shown is for government advertising expenditure for campaigns of \$100,000 or more.

Research and evaluation was undertaken with existing internal resources.

Campaigns crossed financial years; the figures above represent 2018–19 expenditure.

Creative work for Museums Victoria communications is undertaken by an external design firm on a monthly retainer; the figures above are additional expenses for larger campaigns.

## Health and Safety Incidents

### Visitors

	Visitors	Incidents	Incidents per 100 visitors
2018–19	1,972,786	697	0.0353
2017–18	2,052,151	609	0.0296
2016–17	1,926,704	686	0.0356

### Staff

	Staff FTE	Incidents	Incidents per 100 staff members	Lost time standard claims	Lost time standard claims per 100 staff members	Average cost per claim
2018–19	551	269	48.8	4	0.73	\$77,411
2017–18	521	82	15.7	4	0.77	\$29,194
2016–17	492	225	45.7	3	0.61	\$36,091

Notes:

Average cost per claim includes payments to 30 June 2019 as well as an estimate on future claims costs. The increase in figures over previous years can be attributed primarily to two specific claims, the type of which are characterised by higher claims costs compared to that of other claim types.

The 2018–19 financial year saw an additional increase in resourcing for Museums Victoria's OHS team from 2.5 to 3.5 FTE as well the implementation of a software based incident reporting system as previously endorsed by the Board. The increases in reported staff and visitor related incidents can be attributed to adoption of the software based reporting system combined with the continued improvement in the growth of a proactive culture of reporting and hazard awareness.

## Information and Communication Technology Expenditure

For the 2018–19 reporting period, Museums Victoria had a total ICT expenditure of \$4,525,912 with details shown below.

All operational ICT expenditure		ICT expenditure related to projects to create or enhance ICT capabilities	
Business As Usual (BAU) ICT expenditure \$'000	Non-BAU ICT expenditure \$'000	Operational expenditure \$'000	Capital expenditure \$'000
Total	Total A+B	A	B
4,526	-	-	-

## Local Jobs First – Victorian Industry Participation Policy (VIPPP)

### Projects Commenced – Local Jobs First Standard

The *Local Jobs First Act (2003)* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

During 2018–19, Museums Victoria commenced 1 Local Jobs First Standard projects totalling \$20 million. Of those projects, 1 was located in metropolitan Melbourne, with an average commitment of 94.11% local content. No projects were commenced that occurred state-wide. The MSPG applied to one of these projects.

The outcomes expected from the implementation of the Local Jobs First policy to this project where information was provided is as follows:

- an average of 94.11% of local content commitment was made;
- a total of 23 jobs (annualised employee equivalent (AEE)) were committed, including the creation of 8 new jobs and the retention of 15 existing jobs (AEE);
- a total of 3 positions for apprentices, trainees and cadets were committed, including the creation of 2 new apprenticeships, traineeships, and cadets;
- the retention of the remaining 1 existing apprenticeships, traineeships and cadets

## National Competition Policy

Museums Victoria continues to comply with the requirements of the National Competition Policy, in being committed to competitive neutrality principles, and ensuring fair and open competition. Many non-core activities have been outsourced, such as cleaning, food and beverage services, and security.

## Protected Disclosures

Museums Victoria is committed to the aims and objectives of the *Protected Disclosure Act 2012 (Vic.)*. In particular, Museums Victoria does not tolerate improper conduct by staff or reprisals against those who come forward to disclose such conduct.

Museums Victoria is not a public body to which disclosures may be made. Disclosures of improper conduct or detrimental action relating to the museum should generally be made to the Independent Broad-based Anti-corruption Commission (IBAC). Information about making such disclosures can be found on the IBAC website: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au).

As required by s.58(5) of the Act, procedures for protecting people who make protected disclosures from detrimental action by Museums Victoria or its staff are available on the museum website: [museums victoria.com.au](http://museums victoria.com.au).

## Disclosures under the *Protected Disclosure Act 2012*

There were 0 disclosures made to Museums Victoria during 2018–19.

	2018–19	2017–18
The number of disclosures made by an individual to Museums Victoria's Protected Disclosures Coordinator and notified to IBAC	0	0
Assessable disclosures	0	0

## Public Sector Employment Principles

During 2018–19 Museums Victoria complied with the *Public Administration Act 2004*. We recognise our obligation to make staff aware of the requirements of the code of conduct, policies and procedures. Key documents are made available to staff prior to their employment commencing, and our policies and procedures are explained through the induction program and are readily accessible through the Museums Victoria intranet. Staff are also required to complete regular additional online e-learning modules linked with key policies and procedures, including equal opportunity and harassment, anti-discrimination and workplace bullying.

## Public Sector and Museums Victoria Values

Museums Victoria adheres to and upholds the Victorian Public Sector Values (*Public Administration Act 2004*). The Public Sector Values – Responsiveness, Integrity, Impartiality, Accountability, Respect, Leadership and Human Rights – compliment Museums Victoria's organisational values – Strive, Embrace, Explore, Respect, Illuminate and Sustain.



*From the Heart* Exhibition, Melbourne Museum;  
Xavier Smerdon Photography, Source & Photography



# Financial Overview of Operations

The net result from transactions before depreciation was a deficit of \$1.1 million for the year ended 30 June 2019.

The net result was a deficit of \$31.3 million, which comprises:

- Depreciation expense of \$30.2 million; and
- 'Other economic inflows, included in net result' of \$1.0 million.

## General Operations

The decrease in net result from transactions before depreciation from \$3.3 million in 2017–18 to \$1.1 million in 2018–19 was due to a decrease in income of \$12.0 million, offset by a corresponding decrease in expenses of \$8.7 million.

## Income

Income from transactions decreased by \$12.1million in 2018-19 from \$137.0m to \$124.9 million, mainly from reduced self-generating income for the Transport Accident Corporation (TAC) Road Safety Complex.

## Expenses

Expenses from transactions were lower by \$8.7 million from \$133.8 million to \$125.1 million. These are due to lower operating expenses, which reduced by \$12.2 million, due to lower contractor and exhibition expenses, following the completion of the development activities of the TAC Road Safety Complex in the previous year. This is offset by higher employee expenses which increased by \$3.5 million, largely from a higher number of Full Time Equivalent (FTE) employed.

Depreciation increased by \$0.8 million – mainly related to Buildings (\$0.4 million) and Exhibitions (\$0.4 million).

Other economic flows, included in net result were higher by \$1.0 million. This is due to the increase in the current provision as a result of changes in the discount rate used to calculate present value calculation of Long Service Leave (LSL) provision.

# Financial Statements Museums Board of Victoria

## Accountable Officer's and Chief Financial and Accounting Officer's declaration

We certify that the attached financial statements for the Museums Board of Victoria have been prepared in accordance with Standing Direction 5.2 of the Assistant Treasurer under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the Comprehensive Operating Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements, presents fairly the financial transactions for the year ended 30 June 2019 and financial position of the Museums Board of Victoria as at 30 June 2019.

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

We authorise the attached financial statements for issue on 28 August 2019.



.....  
**Ms Linda Bardo Nicholls AO**

Treasurer, Museums Board of Victoria



.....  
**Ms Lynley Crosswell**

Chief Executive Officer and Director



.....  
**Mr Michael O'Leary**

Chief Financial Officer

28 August 2019  
.....

Dated

# Financial Statements Table of Contents for the Financial Year Ended 30 June 2019

Museums Board of Victoria (Museums Victoria) has presented its audited general purpose financial statements for the financial year ended 30 June 2019 in the following structure to provide users with the information about Museums Victoria's stewardship of resources entrusted to it.

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# Financial Statements

## Comprehensive Operating Statement for the financial year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
<b>Continuing Operations</b>			
<b>Income from transactions</b>			
Grants	2.2	89,162	89,119
Self-Generated Income	2.3	32,434	45,117
Other Income	2.4	3,348	2,773
<b>Total income from transactions</b>		<b>124,944</b>	<b>137,009</b>
<b>Expenses from transactions</b>			
Employee benefit expenses	3.2	(52,632)	(49,086)
Capital asset charge	3.3	(38,122)	(38,122)
Operating expenses	3.4	(34,339)	(46,545)
Depreciation	4.2	(30,227)	(29,382)
<b>Total expenses from transactions</b>		<b>(155,320)</b>	<b>(163,135)</b>
<b>Net deficit from transactions</b>		<b>(30,376)</b>	<b>(26,126)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on disposal of property, plant and equipment		52	60
Net gain/(loss) arising from revaluation of long service leave liability <sup>i</sup>		(1,002)	22
<b>Total other economic flows included in net result</b>		<b>(950)</b>	<b>82</b>
<b>Net result</b>		<b>(31,326)</b>	<b>(26,044)</b>
<b>Other economic flows – other comprehensive income/expenditure</b>			
<b>Items that will not be reclassified to Net result</b>			
Changes in Physical Asset Revaluation Surplus		174,490	88,159
Changes in Fair Value of Foreign Currency Hedging Contracts	8.2.2	1	7
<b>Comprehensive result</b>		<b>143,165</b>	<b>62,122</b>

i. Revaluation gain/(loss) due to changes in bond rates.

The above Comprehensive Operating Statement should be read in conjunction with the accompanying notes.

## Balance Sheet as at 30 June 2019

	Notes	2019 \$'000	2018 \$'000
<b>Financial Assets</b>			
Cash and deposits	6.1	22,630	36,524
Receivables	5.1	2,298	1,573
Foreign exchange forward contracts used for hedging	7.1.4	74	-
<b>Total Financial Assets</b>		<b>25,002</b>	<b>38,097</b>
<b>Non-Financial Assets</b>			
Property, plant, equipment, exhibitions and collections	4.1	1,842,641	1,679,763
Other non-financial assets	5.4	2,819	1,502
<b>Total Non-Financial Assets</b>		<b>1,845,460</b>	<b>1,681,265</b>
<b>Total Assets</b>		<b>1,870,462</b>	<b>1,719,362</b>
<b>Liabilities</b>			
Payables	5.2	9,566	13,349
Advance from Creative Victoria	5.3	9,487	5,515
Finance leases liabilities	6.2.1	514	271
Employee related provisions	3.2.2	13,163	11,663
Foreign exchange forward contract payable	7.1.4	72	-
<b>Total Liabilities</b>		<b>32,802</b>	<b>30,798</b>
<b>Net Assets</b>		<b>1,837,660</b>	<b>1,688,564</b>
<b>Equity</b>			
Accumulated deficit	8.2.1	(228,953)	(200,225)
Reserves	8.2.2	1,466,243	1,294,350
Contributed capital	8.2.3	600,370	594,439
<b>Net Worth</b>		<b>1,837,660</b>	<b>1,688,564</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

## Cash Flow Statement for the financial year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Receipts from government		88,973	89,119
Receipts from other entities		37,248	51,803
Interest received		769	565
Goods and Services Tax Recovered from the ATO		2,667	273
<b>Total Receipts</b>		<b>129,657</b>	<b>141,760</b>
<b>Payments</b>			
Payments to suppliers and employees		(96,997)	(91,224)
Capital asset charge payments		(38,122)	(38,122)
<b>Total Payments</b>		<b>(135,119)</b>	<b>(129,346)</b>
<b>Net Cash Flows Provided by Operating Activities</b>	6.1.1	<b>(5,462)</b>	<b>12,414</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sale of non-financial assets		238	227
Purchases of non-financial assets		(18,801)	(10,823)
<b>Net Cash Flows Used in Investing Activities</b>		<b>(18,563)</b>	<b>(10,596)</b>
<b>Cash Flows from Financing Activities</b>			
Finance costs		(14)	(11)
Proceeds of advance from Creative Victoria and finance leases		5,281	84
Repayments of advance from Creative Victoria and finance leases		(1,067)	(1,096)
Capital Contribution Received		5,931	4,300
<b>Net Cash Flows Used in Financing Activities</b>		<b>10,131</b>	<b>3,277</b>
<b>Net Increase/(Decrease) in Cash Held</b>		<b>(13,894)</b>	<b>5,095</b>
Cash and Deposits at the Beginning of the Financial Year		36,524	31,429
<b>Cash and Deposits for the Period Ending 30 June 2019</b>	6.1	<b>22,630</b>	<b>36,524</b>

The above Cash Flow Statement should be read in conjunction with accompanying notes.

**Statement of Changes in Equity for the financial year ended 30 June 2019** \$'000

	Notes	Accumulated Deficit	Board Reserves	Trust Funds Reserves	Externally Funded Special Projects Reserves	Physical Asset Revaluation Surplus Reserve	Foreign Currency Hedging Reserve	Contributions by Owner	Total
	8.2.1	8.2.2	8.2.2	8.2.2	8.2.2	8.2.2	8.2.2	8.2.2	8.2.3
<b>Balance at 1 July 2017</b>		<b>(173,883)</b>	-	<b>7,713</b>	<b>8,228</b>	<b>1,189,952</b>	<b>(7)</b>	<b>590,139</b>	<b>1,622,142</b>
Net result for the year		(26,044)	-	-	-	-	-	-	(26,044)
Other Comprehensive income for the year		-	-	-	-	88,159	7	-	88,166
Transfer (to)/from Accumulated Deficit		8,038	(4,931)	17	(3,124)	-	-	-	-
Transfer (to)/from Reserves		(8,336)	6,136	(5,149)	7,349	-	-	-	-
Capital contributions		-	-	-	-	-	-	4,300	4,300
<b>Balance at 30 June 2018</b>		<b>(200,225)</b>	<b>1,205</b>	<b>2,581</b>	<b>12,453</b>	<b>1,278,111</b>	<b>-</b>	<b>594,439</b>	<b>1,688,564</b>
Net result for the year		(31,326)	-	-	-	-	-	-	(31,326)
Other Comprehensive income for the year		-	-	-	-	174,490	1	-	174,491
Transfer (to)/from Accumulated Deficit		3,497	(41)	393	(3,849)	-	-	-	-
Transfer (to)/from Reserves		(899)	1,765	(395)	(471)	-	-	-	-
Capital contributions		-	-	-	-	-	-	5,931	5,931
<b>Balance at 30 June 2019</b>		<b>(228,953)</b>	<b>2,929</b>	<b>2,579</b>	<b>8,133</b>	<b>1,452,601</b>	<b>1</b>	<b>600,370</b>	<b>1,837,660</b>

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

# Notes to the Financial Statements

## 1. About This Report

Museums Board of Victoria (Museums Victoria) is a Victorian Government statutory authority of Creative Victoria, a division of the Department of Jobs, Precincts and Regions.

Its principal address is:  
Museums Victoria  
11 Nicholson Street  
Carlton 3053  
Victoria, Australia

A description of the nature of Museums Victoria's operations and principal activities is included in the Report of operations, which does not form part of these financial statements.

### Basis of Accounting Preparation and Measurement

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

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

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

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

### Compliance information

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

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

## 2. Funding Delivery of Our Services

### Introduction

The objective of Museums Victoria is to enrich the lives of people through wondrous discovery and trusted knowledge. Museums Victoria's role in sharing and exchanging knowledge, experiences and expertise is critical in helping audiences make sense of this world and foster greater understanding of the deep connections we have to each other and to our environment.

Museums Victoria meets its objectives through funding from grants, self-generated income (e.g. fees and charges and rent revenue) and other income (e.g. interest income and donations). The grants comprised Victorian government appropriation, capital funding, research and education grants.

### Structure

2.1 Summary of income that funds the delivery of our services

2.2 Grants

2.3 Self-Generated income

2.4 Other income

### 2.1 Summary of income that funds the delivery of our services

	Notes	2019 \$'000	2018 \$'000
Grants	2.2	89,162	89,119
Self-Generated income	2.3	32,434	45,117
Other income	2.4	3,348	2,773
<b>Total income from transactions</b>		<b>124,944</b>	<b>137,009</b>

Income is recognised to the extent it is probable the economic benefits will flow to Museums Victoria and the income can be reliably measured at fair value.

### 2.2 Grants

	Notes	2019 \$'000	2018 \$'000
Victorian government grants	2.2.1	88,631	88,317
Commonwealth government grants		253	58
Other grants		278	744
<b>Total grants</b>		<b>89,162</b>	<b>89,119</b>

Victorian government appropriation and other grants from Victorian government entities are recognised on receipt in accordance with AASB 1004 *Contributions*. Grants from other sources are recognised as income when Museums Victoria gains control over the underlying asset.

For reciprocal grants (i.e. equal value is given back by Museums Victoria to the provider), Museums Victoria is deemed to have assumed control when Museums Victoria has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, Museums Victoria is deemed to have assumed control when the grant is receivable or received.

## 2.2.1 Victorian government grants

Museums Victoria received the following grants from the Victorian Government.

	2019	2018
	\$'000	\$'000
<b>Recurrent grant</b>		
Applied to operations	46,115	42,186
Capital Asset Charge	38,122	38,122
<b>Total recurrent grant</b>	<b>84,237</b>	<b>80,308</b>
Capital Funding	2,657	5,491
Other Grants from Victorian Government Entities	1,737	2,518
<b>Total Victorian Government Grants</b>	<b>88,631</b>	<b>88,317</b>

## 2.3 Self-Generated income

	2019	2018
	\$'000	\$'000
Fees and Charges	19,152	21,076
Sales of Goods and Services	3,872	3,658
Rent Revenue	5,270	4,339
Sponsorship	942	1,640
Memberships	1,843	969
Income TAC - Road to Safety Education Complex (Operational)	1,355	-
Income TAC - Road to Safety Education Complex (Development)	-	13,435
<b>Total self-generated income</b>	<b>32,434</b>	<b>45,117</b>

Fees and charges consists of income received from admissions, education and community programs, outreach services and onsite car parking facilities. It is recognised at the time of attendance by visitors paying fees and charges.

Income from sale of goods and services comprise mainly of retail shop sales at Melbourne Museum, Scienceworks and Immigration Museum. It is recognised upon delivery of the goods and services to the customer.

Rental revenue at museum venues is recognised in the month when the event is held.

Membership fees are recognised over the membership period this financial year.

Sponsorship income represents the cash, goods and services received from sponsorship contracts. Goods and services received free of charge are only recognised when the fair value can be reliably determined and control is obtained over any goods and services provided.

In 2019 there was operational funding received from Transport Accident Commission (TAC) for the Road to Safety Education Complex. In 2018, income from TAC was recognised when received and includes capital funding for base build and fit-out of the new complex as well as allowing for relocation of existing Museum facilities.

## 2.4 Other income

	2019	2018
	\$'000	\$'000
Donations income	136	134
Donated cultural assets at fair value	186	862
Interest from Financial Assets	697	609
Royalties Received	37	20
Miscellaneous Income	2,292	1,148
<b>Total other income</b>	<b>3,348</b>	<b>2,773</b>

Donations income is recognised on receipt.

Donated cultural assets are recognised when the gift is accepted by Museums Victoria and control of the asset or right to receive the asset exists. The donated cultural assets are recorded at fair value, which is determined either by independent valuations or by curatorial or other assessment by Museums Victoria.

Interest income on short-term deposits is recognised on a monthly basis taking into account interest rates applicable to the financial assets.

Miscellaneous income consists mainly of recoveries of event costs and trust income. All other income for provision of goods and services is recognised when received or receivable.

### 3. The Cost of Delivering Services

#### Introduction

This section provides an account of the expenses incurred by Museums Victoria in delivering its objectives. In section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with the provision of services are recorded.

#### Structure

- 3.1 Summary of expenses incurred in delivery of services
- 3.2 Employee expenses
- 3.3 Capital asset charge
- 3.4 Operating expenses

#### 3.1 Summary of expenses incurred in delivery of services

		2019	2018
	Notes	\$'000	\$'000
Employee expenses	3.2	52,632	49,086
Capital asset charge	3.3	38,122	38,122
Operating expenses	3.4	34,339	46,545
<b>Total expenses from transactions</b>		<b>125,093</b>	<b>133,753</b>

#### 3.2 Employee expenses

##### 3.2.1 Employee expenses in the comprehensive operating statement

	2019	2018
	\$'000	\$'000
Salaries and wages, annual leave and long service leave	48,230	44,160
Defined contribution superannuation expense	3,896	3,522
Defined benefit superannuation expense	327	340
Termination benefits	179	1,064
<b>Total employee expenses</b>	<b>52,632</b>	<b>49,086</b>

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

The amount recognised in the Comprehensive Operating Statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. Museums Victoria does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. Instead, the Department of Treasury and Finance (DTF) discloses in its annual financial statements the net defined benefit cost related to the members of these plans as an administered liability (on behalf of the State as the sponsoring employer).

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

### 3.2.2 Employee benefits in the balance sheet

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

	2019 \$'000	2018 \$'000
<b>Current provisions:</b>		
<b>Annual leave</b>		
Unconditional and expected to be settled within 12 months <sup>i</sup>	1,437	1,495
Unconditional and expected to be settled after 12 months <sup>ii</sup>	1,306	1,330
<b>Long service leave</b>		
Unconditional and expected to be settled within 12 months <sup>i</sup>	456	459
Unconditional and expected to be settled after 12 months <sup>ii</sup>	7,212	6,200
<b>Provisions related to employee benefit on-costs</b>		
Unconditional and expected to be settled within 12 months <sup>i</sup>	500	321
Unconditional and expected to be settled after 12 months <sup>ii</sup>	1,134	1,197
<b>Total current provisions for employee benefits</b>	<b>12,045</b>	<b>11,002</b>
<b>Non-current provisions:</b>		
Employee benefits <sup>ii</sup>	966	571
Employee benefits on-costs <sup>ii</sup>	152	90
<b>Total non-current provisions for employee benefits</b>	<b>1,118</b>	<b>661</b>
<b>Total provisions for employee benefits</b>	<b>13,163</b>	<b>11,663</b>

i. The amounts disclosed are nominal (undiscounted) amounts.

ii. The amounts disclosed are discounted using bond rate to present values.

### Reconciliation of movement in on-cost provisions

	2019 \$'000	2018 \$'000
<b>Opening balance</b>	<b>1,608</b>	<b>1,525</b>
Additional provisions recognised	42	86
Unwind of discount and effect of changes in the discount rate	136	(3)
<b>Closing balance</b>	<b>1,786</b>	<b>1,608</b>
Current	1,634	1,518
Non-current	152	90
<b>Total on-cost</b>	<b>1,786</b>	<b>1,608</b>

**Wages and salaries, annual leave and sick leave:** Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because Museums Victoria does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages is recognised in the balance sheet at remuneration rates which are current at the reporting date. As Museums Victoria expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

All annual leave liability is classified as a current liability since Museums Victoria does not have a conditional right to defer the settlement of the entitlement.

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

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

Unconditional LSL is disclosed as a current liability even where Museums Victoria does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- undiscounted value – if Museums Victoria expects to wholly settle within 12 months; or
- present value which has been discounted using bond rate – if Museums Victoria does not expect to wholly settle within 12 months.

Conditional LSL is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value which has been discounted using bond rate.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

### 3.2.3 Superannuation contributions

Museums Victoria is required to recognise all superannuation payments as expenses in its comprehensive operating statement. The Department of Treasury and Finance recognises the aggregate unfunded superannuation liability relating to employing entities in its financial statements of 30 June 2019 as the Victorian Government has assumed responsibility for this liability.

Below are the major employee superannuation funds and contributions paid or payable by Museums Victoria. The total amount of superannuation excludes amounts paid under salary sacrifice arrangements.

	Paid contribution for the year		Contribution outstanding at year end	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
State Superannuation Fund (VicSuper Scheme)	2,505	2,300	-	-
State Superannuation Fund (Revised Scheme & New)	327	340	-	-
Other funds	1,391	1,222	-	-
<b>Total</b>	<b>4,223</b>	<b>3,862</b>	<b>-</b>	<b>-</b>

### 3.3 Capital asset charge

The capital asset charge represents the opportunity cost of capital invested in the non-current physical assets, used in the delivery of service. The charge is calculated on the budgeted carrying amount of applicable property, plant and equipment assets.

### 3.4 Operating expenses

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Cost of Goods Sold	1,742	1,891
Finance Costs	14	11
Facilities Expenses	13,745	12,925
Consumables and Corporate Expenses	9,826	9,028
Contractors and Exhibitions	6,520	19,359
Marketing and Promotion	2,361	3,205
Collections Management	131	126
<b>Total operating expenses</b>	<b>34,339</b>	<b>46,545</b>

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

Cost of Goods Sold is the cost of retail shop inventory sold in the reporting period. When inventories are sold, the carrying amount of those inventories shall be recognised as an expense in the period in which the related income is recognised.

Contractors and Exhibitions expenses consist mainly of film royalties, exhibition fees and construction costs. The significant decrease in the 2019 financial year was due to construction costs incurred for the Road to Safety Complex on behalf of TAC in 2018.

Marketing and promotion is expenditure incurred on advertising, public relations and market research.

## 4. Key Assets Available to Support Service Delivery

### Introduction

Museums Victoria controls assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to Museums Victoria to be utilised for delivery of services.

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

### Structure

4.1 Total property, plant, equipment, exhibitions and collections

4.2 Depreciation

### 4.1 Total property, plant, equipment, exhibitions and collections

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Land at fair value	517,242	474,518	-	-	517,242	474,518
Buildings at fair value	581,984	521,378	-	(51,887)	581,984	469,491
Plant, equipment and vehicles at fair value	31,157	30,762	(25,569)	(24,777)	5,588	5,985
Exhibitions at fair value	81,714	79,661	(73,997)	(71,600)	7,717	8,061
Work in progress at cost	12,643	4,835	-	-	12,643	4,835
Collections at fair value <sup>i</sup>	717,766	717,071	(299)	(198)	717,467	716,873
<b>Net carrying amount</b>	<b>1,942,506</b>	<b>1,828,225</b>	<b>(99,865)</b>	<b>(148,462)</b>	<b>1,842,641</b>	<b>1,679,763</b>

i. Depreciation of collections is for Library (non-rare) assets.

### Initial recognition

All non-current physical assets are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment. Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition. Full revaluations are made with sufficient regularity to ensure the carrying amount does not differ materially from its fair value. FRD 103H Non-financial physical assets determines the revaluation cycle to occur every five years. The last full revaluation was conducted in 2016.

### Subsequent measurement

All non-current physical assets are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset). To this end, a desktop review will be undertaken and where appropriate, adjustments are made where the compounded value differ from the last full revaluation by more than the 10% level required under FRD 103H.

### Non-specialised land

Non-specialised land is valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

### Specialised land

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

The CSO is an allowance made to reflect the difference between unrestricted freehold land and land held by the public sector which is affected due to political, social and economic restraints. This arises because the land is crown land and in a public zone. The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with the land.

## Buildings

Buildings are valued using a depreciated replacement cost method adjusted for the associated depreciations.

## Plant, equipment and exhibitions

Items of plant, equipment and exhibitions, are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. The fair value of plant, equipment and exhibitions is determined by reference to the asset's depreciated replacement cost. For plant, equipment and exhibitions existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

## Collections

The fair value of the Collections that Museums Victoria intends to preserve because of their unique historical, cultural or scientific attributes, is measured using a market approach.

### 4.1.1 Reconciliation of movements in carrying amount of property, plant, equipment, exhibitions and collections

	Land	Buildings	Plant, Equipment & Vehicles	Exhibitions	WIP	Collections	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2019</b>							
<b>Opening balance</b>	<b>474,518</b>	<b>469,491</b>	<b>5,985</b>	<b>8,061</b>	<b>4,835</b>	<b>716,873</b>	<b>1,679,763</b>
Additions	-	-	771	66	17,238	726	18,801
Disposals	-	-	(56)	-	(99)	(31)	(186)
Asset revaluation <sup>i</sup>	42,724	131,766	-	-	-	-	174,490
Transfers	-	7,344	-	1,987	(9,331)	-	-
Depreciation	-	(26,617)	(1,112)	(2,397)	-	(101)	(30,227)
<b>Closing balance</b>	<b>517,242</b>	<b>581,984</b>	<b>5,588</b>	<b>7,717</b>	<b>12,643</b>	<b>717,467</b>	<b>1,842,641</b>
<b>2018</b>							
<b>Opening balance</b>	<b>386,359</b>	<b>488,027</b>	<b>6,335</b>	<b>5,795</b>	<b>8,963</b>	<b>714,851</b>	<b>1,610,330</b>
Additions	-	1,063	789	190	6,564	2,217	10,823
Disposals	-	-	(71)	-	-	(96)	(167)
Asset revaluation <sup>i</sup>	88,159	-	-	-	-	-	88,159
Transfers	-	6,607	47	4,038	(10,692)	-	-
Depreciation	-	(26,206)	(1,115)	(1,962)	-	(99)	(29,382)
<b>Closing balance</b>	<b>474,518</b>	<b>469,491</b>	<b>5,985</b>	<b>8,061</b>	<b>4,835</b>	<b>716,873</b>	<b>1,679,763</b>

i. Land and Building revaluation increases are due to a managerial adjustment. The Valuer-General Victoria (VGV) indices increased the land value by 22.8% (compounded) in 2017-18 and by 9% from 2017-18 in 2018-19 and the building value increased by 10.2% (compounded) in 2018-19 from the 2016 independent valuation. Increases higher than the 10% level a managerial adjustment is required under FRD 103 and increases under 10% are based on management assessment factors as to whether adjustment is to be made.

## 4.2 Depreciation

### Charge for the period

	2019	2018
	\$'000	\$'000
Buildings	26,617	26,206
Plant, Equipment & Motor Vehicles	1,112	1,115
Exhibitions	2,397	1,962
Collections-Library (non-Rare)	101	99
<b>Total depreciation</b>	<b>30,227</b>	<b>29,382</b>

All buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. The exceptions to this rule include land and collections including library rare and high value books.

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 as determined by management. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life (years)
Buildings	5 to 100
Plant, Equipment & Motor Vehicles	1 to 20
Exhibitions	1 to 5
Collections-Library (non-Rare)	50

**Indefinite life assets:** Land and Collections including library rare and high value books 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:** Property, plant and equipment are assessed annually for indications of impairment.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

## 5. Other Assets and Liabilities

### Introduction

This section sets out those assets and liabilities that arose from Museums Victoria's controlled operations.

### Structure

- 5.1 Receivables
- 5.2 Payables
- 5.3 Advance from Creative Victoria
- 5.4 Other non-financial assets

### 5.1 Receivables

	2019	2018
	\$'000	\$'000
<b>Contractual</b>		
Debtors	1,461	1,335
Allowance for impairment losses of contractual receivables	(28)	(25)
Interest receivable	29	101
<b>Statutory</b>		
GST input tax recoverable	836	162
<b>Total receivables</b>	<b>2,298</b>	<b>1,573</b>
Represented by:		
Current receivables	2,298	1,573

**Contractual receivables** are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. Museums Victoria holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

**Statutory receivables** do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments. Museums Victoria applies AASB 9 for initial measurement of the statutory receivables and as a result statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

## 5.2 Payables

	2019	2018
	\$'000	\$'000
<b>Contractual</b>		
Trade Creditors	1,318	1,792
Other Payables	4,012	8,476
Unearned Income	2,061	1,125
Accrued Salaries	1,566	1,377
<b>Statutory</b>		
Payroll Tax	308	281
Car Park Levy	301	298
<b>Total payables</b>	<b>9,566</b>	<b>13,349</b>
Represented by:		
Current payables	9,566	13,349

Payables consist of:

Contractual payables are classified as financial instruments and measured at amortised cost. They represent liabilities for goods and services provided to Museums Victoria prior to the end of the financial year and which are unpaid. These amounts are unsecured and usually paid within 30 days following the month of recognition.

Contractual payables consist of trade creditors, unearned income, accrued salaries and other payables. Unearned income is made up of Royal Exhibition Building events income and the deferral of membership income.

Statutory payables are recognised and measured similarly to contractual payables. These statutory obligations are however not classified as financial instruments and are not included in the category of financial liabilities because they do not arise from contracts.

### Maturity analysis of contractual payables

	Maturity dates					
	Carrying amount \$'000	Nominal amount \$'000	Less than 1 Month \$'000	1-3 Months \$'000	3 Months- 1 Year \$'000	1-5 Years \$'000
<b>2019</b>						
Trade Creditors	1,318	1,297	21	-	-	-
Other Payables	4,012	4,012	-	-	-	-
Unearned Income	2,061	2,061	-	-	-	-
Accrued Salaries	1,566	1,566	-	-	-	-
<b>Total</b>	<b>8,957</b>	<b>8,936</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2018</b>						
Trade Creditors	1,792	1,776	5	10	1	-
Other Payables	8,476	8,476	-	-	-	-
Unearned Income	1,125	1,125	-	-	-	-
Accrued Salaries	1,377	1,377	-	-	-	-
<b>Total</b>	<b>12,770</b>	<b>12,754</b>	<b>5</b>	<b>10</b>	<b>1</b>	<b>-</b>

### 5.3 Advance from Creative Victoria

	2019	2018
	\$'000	\$'000
<b>Advance from Creative Victoria</b>	<b>9,487</b>	<b>5,515</b>
Represented by:		
Current advance	1,621	919
Non-current advance	7,866	4,596

These are unsecured loans which bear no interest. The term of a loan is generally agreed by the Minister at the time the advance was provided.

This advance was provided by Creative Victoria for the Energy Management Program (EMP) to reduce utility costs and carbon emissions. The portion of EMP advance that is not payable in the next financial year has been reflected as a non-current advance above.

### 5.4 Other non-financial assets

	2019	2018
	\$'000	\$'000
<b>Current other assets</b>		
Inventories	1,211	984
Prepayments	1,608	518
<b>Total other non-financial assets</b>	<b>2,819</b>	<b>1,502</b>

Inventories include goods and other property held either for sale or for distribution at zero or nominal cost in the ordinary course of business operations. Inventories are measured at the lower of cost and net realisable value.

Prepayments represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

## 6. How we Financed our Operations

### Introduction

This section provides information on sources of finance used by Museums Victoria during its operations.

### Structure

- 6.1 Cash and deposits
- 6.2 Leases
- 6.3 Commitments for expenditure

### 6.1 Cash and deposits

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Short term deposits	21,960	35,000
Cash	670	1,524
<b>Total cash and deposits</b>	<b>22,630</b>	<b>36,524</b>

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, short term deposits at call with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

#### 6.1.1 Reconciliation of net result for the period to cash flow from operating activities

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Net result for the year</b>	<b>(31,326)</b>	<b>(26,044)</b>
<b>Non-cash movements</b>		
Loss /(Gain) on sale of non-financial assets	(52)	(60)
Loss/(Gain) arising from revaluation of long service leave liability	1,002	(22)
Depreciation expense	30,227	29,382
<b>Movements included in financing activities</b>		
Finance costs	14	11
<b>Movement in assets and liabilities</b>		
Decrease/(Increase) in receivables	(725)	627
Decrease/(Increase) in other non-financial assets	(1,317)	(422)
Increase/(Decrease) in payables	(3,783)	8,489
Increase/(Decrease) in provisions	498	453
<b>Net cash flows from/(used in) operating activities</b>	<b>(5,462)</b>	<b>12,414</b>

## 6.2 Leases

### 6.2.1 Finance leases liabilities

	Minimum future lease payments		Present value of minimum future lease payments	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
<b>Finance Leases</b>				
Finance leases are payable as follows:				
Not longer than 1 year	191	135	188	128
Longer than 1 year but not longer than 5 years	349	148	326	143
<b>Minimum lease payments</b>	<b>540</b>	<b>283</b>	<b>514</b>	<b>271</b>
Less future finance charges	(26)	(12)	-	-
<b>Present value of minimum lease payments</b>	<b>514</b>	<b>271</b>	<b>514</b>	<b>271</b>
Represented by:				
Current finance lease liabilities			188	128
Non-current finance lease liabilities			326	143
<b>Total Finance Lease Liabilities</b>			<b>514</b>	<b>271</b>

Finance leases relate to motor vehicles leased from Department of Treasury and Finance.

A leased asset and liability are established at the present value of minimum lease payments. The leased asset is accounted for as a non-financial physical asset and depreciated over the estimated useful life of the asset. The lease payments are apportioned between the principal component of the lease liability and the periodic finance expense.

### 6.2.2 Operating leases liabilities

Operating lease payments are recognised as an expense in the comprehensive operating statement in the periods in which they are incurred, as this represents the pattern of benefits derived from leased assets. The leased assets are not recognised in the balance sheet. Operating leases mainly relates to computer hardware and infrastructure.

## 6.3 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

### 6.3.1 Total commitments payable

	Less than 1 year	1 - 5 years	5+ years	Total
Nominal amounts 2019	\$'000	\$'000	\$'000	\$'000
Capital expenditure commitments	7,767	22	-	7,789
Operating lease commitments	1,133	2,019	-	3,152
Operating expenditure commitments	5,774	1,667	-	7,441
<b>Total commitments (inclusive of GST)</b>	<b>14,674</b>	<b>3,708</b>	<b>-</b>	<b>18,382</b>
Less GST recoverable				1,671
<b>Total commitments (exclusive of GST)</b>				<b>16,711</b>
<b>Nominal amounts 2018</b>				
Capital expenditure commitments	1,831	-	-	1,831
Operating lease commitments	815	1,137	-	1,952
Operating expenditure commitments	4,028	2,066	-	6,094
<b>Total commitments (inclusive of GST)</b>	<b>6,674</b>	<b>3,203</b>	<b>-</b>	<b>9,877</b>
Less GST recoverable				897
<b>Total commitments (exclusive of GST)</b>				<b>8,980</b>

Capital expenditure commitments in 2019 relates mainly from Transport Accident Commission (TAC) relates to Royal Exhibition Building Protection and Promotion Project. The 2018 capital expenditure commitments relates mainly to architecture and consultancy services for Royal Exhibition Building Protection and Promotion Project and Road Safety Education Complex.

## 7. Risks, Contingencies and Valuation Judgements

### Introduction

Museums Victoria is exposed to risk from its activities and outside factors. As a result, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for Museums Victoria related mainly to fair value determination.

### Structure

- 7.1 Financial instruments specific disclosures
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination and impairment

## 7.1 Financial instruments specific disclosures

### 7.1.1 Financial risk management objectives and policies

As a whole, Museums Victoria's financial risk management program seeks to manage financial risks and the associated volatility of its financial performance.

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

Museums Victoria's main financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. Museums Victoria manages these financial risks in accordance with its Financial Management and Risk policies.

Cash investments are governed by an investment policy approved by the board of Museums Victoria. The policy restricts the types and terms of investments to government securities or government guaranteed securities and low risk instruments with government approved financial institutions.

### Categories of financial assets under AASB 9

#### Financial assets at amortised cost

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

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

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

Museums Victoria recognises the following assets in this category:

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

### Categories of financial assets previously under AASB 139

#### Financial assets at amortised cost

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment).

Museums Victoria recognises the following assets in this category:

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

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

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method.

Museums Victoria recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

## 7.1.2 Financial instruments: Categorisation

	\$ '000			
	Financial assets / liabilities measured at fair value through other comprehensive income	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
<b>2019</b>				
<b>Contractual financial assets</b>				
Cash and deposits	-	22,630	-	22,630
Receivables <sup>i</sup> :				
Sale of goods and services	-	1,490	-	1,490
Foreign exchange forward contract used for hedging	74	-	-	74
<b>Total contractual financial assets</b>	<b>74</b>	<b>24,120</b>	<b>-</b>	<b>24,194</b>
<b>Contractual financial liabilities</b>				
Payables <sup>i</sup> :				
Supplies and services	-	-	8,957	8,957
Advance from Creative Victoria	-	-	9,487	9,487
Finance leases liabilities	-	-	514	514
Foreign exchange forward contract used for hedging	72	-	-	72
<b>Total contractual financial liabilities</b>	<b>72</b>	<b>-</b>	<b>18,958</b>	<b>19,030</b>

	\$ '000			
	Contractual financial assets / liabilities -designated at fair value through other comprehensive income	Contractual financial assets- loans and receivables	Contractual financial liabilities at amortised cost	Total
<b>2018</b>				
<b>Contractual financial assets</b>				
Cash and deposits	-	36,524	-	36,524
Receivables <sup>i</sup> :				
Sale of goods and services	-	1,411	-	1,411
<b>Total contractual financial assets</b>	<b>-</b>	<b>37,935</b>	<b>-</b>	<b>37,935</b>
<b>Contractual financial liabilities</b>				
Payables <sup>i</sup> :				
Supplies and services	-	-	12,770	12,770
Advance from Creative Victoria	-	-	5,515	5,515
Finance leases liabilities	-	-	271	271
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>18,556</b>	<b>18,556</b>

i. Receivables & Payables excludes statutory receivables & payables.

### 7.1.3 Financial Risk: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. Museums Victoria's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to Museums Victoria. Credit risk is measured at fair value and is monitored on a regular basis.

The maximum exposure to credit risk on financial assets which have been recognised on the Balance Sheet is the carrying amount, net of any provisions for doubtful debts. Currently Museums Victoria does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

Museums Victoria follows a process of reviewing all trade debtors during the year to identify doubtful debts or other possible impairments. Provision of impairment for contractual financial assets is recognised when there is objective evidence that Museums Victoria will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings.

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

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Museums Victoria's maximum exposure to credit risk. There has been no material change to Museums Victoria's credit risk profile in 2018–19.

Credit quality of financial assets				\$ '000	
2019	Government agencies (A-1+ credit rating)	Financial institution (A-1+ credit rating)	Not rated	Total	
<b>Financial assets with loss allowance measured at 12-month expected credit loss</b>					
Cash and deposits	-	22,565	65	22,630	
Statutory receivables (with no impairment loss recognised)	836	-	-	836	
Foreign exchange forward contract used for hedging	74	-	-	74	
<b>Financial assets with loss allowance measured at lifetime expected credit loss</b>					
Contractual receivables applying the simplified approach for impairment	-	-	1,490	1,490	
<b>Total contractual financial assets</b>	<b>910</b>	<b>22,565</b>	<b>1,555</b>	<b>25,030</b>	

Credit quality of contractual financial assets that are neither past due nor impaired				\$ '000	
2018	Government agencies (A-1+ credit ratings)	Financial institution (A-1+ credit ratings)	Not rated	Total	
<b>Contractual financial assets</b>					
Cash and deposits	33,000	3,451	73	36,524	
Receivables <sup>i</sup> :					
Sale of goods and services	-	-	1,411	1,411	
<b>Total contractual financial assets</b>	<b>33,000</b>	<b>3,451</b>	<b>1,484</b>	<b>37,935</b>	

i. Receivables & Payables excludes statutory receivables & payables.

## Impairment of financial assets under AASB 9 - applicable from 1 July 2018

From 1 July 2018, Museums Victoria has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Museums Victoria's contractual receivables and statutory receivables. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

### Contractual receivables at amortised cost

Museums Victoria applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. Museums Victoria has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on Museum Victoria's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, Museums Victoria determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as follows:

						\$ '000
1 July 18	Current	Less than 1 month	1-3 months	3 months- 1 year	1 year- 5 years	Total
<b>Expected loss rate</b>	1%	2%	5%	10%	10%	
Gross carrying amount of contractual receivables	953	424	53	6	-	1,436
<b>Loss allowance</b>	<b>10</b>	<b>9</b>	<b>3</b>	<b>1</b>	<b>-</b>	<b>23</b>

30 June 19	Current	Less than 1 month	1-3 months	3 months- 1 year	1 year- 5 years	Total
<b>Expected loss rate</b>	1%	2%	5%	10%	10%	
Gross carrying amount of contractual receivables	1,102	154	191	25	18	1,490
<b>Loss allowance</b>	<b>11</b>	<b>3</b>	<b>10</b>	<b>2</b>	<b>2</b>	<b>28</b>

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

	2019	2018
	\$'000	\$'000
<b>Balance at beginning of the year</b>	(25)	-
Opening retained earnings adjustment on adoption of AASB 9	2	-
<b>Opening Loss Allowance</b>	<b>(23)</b>	
Increase in provision recognised in the net result	(43)	(25)
Reversal of provision of receivables written off during the year as uncollectible	38	-
<b>Balance at end of the year</b>	<b>(28)</b>	<b>(25)</b>

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts considered as written off by mutual consent.

### Statutory receivables at amortised cost

Museums Victoria's non-contractual receivables arising from statutory requirements are not financial instruments. However, they are nevertheless recognised and measured in accordance with AASB 9 requirements as if those receivables are financial instruments.

#### 7.1.4 Financial Risk: Market risk

Museums Victoria's exposure to market risk is primarily through exposure to foreign currency. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

##### Foreign currency risk

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items existing at the end of the reporting period are translated at the closing rate at the date of the end of the reporting period.

Museums Victoria's exposure to foreign currency risk is mainly through its purchases of supplies and consumables from overseas. Museums Victoria has a limited amount of transactions denominated in foreign currencies and there is a relatively short timeframe between commitment and settlement. Therefore the risk is minimal.

Where goods and services purchased from overseas suppliers which are denominated in foreign currency and are in excess of the equivalent of \$AUD 300,000 and have clear commitment in terms of the timing and amount of the obligations, Museums Victoria will enter into foreign exchange forward contracts to hedge exposure to exchange rate movements. All hedging is contracted with Treasury Corporation of Victoria (TCV).

Foreign exchange forward contracts are initially measured at fair value and designated as cash flow hedge through other economic flows. Any attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are also recognised in the net result as other economic flows.

Museums Victoria's sensitivity to foreign currency movements is set out below.

Foreign exchange risk sensitivity					\$ '000	
					-15%	+15%
	Carrying amount	Net result	Hedging Currency Reserve	Net result	Hedging Currency Reserve	
<b>2019</b>						
<b>Financial Assets</b>						
Foreign exchange forward contract used for hedging	74	-	13	-	(9)	
<b>Total financial assets</b>		-	<b>13</b>	-	<b>(9)</b>	
<b>Financial Liabilities</b>						
Foreign exchange forward contract payable	72	-	-	-	-	
Total financial liabilities	-	-	-	-	-	
<b>2018</b>						
<b>Financial Assets</b>						
Foreign exchange forward contract used for hedging	-	-	-	-	-	
<b>Total financial assets</b>		-	-	-	-	
<b>Financial Liabilities</b>						
Foreign exchange forward contract payable	-	-	-	-	-	
<b>Total financial liabilities</b>	-	-	-	-	-	

## 7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and if quantifiable, are measured at nominal value.

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

### Contingent assets

Museums Victoria is not aware of any quantifiable or non-quantifiable contingent assets in financial year 2018-19 (2018: Nil).

### Contingent liabilities

	2019	2018
	\$'000	\$'000
<b>Quantifiable contingent liabilities</b>		
Legal proceedings and disputes <sup>i</sup>	100	100
<b>Total Contingent liabilities</b>	<b>100</b>	<b>100</b>

i. In 2019, there was a contingent liability of one personal injury claim that is currently under legal proceeding which may eventuate. It will be defended via Victorian Management Insurance Authority (VMIA) and maximum liability under insurance excess is \$100,000.

In 2018, \$210,000 was accrued in Other Payables for legal claims. There was also a contingent liability of one personal injury claim that is currently under legal proceeding which may eventuate. It will be defended via VMIA and maximum liability under insurance excess is \$100,000.

## 7.3 Fair value determination and impairment

Fair value determination requires judgement and the use of assumptions. This section sets out information on how Museums Victoria determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating results; and
- land, buildings, plant and equipment, exhibitions and collections.

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

### Fair value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

### How this section is structured

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

- 7.3.1 Fair value determination of financial assets and liabilities
- 7.3.2 Fair value determination of non-financial physical assets

### 7.3.1 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable inputs. (Unobservable inputs are inputs used in fair value accounting for which there is no market information available, which instead use the best information available for pricing assets or liabilities. An unobservable input may include reporting Museum Victoria's own data, adjusted for other reasonably available information).

Museums Victoria currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are at fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2018-19 reporting period.

These financial instruments include:

#### Financial assets

Cash and deposits

Receivables

Foreign exchange forward contract used for hedging

#### Financial liabilities

Payables

Advance from Creative Victoria

Finance leases

Foreign exchange forward contract payable

#### Financial assets and liabilities measured at fair value

\$'000

	Carrying amount as at 30 Jun 19	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
<b>2019</b>				
Financial assets at fair value through Other economic flows – Foreign Currency Hedging Reserve:				
Foreign exchange forward contract used for hedging	74	-	74	-
Financial liabilities at fair value through Other economic flows – Foreign Currency Hedging Reserve:				
Foreign exchange forward contract payable	(72)	-	(72)	-
<b>Total</b>	<b>2</b>	<b>-</b>	<b>2</b>	<b>-</b>

	Carrying amount as at 30 Jun 18	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
<b>2018</b>				
Financial assets at fair value through Other economic flows – Foreign Currency Hedging Reserve:				
Foreign exchange forward contract used for hedging	-	-	-	-
Financial liabilities at fair value through Other economic flows – Foreign Currency Hedging Reserve:				
Foreign exchange forward contract payable	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

There have been no transfers between levels during the 2018-19 period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The estimated fair value of foreign exchange forward contract was based on Treasury Corporation of Victoria's indicative market valuation report as at the financial year end.

### 7.3.2 Fair value determination of non-financial physical assets

Fair value measurement hierarchy		\$'000		
	Carrying amount as at 30 Jun 19	Fair value measurement at end of reporting period using:		
		Level 1 <sup>i</sup>	Level 2 <sup>i</sup>	Level 3 <sup>i</sup>
<b>2019</b>				
Non-specialised land	29,688	-	29,688	-
Specialised land	487,554	-	-	487,554
<b>Total Land at fair value</b>	<b>517,242</b>	<b>-</b>	<b>29,688</b>	<b>487,554</b>
Buildings	581,984	-	-	581,984
<b>Total Buildings at fair value</b>	<b>581,984</b>	<b>-</b>	<b>-</b>	<b>581,984</b>
Plant, Equipment & Vehicles <sup>ii</sup>	5,588	-	-	5,588
<b>Total Plant, Equipment &amp; Vehicles at fair value</b>	<b>5,588</b>	<b>-</b>	<b>-</b>	<b>5,588</b>
Exhibitions	7,717	-	-	7,717
<b>Total Exhibitions at fair value</b>	<b>7,717</b>	<b>-</b>	<b>-</b>	<b>7,717</b>
Collections	717,467	-	8,410	709,057
<b>Total Collections at fair value</b>	<b>717,467</b>	<b>-</b>	<b>8,410</b>	<b>709,057</b>

Fair value measurement hierarchy		\$'000		
	Carrying amount as at 30 Jun 18	Fair value measurement at end of reporting period using:		
		Level 1 <sup>i</sup>	Level 2 <sup>i</sup>	Level 3 <sup>i</sup>
<b>2018</b>				
Non-specialised land	28,274	-	28,274	-
Specialised land	446,244	-	-	446,244
<b>Total Land at fair value</b>	<b>474,518</b>	<b>-</b>	<b>28,274</b>	<b>446,244</b>
Buildings	469,491	-	-	469,491
<b>Total Buildings at fair value</b>	<b>469,491</b>	<b>-</b>	<b>-</b>	<b>469,491</b>
Plant, Equipment & Vehicles <sup>ii</sup>	5,985	-	-	5,985
<b>Total Plant, Equipment &amp; Vehicles at fair value</b>	<b>5,985</b>	<b>-</b>	<b>-</b>	<b>5,985</b>
Exhibitions	8,061	-	-	8,061
<b>Total Exhibitions at fair value</b>	<b>8,061</b>	<b>-</b>	<b>-</b>	<b>8,061</b>
Collections	716,873	-	8,410	708,463
<b>Total Collections at fair value</b>	<b>716,873</b>	<b>-</b>	<b>8,410</b>	<b>708,463</b>

i. Since 2017–18, the financial statements have been amended to reconcile with the values in property, plant, equipment, exhibitions and collections table in Note 4.1.1 above.

ii. Classified in accordance with the fair value hierarchy, see Note 7.3.

iii. There has been no transfers between levels during the financial year.

**Non-specialised land** is valued using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets that are considered to have nominal value.

An independent valuation was performed by Valuer-General Victoria to determine fair value using the market approach. Valuation of the non-specialised land was determined by analysing comparable sales and taking into consideration factors such as land size, location, zoning and development potential. From this analysis, an appropriate rate per square metre has been applied to the land. The effective date of the valuation was 30 June 2016.

To the extent that non-specialised land does not contain significant, unobservable adjustments, this asset is classified as Level 2 under the market approach.

**Specialised land** is valued using the market approach adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible and financially feasible. As adjustments of CSO (20%-30%) are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

The last independent valuation was performed by Valuer-General Victoria. The effective date of the valuation was 30 June 2016.

Since the last independent valuation in the 2016 financial year, Museums Victoria has performed annual fair value assessments on land in accordance with Financial policy and disclosure FRD103 issued by the Assistant Treasurer. The Valuer-General Victoria (VGV) indices used for the assessment increased the compounded land value by 22.8% in 2018 and un-compounded increase of 9% in 2019. As the increase 2018 year was significant (greater than 10%), a managerial revaluation adjustment was required. In 2019 the increase of 9% was not required for FRD103H but management decided to adjust value as four of the larger land sites had increases of 10% -15% individually. The revaluation increase was recognised in 'other economic flows – other comprehensive income' and reserves under physical asset revaluation surplus.

**Buildings** are valued under a depreciated replacement cost method adjusted for the associated depreciation. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

The last independent valuation was performed by Donald Cant Watts Corke. The effective date of the valuation was 30 June 2016.

Since the last independent valuation in the 2016 financial year, Museums Victoria has performed annual fair value assessments on buildings in accordance with Financial policy and disclosure FRD103 issued by the Assistant Treasurer. The Valuer-General Victoria (VGV) indices used for the assessment increased the compounded building value 10.2% in 2019 since the 2016 independent valuation. As the increase was greater than 10%, a managerial revaluation adjustment was required. The revaluation increase was recognised in 'other economic flows – other comprehensive income' and reserves under physical asset revaluation surplus.

**Plant and equipment** is held at fair value which has been determined using the depreciated replacement cost method. As depreciation adjustments are considered as significant, unobservable inputs in nature, Plant and equipment is classified as Level 3 fair value measurements.

**Exhibitions** are held at fair value which has been determined using the depreciated replacement cost method. As depreciation adjustments are considered as significant, unobservable inputs in nature, Exhibitions are classified as Level 3 fair value measurements.

Museums Victoria is required to undertake a comprehensive revaluation of the State Collection and Library (Collections) every 5 years under Financial Reporting Direction (FRD) 103H Non-financial physical assets. The last comprehensive revaluation of the Collection was completed in the financial year 2016 by Jones Lang LaSalle Advisory (formerly known as Australian Valuation Solutions). The valuation scope, methodology adopted and calculations applied to the Collection's valuation were examined and certified by Valuer-General Victoria as meeting the relevant Australian Accounting Standards and FRD 103H.

There were approximately 17 million items in the Collection. For the year ended 30 June 2016, the Collection was valued on a stratified multistage sampling basis due to the quantity and diversity of the Collections. Items determined to be of high value (items with values more than \$50,000 and Library items worth more than \$4,000) were valued on an individual basis. The remainder of the Collection items (low value items) were valued on a multistage sampling basis. The multistage sampling involves subdividing the low value items into smaller, concentrated representative strata for valuation purposes and taking a sample from each sub-collection. The stratification reduces the variability of the sampling outcome.

The level of professional judgement required by the Valuer to establish fair value for the high value items varies from item to item. Due to various contributing factors, such as condition, age, rarity, size, provenance and the market place, the specialist Valuer has had to apply significant professional judgement to determine fair value for several high value items. These valuations have been evaluated for reasonableness against market and academic research as well as other transactions of items with limited levels of comparability.

The process of extrapolating the valuation results from each of the low value samples across the entire sub-collection populations in order to determine the population values is considered to be a significant unobservable input to the valuation. This is demonstrated through the range of 'relative standard error' (RSE) for each of the stratum. RSE represents the variability due to sampling and random adjustment. As the application of a statistical approach utilises average values, all low value sample based valuations are considered to be Level 3 measurements.

Collection items that were valued under recollection and market approach by the independent valuer were classified as Level 2 fair value measurements under the fair value hierarchy. For the assets subject to the recollection approach, the various cost elements associated with the expedition expenses and collection of replacement specimens are the critical indicators to determining fair value. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable items. Items classified as Level 2 consist of high value geological items, meteorites and tektites. The collection items that were valued on a statistical approach were classified as Level 3 fair value measurements.

The overall fair value valuation as at 30 June 2016 was calculated to be \$713,193,091 with a relative standard error (RSE) of 2.85%. A 95% confidence interval for this value was given as \$673,345,302 to \$753,040,882.

In the financial years between full or comprehensive revaluations (the next will be by 30 June 2021), Jones Lang LaSalle Advisory (formerly known as Australian Valuation Solutions) was engaged in 2019 to perform a materiality review assessment as to the change in the fair value for the Collection since the previous independent valuation. Only a material change (greater than 10%) could trigger an adjustment to the fair value of the Collections.

The fair value review assessment of Museums Victoria's Collection indicated a 5.95% (2018: 4.30%) increase in value between the 2016 comprehensive valuation and 2019 fair value assessment. This was not considered to be material movement in value.

There were no changes in valuation techniques throughout the period to 30 June 2019.

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

**Reconciliation of Level 3 fair value**
**\$ '000**

<b>2019</b>	<b>Land</b>	<b>Buildings</b>	<b>Plant and Equipment</b>	<b>Exhibitions</b>	<b>Collections</b>
<b>Opening balance</b>	<b>446,244</b>	<b>469,491</b>	<b>5,985</b>	<b>8,061</b>	<b>708,463</b>
Purchases (sales)	-	7,344	715	2,053	695
Transfers in (out) of Level 3	-	-	-	-	-
Gains or losses recognised in net result	-	-	-	-	-
Depreciation	-	(26,617)	(1,112)	(2,397)	(101)
Impairment loss	-	-	-	-	-
Subtotal	446,244	450,218	5,588	7,717	709,057
Gains or losses recognised in other economic flows – other comprehensive income					
Revaluation	42,724	131,766	-	-	-
Subtotal	42,724	131,766	-	-	-
<b>Closing balance</b>	<b>488,968</b>	<b>581,984</b>	<b>5,588</b>	<b>7,717</b>	<b>709,057</b>

**\$ '000**

<b>2018</b>	<b>Land</b>	<b>Buildings</b>	<b>Plant and Equipment</b>	<b>Exhibitions</b>	<b>Collections</b>
<b>Opening balance</b>	<b>363,359</b>	<b>488,027</b>	<b>6,335</b>	<b>5,795</b>	<b>706,441</b>
Purchases (sales)	-	7,670	765	4,228	2,121
Transfers in (out) of Level 3	-	-	-	-	-
Gains or losses recognised in net result	-	-	-	-	-
Depreciation	-	(26,206)	(1,115)	(1,962)	(99)
Impairment loss	-	-	-	-	-
Subtotal	363,359	469,491	5,985	8,061	708,463
Gains or losses recognised in other economic flows – other comprehensive income					
Revaluation	82,885	-	-	-	-
Subtotal	82,885	-	-	-	-
<b>Closing balance</b>	<b>446,244</b>	<b>469,491</b>	<b>5,985</b>	<b>8,061</b>	<b>708,463</b>

Since 2017-18, the financial statements has been amended to reconcile with the values in the Fair Value measurement hierarchy table in Note 7.3.2 above.

**Description of significant unobservable inputs to Level 3 valuation**

<b>2019 and 2018</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>
Specialised land	Market approach	Community service obligation (CSO) adjustment (20% - 30%)
Specialised buildings	Current replacement cost	Direct cost per square metre Useful life of specialised buildings
Plant and Equipment	Current replacement cost	Cost per unit Useful life of plant and equipment
Exhibitions	Current replacement cost	Cost per unit Useful life of plant and equipment
Collections	Market and recollection approach	Fair value of high value items (collection items > \$50,000, Library items > \$4,000) Statistical calculation based on extrapolation of sample valuations

Significant unobservable inputs have remained unchanged since June 2016.

## 8. OTHER DISCLOSURES

### Introduction

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

### Structure

- 8.1 Ex-gratia expenses
- 8.2 Reserves
- 8.3 Responsible persons
- 8.4 Remuneration of executives
- 8.5 Related parties
- 8.6 Remuneration of auditors
- 8.7 Subsequent events
- 8.8 Australian Accounting Standards issued that are not yet effective

### 8.1 Ex-gratia expenses

	2019	2018
	\$'000	\$'000
Compensation for early termination	27	125
<b>Total ex-gratia expenses<sup>i</sup></b>	<b>27</b>	<b>125</b>

i. These ex-gratia expenses are reported in the Comprehensive Operating Statement as part of Employee, Consumables and Corporate Expenses.

### 8.2 Reserves

#### 8.2.1 Accumulated Deficit

	2019	2018
	\$'000	\$'000
Balance at beginning of financial year	(200,225)	(173,883)
Net result	(31,326)	(26,044)
<b>Transfers to Reserves:</b>		
Transfer (to)/from Board Reserves	(1,724)	(1,205)
Transfer (to)/from Trust Funds	2	5,132
Transfer (to)/from Externally Funded Special Projects	4,320	(4,225)
<b>Balance at end of financial year</b>	<b>(228,953)</b>	<b>(200,225)</b>

## 8.2.2 Reserves

	2019	2018
	\$'000	\$'000
<b>Board Reserves</b>		
Balance at beginning of financial year	1,205	-
Net result	-	-
Transfer (to)/from Accumulated Deficit	(41)	(4,931)
Transfer (to)/from Reserves	1,765	6,136
<b>Balance at end of financial year</b>	<b>2,929</b>	<b>1,205</b>

Board Reserves consist of working capital reserve, acquisition reserve and internally funded projects reserve.

<b>Trust Funds</b>		
Balance at beginning of financial year	2,581	7,713
Net result	-	-
Transfer (to)/from Accumulated Deficit	393	17
Transfer (to)/from Reserves	(395)	(5,149)
<b>Balance at end of financial year</b>	<b>2,579</b>	<b>2,581</b>

Trust Funds consist of those funds which may be used by the Museums Board of Victoria for Museum purposes defined by the relevant Trust deed or will.

<b>Externally Funded Special Projects</b>		
Balance at beginning of financial year	12,453	8,228
Net result	-	-
Transfer (to)/from Accumulated Deficit	(3,849)	(3,124)
Transfer (to)/from Reserves	(471)	7,349
<b>Balance at end of financial year</b>	<b>8,133</b>	<b>12,453</b>

Externally Funded Special Projects consists of unexpended Government and other grants tied to a specific purpose.

<b>Physical Asset Revaluation Surplus</b>		
Balance at beginning of financial year	1,278,111	1,189,952
Asset revaluation increases	174,490	88,159
<b>Balance at end of financial year</b>	<b>1,452,601</b>	<b>1,278,111</b>

<b>Foreign Currency Hedging Reserve</b>		
Balance at beginning of financial year	-	(7)
Changes in Fair Value of Foreign Currency Hedging Contracts	1	7
<b>Balance at end of financial year</b>	<b>1</b>	<b>-</b>
<b>Total Reserves</b>	<b>1,466,243</b>	<b>1,294,350</b>

### Board Reserves

This represents the Working Capital Reserve, Acquisition Reserve and Internally Funded Projects which have been established over time through the generation of operating surpluses. Their purpose is to ensure financial sustainability and development and custodianship of collections of the entity. Expenditure in the Acquisition and Internally Funded projects are recorded as an expense in the Comprehensive Operating Statement and will decrease the board reserve balances.

### Trust Funds

This represents the balance of unexpended funds from bequests and external trusts, with the proceeds brought to account as revenue upon receipt. Subsequent expenditure is recorded as an expense in the Comprehensive Operating Statement and will decrease the trust fund.

### Externally Funded Special Projects

This represents the balance of grants and other external funding received by the entity from various external entities for specific projects including research, public access, exhibitions and capital with the proceeds brought to account as revenue upon receipt. Subsequent expenditure is recorded as an expense in the Comprehensive Operating Statement and will decrease the reserve.

### 8.2.3 Contributed Capital

	2019	2018
	\$'000	\$'000
Balance at beginning of financial year	594,439	590,139
Capital Contribution	5,931	4,300
<b>Balance at end of financial year</b>	<b>600,370</b>	<b>594,439</b>

Contributed Capital consists of capital funds provided by the Victorian Government for the Melbourne Museum, Scienceworks, Immigration Museum and Royal Exhibition Building. Ministerial approval has been received for the treatment of these amounts as Contributed Capital.

### Contribution by owners

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

Additions to net assets that have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

## 8.3 Responsible persons

The following disclosures are made regarding responsible persons for the reporting period:

Responsible Minister – Hon Martin Foley MP	1 July 2018 – 30 June 2019
Accountable Officer – Ms Lynley Crosswell	1 July 2018 – 30 June 2019
Board Members:	
Professor Rufus Black (President)	1 July 2018 – 30 June 2019
Mr Andrew Butcher	1 July 2018 – 30 June 2019
Mr Wilkin Fon	1 July 2018 – 30 June 2019
Mr Colin Golvan AM QC	1 July 2018 – 30 June 2019
Dr Alison Inglis	1 July 2018 – 30 June 2019
Ms Annette Vickery	1 July 2018 – 29 January 2019
Ms Linda Bardo Nicholls AO (Treasurer)	1 July 2018 – 30 June 2019
Mr Peter Tullin	1 July 2018 – 30 June 2019

## 8.4 Remuneration of executives

Members of the Board act in an honorary capacity.

Amounts relating to the Responsible Minister are reported in the financial statements of the Department of Parliamentary Services.

The remuneration of the Accountable Officer, who is not a Member of the Board, during the reporting period, is in the range of \$390,000 – \$400,000 (\$350,000 – \$360,000 in 2017–18). The remuneration of the Accountable Officer is not included in note 8.4.1 below.

### 8.4.1 Remuneration of Executive Officers

<b>(includes Key Management Personal disclosed in Note 8.5.1)</b>	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	2,021	1,804
Post-employment benefits	194	165
Other long-term benefits	45	43
Termination benefits	86	-
<b>Total remuneration</b>	<b>2,346</b>	<b>2,012</b>
<b>Total number of executives<sup>i</sup></b>	<b>14</b>	<b>17</b>
<b>Total annualised employee equivalent (AEE)<sup>ii</sup></b>	<b>14</b>	<b>11</b>

i. The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.5.1).

ii. Annualised employee equivalent is based on the time fraction worked over the reporting period.

## 8.5 Related parties

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

Key management personnel of the Museums Board of Victoria include the Portfolio Minister, Board members and members of the Executive Team:

<b>Key Management Personnel</b>	<b>Position Title</b>	<b>Period</b>
Hon Martin Foley MP	Minister for Creative Industries	1 July 2018 – 30 June 2019
Ms Lynley Crosswell	Chief Executive Officer and Director	1 July 2018 – 30 June 2019
Professor Rufus Black	Board Member and President	1 July 2018 – 30 June 2019
Mr Andrew Butcher	Board Member	1 July 2018 – 30 June 2019
Mr Wilkin Fon	Board Member	1 July 2018 – 30 June 2019
Mr Colin Golvan AM QC	Board Member	1 July 2018 – 30 June 2019
Dr Alison Inglis	Board Member	1 July 2018 – 30 June 2019
Ms Annette Vickery	Board Member	1 July 2018 – 29 January 2019
Ms Linda Bardo Nicholls AO	Board Member	1 July 2018 – 30 June 2019
Mr Peter Tullin	Board Member	1 July 2018 – 30 June 2019
Mr Michael O’Leary	Chief Operating Officer	1 July 2018 – 30 June 2019
Ms Jodie Bennett	Director Transformational Projects	1 July 2018 – 13 March 2019
Ms Rohini Kappadath	General Manager Immigration Museum	1 July 2018 – 30 June 2019
Ms Nurin Veis	Director Research and Collections	1 July 2018 – 30 June 2019
Mr Gordon White	General Manager Melbourne Museum	1 July 2018 – 30 June 2019
Mr Rod MacNeil	Chief of Staff	1 July 2018 – 30 June 2019
Ms Sandie Hall	General Manager Development	1 July 2018 – 15 May 2019
Ms Caroline Llewellyn	Director Experience and Engagement	1 July 2018 – 30 June 2019
Mr Sean Royal	General Manager People and Culture	1 July 2018 – 30 June 2019
Ms Natalene Muscat	General Manager Marketing and Publicity	1 July 2018 – 30 June 2019
Ms Genevieve Grieves	Manager First Peoples	1 July 2018 – 30 June 2019
Mr Jonathon Shearer	General Manager Scienceworks	1 July 2018 – 30 June 2019
Ms Carmel O’Keffe	General Manager Digital Life	1 July 2018 – 30 June 2019

From 1 July 2019, Mr Leon Kempler AM, replaces Professor Rufus Black as President of Museums Board of Victoria who resigned on 30 June 2019.

### 8.5.1 Remuneration of Key Management Personnel

	<b>2019</b>	<b>2018</b>
	<b>\$’000</b>	<b>\$’000</b>
Short-term employee benefits	2,376	2,122
Post-employment benefits	226	197
Other long-term benefits	54	51
Termination benefits	86	-
<b>Total remuneration<sup>i</sup></b>	<b>2,742</b>	<b>2,370</b>

i. Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.4.1).

### 8.5.2 Related party transactions

Business transactions carried out with the following related party entities for Key Management Personnel. All transactions were undertaken in the ordinary course of business and were at arm's length and on normal commercial terms.

	2019		2018		KMP	Relationship	Nature of Transactions
	Revenue	Expenditure	Revenue	Expenditure			
	\$'000	\$'000	\$'000	\$'000			
Victorian Arts Centre Trust	40	-	37	-	Martin Foley MP	Responsible Minister	Storage Income, Long Service Leave entitlement, ASIA TOPA grant
National Gallery of Victoria	56	-	112	-	Martin Foley MP	Responsible Minister	Storage Income, Program Partner Fee
Victoria University	-	-	-	63	Professor Rufus Black Board Member	Deputy Chancellor/ Councillor	Admissions and Outreach Income, Art Work for Exhibition
University Of Melbourne	935	49	-	-	Alison Inglis, Board Member	Master/Employee	Venue Hire and School Programs, Scholarships & Research Projects
Fairfax Media	53	8	66	4	Linda Bardo Nicholls AO	Non Executive Director/Shareholder	Event rental income, Copyright & Advertising
Remix Summits	4	1	2	5	Peter Tullin	Co-Founder and Managing Partner	Venue Hire, Conference costs
<b>TOTAL</b>	<b>1,088</b>	<b>58</b>	<b>217</b>	<b>72</b>			

As at 30 June 19, there were no amounts outstanding to Museums Victoria with related parties (2018: Nil).

All other transactions that have occurred with KMP and their related parties have not been considered material for disclosure. In this context, transactions are only disclosed when they are considered necessary to draw attention to the possibility that the Museums Victoria's financial position and profit or loss may have been affected by the existence of related parties, and by transactions and outstanding balances, including commitments, with such parties.

### 8.5.3 Significant Transactions with Government Related Entities

Museums Victoria carried out the following revenue and (expenditure) transactions with the below government-related entities. All transactions were undertaken in the ordinary course of business and were at arm's length and on normal commercial terms.

		<b>2019</b>
<b>Government-related Entity</b>	<b>Transactions</b>	<b>(\$'000)</b>
Department of Jobs, Precincts and Regions <sup>i</sup>	2018-19 Operating Funding	46,115
Department of Treasury and Finance	Capital Asset Charge	38,122
Department of Education and Training <sup>ii</sup>	Strategic Partnership, Scienceworks Star 6 Funding	370
Department of Jobs, Precincts and Regions <sup>i</sup>	Exhibition Renewal & CFM Capital grant	2,657
Department of Education and Training <sup>ii</sup>	Early Childhood STEM Professional Learning	300
Department of Jobs, Precincts and Regions <sup>i</sup>	Legacy Data & Interim Storage	505
Department of Jobs, Precincts and Regions <sup>i</sup>	Great Melbourne Telescope Restoration	150
Transport Accident Commission	Road Safety Education Complex Income & Expenditure	2,688
Treasury Corporation of Victoria	Interest Income	128
Department of Treasury and Finance	Interest Income, Central Banking System arrangement	541
Department of Treasury and Finance	Capital Asset Charge	(38,122)
Victorian Managed Insurance Authority	General & Specialised Insurance	(644)
Various Government Departments	Other Minor Transactions <sup>iii</sup>	609

		<b>2018</b>
<b>Government-related Entity</b>	<b>Transactions</b>	<b>(\$'000)</b>
Department of Education and Early Childhood Development	Strategic Partnership, Scienceworks Star 6 Funding	650
Department of Economic Development Jobs Transport and Resources	2017-18 Operating Funding & Capital Asset Charge	81,848
Department of Economic Development Jobs Transport and Resources	Exhibition Renewal & Cultural Facilities Maintenance grant	5,491
Transport Accident Commission	Road Safety Education Complex Income	13,464
Treasury Corporation of Victoria	Interest Income	577
Victorian Managed Insurance Authority	General & Specialised Insurance	(917)
Transport Accident Commission	Road Safety Education Complex Expenditure	(10,604)
Department of Treasury and Finance	Capital Asset Charge	(38,122)
Various Government Departments	Other Minor Transactions <sup>iii</sup>	462

i. The previous Department of Economic Development, Jobs, Transport and Resources transitioned into the Department of Transport and a new Department of Jobs, Precincts and Regions was created.

ii. Due to machinery of government changes, the Department of Education and Early Childhood Development was renamed to Department of Education and Training.

iii. Other minor transactions are transactions less than \$100,000. These transactions relate to government grants offset by finance lease interest on motor vehicles.

Below are the amounts outstanding to and (by) Museums Victoria with government-related entities.

	Outstanding To/(By)	
	2019 (\$'000)	2018 (\$'000)
<b>Government-related Entity</b>		
Department of Education and Early Childhood Development	110	100
Department of Jobs, Precincts and Regions <sup>i</sup>	79	409
Owing to Other Government-related entity	112	60
<b>Total Outstanding To Museums Victoria</b>	<b>301</b>	<b>569</b>
Department of Treasury and Finance	(513)	(271)
Department of Jobs, Precincts and Regions <sup>i</sup>	(9,758)	(5,515)
Transport Accident Commission	-	(5,216)
Owing by Other Government-related entity	(80)	-
<b>Total Outstanding By Museums Victoria</b>	<b>(10,351)</b>	<b>(11,002)</b>
<b>Net Outstanding</b>	<b>(10,050)</b>	<b>(10,433)</b>

i. The previous Department of Economic Development, Jobs, Transport and Resources transitioned into the Department of Transport and a new Department of Jobs, Precincts and Regions was created.

## 8.6 Remuneration of auditors

	2019 \$'000	2018 \$'000
Victorian Auditor-General's Office		
Audit of the financial statement	75	62
<b>Total remuneration of auditors</b>	<b>75</b>	<b>62</b>

## 8.7 Subsequent events

Museums Victoria is not aware of any material events after the reporting date which would affect these financial statements (2018: Nil).

## 8.8 Australian Accounting Standards issued that are not yet effective

The following AASs become effective for reporting periods commencing after 1 July 2019:

- AASB 16 *Leases*;
- AASB 15 *Revenue from Contract with Customers*; and
- AASB 1058 *Income of Not-for-Profit Entities*.

### Leases

AASB 16 *Leases* replaces AASB 117 *Leases*, AASB *Interpretation 4 Determining whether an Arrangement contains a Lease*, AASB *Interpretation 115 Operating Leases-Incentives* and AASB *Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the balance sheet by recording a Right-Of-Use (RoU) asset and a lease liability except for leases that are shorter than 12 months and leases where the underlying asset is of low value (deemed to be below \$10,000).

AASB 16 also requires the lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, and remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The amount of the re-measurement of the lease liability will generally be recognised as an adjustment to the RoU asset.

The effective date is for annual reporting periods beginning on or after 1 January 2019. Museums Victoria intends to adopt AASB 16 in 2019-20 financial year when it becomes effective.

Museums Victoria will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

Various practical expedients are available on adoption to account for leases previously classified by a lessee as operating leases under AASB 117. Museums Victoria will elect to use the exemptions for all short-term leases (lease term less than 12 months) and low value leases (deemed to be below \$10,000).

Museums Victoria has performed a detailed impact assessment of AASB 16 and the potential impact in the initial year of application has been estimated as follows:

- increase in RoU (\$1,568,000);
- increase in related depreciation (\$562,000);
- increase in lease liability (\$1,602,000);
- increase in related interest (\$57,000) calculated using effective interest method; and
- decrease in rental expense (\$585,000).

### Revenue and Income

AASB 15 supersedes AASB 118 *Revenue*, AASB 111 *Construction Contracts* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from an enforceable contract that imposes a sufficiently specific performance obligation on an entity to transfer goods or services. AASB 15 requires entities to only recognise revenue upon the fulfilment of the performance obligation. Therefore, the transaction price is allocated to each performance obligation in a contract and recognise the revenue only when the related obligation is satisfied.

To address specific concerns from the 'not-for-profit' sector in Australia, the AASB also released the following standards and guidance:

- AASB 2016-8 *Amendments to Australian Accounting Standards* – Australian implementation guidance for NFP entities (AASB 2016-8), to provide guidance on application of revenue recognition principles under AASB 15 in the not-for-profit sector.
- AASB 1058 *Income of Not-for-Profit Entities*, to supplement AASB 15 and provide criteria to be applied by not-for-profit entities in establishing the timing of recognising income for government grants and other types of contributions previously contained within AASB 1004 *Contributions*.

AASB 15, AASB 1058 and the related guidance will come into effect for not-for-profit entities for annual reporting periods beginning on or after 1 January 2019. Museums Victoria intends to adopt these standards in 2019-20 financial year when it becomes effective.

Museums Victoria will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

Museums Victoria has performed a detailed impact assessment of AASB 15 and AASB 1058 and the potential impact for each major class of revenue and income in the initial year of application and determined the impact to be immaterial.

## Volunteer services

Volunteer services are services transferred by individuals or other entities without charge or for consideration significantly less than the fair value of those services.

AASB 1058 states that local governments, government departments, the general government sector and whole of government shall recognise volunteer services received as income when:

- such services would be purchased if they had not been donated; and
- the fair value of those services can be reliably measured.

The fair value of volunteer services is recognised as income. Volunteer services consumed when the services are acquired is expensed immediately. Volunteer services contributed for the development of an asset and is included in the carrying amount of that asset.

Museums Victoria has performed a detailed impact assessment of volunteer services under AASB 1058 and the potential impact in the initial year of application has been estimated as follows:

- increase in income (\$1,808,000); and
- increase in expense (\$1,808,000).

## 8.9 Change in accounting policies

Museums Victoria has elected to apply the limited exemption in AASB 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. As a result:

- any adjustments to carrying amounts of financial assets or liabilities are recognised at beginning of the current reporting period with difference recognised in opening retained earnings; and
- financial assets and provision for impairment have not been reclassified and/or restated in the comparative period.

This note explains the impact of the adoption of AASB 9 Financial Instruments on Museums Victoria's financial statements.

### 8.9.1 Changes to classification and measurement

On initial application of AASB 9 on 1 July 2018, the Museums Victoria's management has assessed for all financial assets based on Museums Victoria's business models for managing the assets. The following are the changes in the classification of the Museums Victoria's financial assets:

- Contractual receivables previously classified as other loans and receivables under AASB 139 are now reclassified as financial assets at amortised cost under AASB 9.

The accounting for financial liabilities remains largely the same as it was under AASB 139, except for the treatment of gains or losses arising from Museums Victoria's own credit risk relating to liabilities designated at fair value through net result. Such movements are presented in other comprehensive income with no subsequent recycle through profit or loss.

Museums Victoria's accounting policies for financial assets and liabilities are set out in note 7.1. The following table summarises the required and elected reclassification upon adoption of AASB 9. The main effects resulting from the reclassification are as follows:

		\$ '000	
		AASB Measurement Categories	
As at 30 June 2018	Notes	AASB 139 Measurement Categories	Amortised Cost
<b>AASB 139 Measurement Categories</b>			
Loan and receivables			
Sale of goods and services	8.9.1 (a)	1,411	1,411
<b>As at 1 July 2018</b>		<b>1,411</b>	<b>1,411</b>

### 8.9.2 Changes to the impairment of financial assets

Under AASB 9, all loans and receivables as well as other debt instruments not carried at fair value through net result are subject to AASB 9's new expected credit loss (ECL) impairment model, which replaces AASB 139's incurred loss approach.

For other loans and receivables, Museums Victoria applies the AASB 9 simplified approach to measure expected credit losses based on the change in the ECLs over the life of the asset. Application of the lifetime ECL allowance method results in an decrease in the impairment loss allowance of \$2,000. Refer to note 7.1.3 for details about the calculation of the allowance. The loss allowance increased by \$5,000 for these financial assets during the financial year.

### 8.9.2 Transition Impact

The transition impact of first-time adoption of AASB 9 on Comprehensive Operating Statement and Balance Sheet has been summarised in the following tables.

Impact on Comprehensive Income as at 1 July 2018 as follows:

		\$ '000
<b>Comprehensive operating statement</b>	<b>Notes</b>	<b>30 June 2018</b>
Impairment of financial assets	8.9.1 (a)	(2)
<b>Other economic flows included in net result</b>		<b>2</b>
<b>Comprehensive income</b>		<b>2</b>

Impact on the Balance Sheet is illustrated with the following reconciliation between the carrying amounts under AASB 139 at 30 June 2018 and the balances reported under AASB 9 at 1 July 2018 for each affected balance sheet item:

		Amount at		Re-measurement	Restated
<b>Balance Sheet</b>	<b>Notes</b>	<b>30 June 2018</b>	<b>Reclassification</b>	<b>(ECL)</b>	<b>amount at 1 July 2018</b>
Loans and receivables	8.9.1 (a)	1,411	(1,411)		-
Impairment loss allowance	8.9.1 (a)	(25)	-	2	(23)
Financial assets at amortised cost	8.9.1 (a)	-	1,411	-	1,411
Other financial assets		36,711	-	-	36,711
<b>Total financial assets</b>		<b>38,097</b>	<b>-</b>	<b>2</b>	<b>38,099</b>
<b>Total liabilities</b>		<b>30,798</b>	<b>-</b>	<b>-</b>	<b>30,798</b>
Accumulated deficit	8.9.1 (a)	(200,225)	-	2	(200,223)
Other items in equity		1,888,789	-	-	1,888,789
<b>Total equity</b>		<b>1,688,564</b>	<b>-</b>	<b>2</b>	<b>1,688,566</b>

# Auditor-General's Report



## Independent Auditor's Report

### To the Board of the Museums Board of Victoria

<b>Opinion</b>	<p>I have audited the financial report of the Museums Board of Victoria (the entity) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2019</li><li>• comprehensive operating statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• cash flow statement for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• accountable officer's and chief financial and accounting officer's declaration.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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**Auditor's responsibilities for the audit of the financial report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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MELBOURNE  
5 September 2019



Simone Bohan  
*as delegate for the Auditor-General of Victoria*

# Disclosure Index

This annual report has been prepared in accordance with all relevant Victorian legislation. The disclosure index has been prepared to facilitate identification of Museums Victoria's compliance with statutory disclosure requirements.

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TAC *Road to Zero* Education Complex, Melbourne Museum; TAC, Source/Mauro Palmieri, Photography

SYNC All Ages Party, Scienceworks; Michelle Grace Hunder, Source & Photography

*River of Language Mural*, Melbourne Museum; Rodney Start, Photography

*Midnight Moon*, Scienceworks; Tiny Empire Collective, Source & Joel Checkley, Photography

*LOVE* exhibition, Immigration Museum; Rodney Start, Photography/Marita Dyson, Artist

*Museum of the Moon*, Scienceworks; Robert Zugaro, Photography

*Make Believe - The Story of the Myer Christmas*, Melbourne Museum; Jake Roden, Photography

Fatberg inspection, Yarra Water; John Broomfield, Photography

*Moon Moves*, Scienceworks; Rodney Start, Photography

*Fashion Redux* Exhibition, Melbourne Museum; Benjamin Healley, Photography

*Nocturnal*, Melbourne Museum; Xavier Smerdon Photography, Source & Photography

*LOVE* exhibition, Immigration Museum; Benjamin Healley, Photography

*From the Heart* Exhibition, Melbourne Museum; Rodney Start, Photography

*Revolutions: Records and Rebels* Exhibition, Melbourne Museum; Ryan Wheatley, Photography



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