

# Annual Report

2019–20  
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 Annual Report for the Museums Board of Victoria for the year ending 30 June 2020.



**Leon Kempler AM**  
President  
Museums Board of Victoria  
27 August 2020

This annual report has been produced in accordance with FRD 30D 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

Children participating in activities in the Air Playground exhibition during Museum Members Summer Party at Scienceworks.  
Source: LOVE BREE Photography | Photographer: Bree Gaudette

### THIS PAGE

Primary school students in the Learning Lab.  
Source: Museums Victoria | Photographer: Rodney Start



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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.



Tati Tati artist Brendan Kennedy in front of his Wiripil artwork on Melbourne Museum entrance  
Source: Museums Victoria | Artist: Brendan Kennedy | Photographer: Rodney Start

# Message from the President



It was my privilege to take on the role of Museums Board of Victoria President in July 2019, and it gives me great pleasure to present this report of our operations, financial results and key achievements for 2019–20.

In the midst of unimagined disruption, this has been a very important and successful year for Museums Victoria. We are now approaching the midpoint of our Strategic Plan 2017–25 and this year delivered key projects that fulfil our vision of ‘people enriched by wondrous discovery and trusted knowledge, and society compelled to act for a thriving future’.

This included launching the Research and Collections Strategy 2019–25 which provides an innovative framework for interdisciplinary, place-based research that will enrich and expand our understanding of our south-eastern Australian and Southern Ocean region. Central to this will be partnerships with First Peoples communities to share and grow the rich cultural knowledge about the countries in which we live and work.

Early this year we opened the Learning Lab, a dynamic and highly versatile space for immersive digital-based learning at Melbourne Museum. The Lab provides opportunities for new modes of learning for all ages and further enhances Museums Victoria’s suite of educational and public programs.

As Victorians came together in the face of the coronavirus (COVID-19) pandemic, Museums Victoria was able to stay connected with audiences and support communities at home, even as the doors of our museums closed. Our ongoing strategic focus on expanding Museums Victoria’s digital footprint allowed the organisation to quickly pivot to online delivery with the launch of *Museum at Home*. Over weeks and months this initiative has brought the wonder of our museums into the homes of families across Victoria and around Australia.

I am deeply grateful for the generous support of the State Government of Victoria this year, and that of the Minister for Creative Industries, Martin Foley MP, Deputy Secretary Andrew Abbott and Creative Victoria. I would like to warmly thank John Gandel AC and Pauline Gandel AC along with the Trustees of Gandel Philanthropy and Vedran Drakulic OAM, CEO of Gandel Philanthropy for their ongoing collaboration and support of Museums Victoria. I also extend my heartfelt thanks to the generous philanthropic supporters and corporate partners of Museums Victoria who have empowered innovation, education and inspiration across the organisation.

I would also like to thank my fellow board members for their dedication and contributions, and warmly welcome new board members Dr Bronte Adams AM, Tim Goodwin and Mary Stuart. I particularly wish to thank the board committee chairs, as well as our independent committee members who make such an important contribution.

Museums Victoria’s positive response to these challenging times is testament to the integrity and commitment of all staff, and I extend my sincere thanks to them for the important contribution they have made to the wellbeing of the Victorian community. I especially thank and congratulate Lynley Crosswell, Chief Executive Officer and Director and all the Executive team for the compassionate leadership they have shown at this time.

It has been a great honour to be President of the Museums Board of Victoria this year. I look forward to continuing working with the board, executive and staff to further Museums Victoria’s leadership in our sector.

**Leon Kempler AM**

President, Museums Board of Victoria

# Message from the Chief Executive Officer and Director



It is my great pleasure to introduce this report for the 2019–20 financial year.

This year our role as the state museums organisation has never felt more important. Following the destruction of the summer's bushfires, and amidst the enormous disruption caused by the coronavirus (COVID-19) pandemic, audiences have turned to our museums to discover, understand and connect. Even with our buildings temporarily closed we have continued to deliver on our transformational themes and strategic ambitions, engaging ever-widening audiences in trusted knowledge and wondrous discovery.

In 2019–20 we delivered a number of key projects that complete the initiate phase of our Strategic Plan 2017–25. These included launching the Research and Collections Strategy 2019–25, which will transform how Museums Victoria researches global issues in our south-eastern Australian region, and *We are Victoria: Museums Victoria's Regional Engagement Plan*, which provides new ways for communities outside metropolitan areas to access and engage with our museums, research and collections.

Our activities in regional areas this year included an intensive biodiversity survey in the Little Desert National Park in western Victoria, in partnership with Traditional Owners, the Wotjobaluk Peoples. Surveys such as this are part of the vital role Museums Victoria plays in contributing to knowledge and scientific research to create a sustainable future. Following the devastating bushfires across the state's east, Museums Victoria's scientists worked with government partners to compile datasets in impacted areas. This research, combined with historical data contained in our natural sciences collections, provides a critical foundation for understanding the impacts of the fires and focusing efforts to preserve species and ecosystems.

This year we continued our focus on increasing access to the State collections, utilising the extraordinary and diverse talents of Museums Victoria staff. *Mini Mega Model Museum* at Melbourne Museum and *Air Playground* at Scienceworks were stand-outs – each a deeply immersive, creative experience that drew on our deep audience knowledge and insights and early learning expertise. Together with the Summer of Dance at the Immigration Museum, these exhibitions sustained a trend of above-forecast visitation during the first half of the year, including our highest-ever January attendance at Scienceworks and an expansion of adult audiences at all three museums.

As Victoria entered the first of a long period of lockdown in early March, we recognised the critical role we should play in helping the community stay informed and connected. Within a week of closing the doors of our museums we launched *Museum at Home*, a new digital platform that brought our experiences, expertise and collections to audiences at home. Enabled by our Digital Life Strategy, *Museum at Home* realises our strategic commitment to expanding our digital footprint through a broad array of experiences and resources in the form of virtual tours, video content, online workshops, lectures and live-streamed events.

When it launched, *Museum at Home* was one of the first digital programs of its kind in Australia and attracted international attention, with high-profile stories covered on BBC News, Smithsonian.com, *New York Post* and Fox News. Shared across our social media platforms and websites, it was also immediately popular, reaching 6.9 million people by June 30 with more than 1.52 million video views and 78,000 visits to online education resources. A range of content available in Mandarin has also helped grow a domestic Chinese audience with more than 387,000 reached via Weibo and WeChat by June 30.

As communities across Victoria struggled with the pandemic's onset, our museums created context, drawing on historic collections and current scientific research to help make sense of the present. In May this took shape as *Collecting the Curve*, an innovative and dynamic collecting project to record Victorians' experience of this extraordinary moment as it unfolds. *Collecting the Curve* involves a team of Museums Victoria's curators and researchers who continue to document the coronavirus (COVID-19) and its impact on our society and economy from multiple perspectives.

The project has resulted in a number of significant acquisitions for the State Collection, including the first images of the coronavirus (COVID-19) to be isolated outside of China, taken by the Doherty Institute in Melbourne; ephemera related to panic buying, such as signage from supermarkets noting product limits; and images and oral histories from a family in mandatory quarantine. The project is accessible via *Museum at Home* and will continue to evolve and expand over time as our communities respond and adapt to the pandemic.

Throughout this remarkable year Museums Victoria has received steadfast support from the Victorian State Government, and I would like to sincerely thank Martin Foley MP, Minister for the Creative Industries, Simon Phemister, Secretary, Department of Jobs, Precincts and Regions and Andrew Abbott, Deputy Secretary, Creative, Sport and Visitor Economy for their commitment and guidance during this time.

My sincere thanks also go to our board members for their generous support of Museums Victoria throughout the year. I would especially like to thank Board President, Leon Kempler AM, and Deputy Board President, Linda Bardo Nicholls AO, whose passion, unwavering support and expertise have been invaluable.

I am extremely grateful to our valued donors and partners who continue to support Museums Victoria's pivotal role in the community, helping us to inspire a future propelled by science, empowered by education and enriched by shared humanity.

Museums Victoria is supported by more than 500 volunteers who make an enormous contribution to our organisation, and my sincere thanks go to all of them. I would especially like to acknowledge and thank the members of Museums

Victoria's First Peoples Yulendj Group, the Aboriginal Cultural Heritage Advisory Committee (ACHAC) and the Te Pasifika Community Advisory Group, who all play such an important role in helping Museums Victoria realise our commitment to putting First Peoples' living cultures, histories and knowledge at the heart of what we do.

Perhaps most outstanding this year has been the resilience of Museums Victoria's staff and their unflagging commitment to serving the people of Victoria. This year's achievements are testament to their expertise, innovative spirit and dedication. I have been especially impressed and humbled by their generosity of spirit, support and patience as we surmounted the myriad challenges together.



**Lynley Crosswell**  
Chief Executive Officer and Director



Families viewing the *Mini Mega Model Museum* exhibition at Melbourne Museum, Pendle Hall display  
Source: Museums Victoria | Photographer: Rodney Start

# 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 around 2 million visitors each year, who come from all over Australia and the world to be inspired, to discover 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 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

- World's oldest living culture
- Research + collections
- Digital Life

### Spaces

- Melbourne Museum + IMAX
- Scienceworks + Planetarium
- Immigration Museum
- Bunjilaka
- Royal Exhibition Building
- Outreach
- Digital platforms

## ENABLERS

- People and culture
- Investment in technology
- Partnerships
- Leveraging our assets

# 2019–22 Priority 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 and contribute to Museums Victoria's sustainability
  - Initiative 1.3 Develop and implement plans to expand Museums Victoria's presence in domestic, regional, New Zealand and recovering international tourism markets
- 

## 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 Implement Research and Collections Strategy 2019–25 priority initiatives
  - Initiative 2.2 Partner and collaborate with First Peoples to ensure a culturally respectful and appropriate approach to our collections and research, in line with the First Peoples Strategy 2020–25
  - Initiative 2.3 Develop strategic partnerships that grow Museums Victoria's external research funding base
  - Initiative 2.4 Drive collection preservation and access facilities based on the sustainable collection storage strategy
  - Initiative 2.5 Develop digital initiatives that enable research and access to Museums Victoria's collections
- 

## 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 Implement a year-round seasonal approach to public experiences aligned to our diverse audience targets
  - Initiative 3.3 Implement Regional Engagement Plan 2020–25
  - Initiative 3.4 Strengthen Museums Victoria's multilingual services
- 

## 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 with a focus on enquiry science experiences, showcasing contemporary science research and promotion of futures literacy
- Initiative 4.2 Rapidly respond to contemporary science research, emerging opportunities and current events with online and onsite experiences
- Initiative 4.3 Develop innovative digital learning experiences online and onsite that connect with visitors of all ages with museums Victoria's research, collections and experiences

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## Strategic objective 5

### Museums Victoria is a sustainable and thriving organisation

- Initiative 5.1      Develop a high-performing workplace that is diverse, innovative, responsive, inclusive, safe, and reflects Museums Victoria's values
- Initiative 5.2      Grow Museums Victoria's philanthropic, corporate and commercial revenue and optimise existing funding streams
- Initiative 5.3      Grow and strengthen the brand, marketing and promotion of Museums Victoria, the individual museums and their unique proposition
- Initiative 5.4      Demonstrate Museums Victoria's value, environmental and economic impact, and our local, national and international impact
- Initiative 5.4      Deliver Strategic Corporate Services framework that prioritises, plans and delivers sustainable operations across Museums Victoria
- Initiative 5.6      Develop and implement a strategic framework for reducing Museums Victoria's environmental impact



Children engaging with the Learning Lab open access program at Melbourne Museum  
Source: Museums Victoria | Photographer: Rodney Start

# 2019–20 Year in review

## Strategic objective 1:

### Museums Victoria provides unmissable experiences for all audiences

Museums Victoria plays a unique and vital role engaging, educating and inspiring people of all generations at our museums, through our outreach programs across Victoria and via digital channels that take experiences far beyond our museum walls.

Exhibitions this year featured collaborations with creative industries, local artists and government partners, combined with Museums Victoria's expertise in digital production and experience design. Highlights included:

- *Mini Mega Model Museum* featured more than 300 scale models from the state collection, ranging from exquisite glass marine creatures to functioning miniature engines and a replica Colosseum made from cork (Melbourne Museum)
- *Top Designs*, presented in partnership with the Victorian Curriculum and Assessment Authority's (VCAA) VCE Season of Excellence (Melbourne Museum)
- *River of Languages*, a multimedia soundscape exhibition that celebrated UNESCO's International Year of Indigenous Languages, co-curated with the Victorian Aboriginal Corporation for Languages and featuring the work of Museums Victoria Yulendj member Brendan Kennedy (Bunjilaka Aboriginal Cultural Centre)
- *Our Bodies, Our Voices, Our Marks*, comprising a suite of exhibitions and experiences that explored the art of tattoo in the context of identity, self-expression, culture and community (Immigration Museum)
- *Air Playground*, an immersive and interactive experience that explored the dynamic and powerful properties of air (Scienceworks)
- *Two Strong Sisters Connected*, presented in collaboration with celebrated Victorian Elders and artists Aunty Eileen Harrison and Aunty Rochelle Paton (Bunjilaka Aboriginal Cultural Centre)

Highlights at Scienceworks included the inaugural *Dome Under Fulldome Festival*, produced by Museums Victoria's Planetarium team and featuring films from around the world created specifically for viewing in a planetarium. Other fulldome programming at the Planetarium this year included the art/science production *Particle/Wave* (a "love letter to gravitational waves") and a live orchestral performance of Holst's *The Planets* performed with accompanying fulldome visuals. During the year the weekly Planetarium Nights program remained hugely popular with sessions regularly selling out in advance.

*Nocturnal* at Melbourne Museum presented its second year of transformational after-hours experiences for adult audiences. Creative partnerships have become a signature strength of the *Nocturnal* program, with numerous collaborations this year that included Midsumma Festival, NAIDOC Week, Melbourne Writers Festival, Blak and Bright, Visit Victoria and *White Night Reimagined*, and the Virgin Australia Melbourne Fashion Festival. The diverse featured artists and performers included Tora, Eilish Gilligan, Banoffee, Rainbow Chan, Pania, MO'JU, Purple Sneakers, Feels, Hey Drums, Thailand's Pangina Heals (*Drag Race Thailand*) and Taiwan's Chrissy Chou.

Melbourne Museum, the plaza and the Royal Exhibition Building were once again a focal point for the White Night festival which this year was presented over three consecutive nights in August. The evening featured roaming performers and projections centred around *Mad Max: Fury Road*, a live performance on the plaza incorporating film footage, projections and special effects. Melbourne Museum also hosted a special *White Night Nocturnal* featuring Brian Nankervis and The Rockwiz Orchestra performing tributes to the artists and songs featured in the exhibition *Revolutions: Records and Rebels* from London's V&A Museum.

Collaborations at the Immigration Museum included the rich and diverse Summer of Dance that featured workshops, courtyard events and participatory dance experiences across the summer season. Amrita Hepi was Artist in Residence during the summer, which included a collaboration with Midsumma Festival for *Rainbow Effect*, a dance event featuring Hong Kong born, Sydney-based performer Rainbow Chan as part of the vibrant Summer Courtyard series. The Immigration Museum's diverse calendar of events is presented in greater detail under *Strategic Objective 3: Museums Victoria engages with, welcomes and celebrates all communities*.

Education experiences are core to Museums Victoria's offer, and in the first half of the year more than 170,000 school children participated in onsite education programs and activities. Another 110,206 took part in Museums Victoria Outreach programs to kindergartens, aged care facilities and festivals in regional and outer metropolitan areas.

Museums Victoria also presented onsite and virtual professional development programs for primary and secondary teachers on topics ranging from digital technologies to First Peoples. These programs were offered through MV Teachers, an online information and subscription service that reached 9,477 members in 2019, the highest number since the program launched in 2006.

The continued expansion of Museums Victoria’s virtual and live-streamed education programs is part of the delivery of the Digital Life Transformational Theme, one of two core principles underpinning Museums Victoria’s Strategic Plan 2017–25. In 2019–20 the Digital Life team produced a wide range of digital content under the *MV Stories* banner, reaching hundreds of thousands of viewers across Instagram, YouTube and Facebook and via electronic direct mail.

*Museum at Home* launched on multiple digital channels a week after the museums temporarily closed in March in response to the coronavirus (COVID-19) pandemic. *Museum at Home* provides a broad spectrum of virtual tours and events, digital stories, activities for all ages and live programs to audiences in lockdown. In April the offer expanded to include curriculum-aligned education content for teachers and play-based learning activities to support families schooling young children at home.

Between 23 March and 30 June *Museum at Home* reached more than 6.9 million people online with video content being a popular drawcard, attracting more than 1.5 million views. More than 78,000 individual teachers and parents visited our online education resources, with the *Top Designs* website and virtual tour attracting just shy of 78,000 page views.

Museums Victoria’s excellence in exhibition experience design, programming and digital output was recognised in national and international awards, including:

- RACV Victorian Tourism Awards: Bunjilaka Aboriginal Cultural Centre, winner Qantas Aboriginal and Torres Strait Islander Tourism Award
- Melbourne Design Awards 2020: Road to Zero TAC Road Safety Education Complex, Gold Award for Pop-Ups, Display, Exhibit and Set Design
- Victorian Premier’s Design Awards, 2019: *Gut Feelings*, Finalist for Communication Design
- Australian Graphic Design Awards, 2019: *Gut Feelings*, Distinction for Exhibition Design
- Australian Graphic Design Awards, 2019: *Gut Feelings*, Finalist for Wayfinding, Signage and Environmental Graphics,
- Australian Interior Design Awards, 2020: *Gut Feelings*, Shortlisted for Installation Design, 2020
- Time In Awards: *Museum at Home*, winner of the “Are We There Yet Award for Favourite Online Content for Kids”
- EdTech Awards: Road to Zero TAC Road Safety Education Complex, Finalist in two categories, ‘Video Based Learning Solution’ and ‘Product or Service Setting a Trend’.



Child enjoying activities in *Air Playground* exhibition at Scienceworks  
Source: Museums Victoria | Photographer: Joel Checkley, Tiny Empire Collective

## 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

Museums Victoria is custodian of the State Collection, comprising more than 17.2 million items that trace our natural, social and cultural histories. Formed over more than 165 years, the collection is an asset of inestimable importance and value to today's and future generations and continues to inspire research of national and international significance.

This was the first year implementing the *Research and Collection Strategy 2019–25* which presents a transformational interdisciplinary and collaborative approach to Museums Victoria's research and collecting activities. At a time of immense environmental and social change, the strategy's place-based emphasis will maximise our impact in creating, sharing and exchanging knowledge about Victoria and the south-eastern Australian region.

The first phase of a pilot interdisciplinary place-based project, focussing on the Yarra Bend precinct in inner Melbourne, was completed with a toolkit developed to assist people with future place-based projects.

In October and November, a Museums Victoria team working with Parks Victoria, Earth Watch and BHP, and in partnership with Traditional Owners, the Wotjobaluk Peoples, undertook a Bush Blitz biodiversity survey at the Little Desert National Park in western Victoria. The program identified a number of poorly known animal species, including peacock, wolf and jumping spiders which are currently being documented.

The Ian Potter Foundation provided a generous three-year grant to engage an Early Career Researcher to undertake further studies in the Little Desert region, focussing on the impact of bushfires on reptiles and invertebrates, and helping to develop conservation management strategies.

Following the disastrous Victorian bushfires in the 2019–20 summer, Museums Victoria worked closely with the Victorian Department of Environment, Water, Land and Planning (DELWP) on a series of bushfire response and recovery initiatives. This included funding for several projects to survey Victoria's threatened small mammal species, including the New Holland Mouse, Smoky Mouse, and Broad-toothed Rat.

Museums Victoria also worked alongside DELWP, Parks Victoria, Zoos Victoria and volunteers to evacuate koalas from the bushfire-affected zones in East Gippsland to treatment centres at Healesville Sanctuary and Melbourne Zoo for specialist veterinary care.

Museums Victoria's Senior Curator of Terrestrial Vertebrates, Dr Jane Melville, was awarded a prestigious Fulbright Fellowship, which encourages professional studies in the USA. Dr Melville spent July to November based at Washington University, St Louis, Missouri, to research Australia's unique lizard fauna and methods to assist in their conservation.

Dr Jane Melville collaborated with Mr Steve Wilson (Queensland Museum) on a new 400-page book, *Dragon Lizards of Australia: Evolution, Ecology and a Comprehensive Field Guide*, which was published by Museums Victoria in September. The book is an authoritative account of nearly 800 lizard species from Australia, representing one of the most diverse faunas of any country on Earth.

Museums Victoria continued to lead the Lost World of Bayside Fossils project, supported by community fundraising and engagement, including from the Sandringham Foreshore Association. New research during the year uncovered nine new fossils of ancient seals, helping to secure the bayside location as one of the most important urban fossil sites in Australia.

This year saw significant progress in delivery of a First Peoples Strategy that will best enable Museums Victoria to place First Peoples cultures, histories and knowledge at the heart of our practice. The strategy outlines the approach to strengthen Museums Victoria's leadership in increasing understanding and exchange between all Australians and in providing greater representation and inclusion of Australia's First Peoples in all parts of the organisation.

Museums Victoria's Senior Curator of South East Aboriginal Collections, Ms Kimberley Moulton, received the 2019 Power Publications Award for Indigenous Art for her essay, "I can still hear them calling: echoes of my Ancestors", published in the 2018 book, *Sovereign Words: Indigenous Art, Curation and Criticism*.

A strong team effort across the First Peoples department saw the completion of a major three-year plan to help manage and develop, build knowledge, and enable access to the First Peoples Archaeology Collection. The collection has considerable potential to contribute to First Peoples archaeology within Australia and broader archaeological inquiry.

Museums Victoria received a Commonwealth Government grant to assist in the repatriation and return of Ancestral Remains and Secret-Sacred Objects to First Peoples communities of origin. Unfortunately, coronavirus (COVID-19) restrictions meant that some communities from Northern Australia and Central Australia in particular were unable to visit Museums Victoria to assess collections, and some work activities were postponed.

In response to the coronavirus (COVID-19) crisis, Museums Victoria developed a dynamic, rapid-response collecting project, *Collecting the Curve*, to document the pandemic as it is being experienced in Victoria. The project is part of *Museum at Home*, and features acquisitions including the first images of the virus grown outside of China by the Peter Doherty Institute for Infection and Immunity and a range of ephemera that captures social phenomena such as panic buying, mobile testing and mandatory quarantine.

In June, the E.W. Cole Foundation provided a generous grant towards mechanical items in the museum's E.W. Cole collection. Other key acquisitions during the period included: a significant personal collection of barnacles assembled by Prof. John Buckeridge (formerly of RMIT University); a 17-kilogram stony meteorite discovered by chance by a gold prospector near Maryborough, Victoria, in May 2015; and the Candelabra Epergne centrepiece from the Lonsdale Silver Presentation dating from the 1830s, acquired with support of the Australian Government through the National Cultural Heritage Account.

Museums Victoria has developed a Sustainable Collection Storage Strategy 2020–2040 to address immediate to long-term critical issues associated with collection storage.

In a major milestone, the Great Melbourne Telescope (GMT) was reassembled in its original form for the first time since 1945. The restoration project has so far required more than 30,000 hours by a dedicated volunteer team, many of them members of the GMT Section of the Astronomical Society of Victoria, and has been made possible with the generous support of the Copland Foundation, Myer Foundation, Ian Potter Foundation, and Creative Victoria. The 10-metre tall telescope, which celebrated its 150th Anniversary this year, is an icon of late nineteenth-century Melbourne and one of the most important scientific instruments of its era.



The Great Melbourne Telescope in the Scienceworks Engineering Workshop  
Source: Museums Victoria | Photographer: Rodney Start

### Strategic objective 3:

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

Our museums cut across cultural barriers, serving Victorians of all ages and backgrounds through exhibitions and programs at our museums and through outreach programs to areas across the state.

This year Museums Victoria's outreach and education programs reached more than 287,718 people, with 16% of those living in areas outside of metropolitan Melbourne. Educational services for regional communities expanded with the launch of the Road to Zero regional in-school education program for Years 9, 10 and VCAL, which provides experiential learning activities that replicate a visit to the centre at Melbourne Museum.

Other regional engagement included a visit to Mildura and surrounding areas during National Science Week as part of a nine-year collaboration with the Mildura Arts Centre.

For more than a decade, disadvantaged and vulnerable families have visited Scienceworks and Melbourne Museum through programs presented in partnership with family support services at Brotherhood of St Lawrence, Yarra City Council, Migrant Information Centre and Save the Children. Science Morning Teas have helped to create a positive connection with the museum and in 2019–20 the program hosted more than 330 guests.

November 2019 marked 21 years since the Immigration Museum first opened in 1998. Over the past two decades the Museum has worked with more than 80 Victorian communities to share and celebrate their stories of arrival and settlement in Victoria. Exhibitions and programs this year included collaborations with more than 200 creative practitioners and community representatives, with highlights including:

- *Generations*, a new multi-arts festival co-produced with Multicultural Arts Victoria, celebrated the diversity of Melbourne's multi-cultural and multi-generational creative communities, presented with support from the Victorian Multicultural Commission
- *Blue Black Beatz*, co-curated with AfroHub, brought together the best of Melbourne's African and First Nation communities' music to the Museum's courtyard, including Kizomba steps, Afro beats, soul, R&B, rap and hip hop
- *Under the Olive Tree*, a concert of Jewish and Arab music presented as part of Melbourne Music Week, supported by Creative Victoria and the Victorian Multicultural Commission
- *Urban Tactility*, a sensory installation in the Museum's courtyard and talk series in partnership with Open House Melbourne, RMIT School of Design, OoPLA Design and Cushman & Wakefield, that connected participants to the experiences of people with blindness or low vision.

*Our Bodies, Our Voices, Our Marks* explored tattoo and cultural expression through a suite of exhibitions and programs presented in collaboration with local Pasifika and Japanese communities and creative practitioners:

- Salon X, an evening of embodied storytelling and performances presented as part of Melbourne Writers Festival, featuring Oceanian collective Aniva, spoken-word poet Grace Vanilau, poet and performance artist Lay the Mystic, stand-up comedian and dancer Ryuichi Fujimura, and the Australian Haiku Society
- "Tatatau, Tatau, Tattoo", a talk by Museums Victoria Te Pasifika lead curator Sione Napi Francis on customary and contemporary art forms of tattoo in the Pacific
- Pasifika Vitoria Choir performance in the *Tatau: Marks of Polynesia* exhibition
- "Fashioning the Body" panel conversation with Akira Isogawa, Stanislava Pinchuk and Zaiba Khan, on marking identity through clothing and adornment and the influence of their own immigration journeys, presented as part of the Virgin Australia Melbourne Fashion Festival.

From December to February the Immigration Museum presented Summer of Dance, a season created in collaboration with Amrita Hepi, First Nations artist and choreographer from Bundjalung (Australia) and Ngāpuhi (New Zealand) territories, and a range of community groups. Highlights included:

- A performance by ground-breaking Korean multi-instrumentalist and composer Park Jiha with local cult favourite DJ Moopie, presented in partnership with Play On Collective as part of the *Asia TOPA Festival* and with support from the Victorian Multicultural Commission and Korea Arts Management Service
- Latin Valentine, a celebration of cross-cultural Latin dance, music and food traditions and contemporary expressions inspired by the Mexican Day of Love and Friendship, in partnership with MexVic and Yo Soy Collective
- Let's Dance, a day of family-friendly workshops and performances celebrating a range of dance communities in Melbourne including Wurundjeri, Bollywood, Turkish, West African, K-Pop and krump
- Dance Reel, a suite of contemporary dance video projections that featured work by Amrita Hepi, Angela Goh, Bhenji Ra, Gabber Modus Operandi and Shelley Lasica
- Dance Salons, performances featuring Alexander Powers, Isabella Whāwhai Waru, Shelley Lasica's Design Plot and Piloto, on a dancefloor designed by Sibling Architecture in consultation with Amrita Hepi.

In June the Immigration Museum partnered with SBS On Demand to present a selection of films for Refugee Week, streamed free online. Each film was paired with refugee stories connected to the Museums Victoria's collection and a recommended meal that could be ordered online from local social enterprises supporting refugees, asylum seekers and new migrants.

In collaboration with Midsumma Festival, the Immigration Museum presented "Pacific Essence: Tales of a Migrant Plantation", featuring LGBTIQ+ collaborators from the local Pacific diaspora and curated by Amao Leota Lu, Melbourne-based Samoan fa'afafine and trans advocate of colour, performer and storyteller, with support from the Australia Council.

This year Museums Victoria celebrated the Luna New Year and beginning of the Year of the Rat in partnership with Chinese New Year United. Our 2020 celebrations included display of 12 Zodiac lanterns across Melbourne Museum,

talks from our resident rat expert Dr Kevin Rowe (Senior Curator of Mammals) and performances, science talks and family activities as part of the Lunar New Year Family Weekend at Melbourne Museum.

Throughout the year, Immigration Museum presented Storylands, a regular multilingual story time for 3- to 5-year-olds, their parents and carers. Featured languages included Cantonese, Greek, Hindi, Mandarin, Singhalese and Spanish. The museum also partnered with neighbouring residents to create a communal garden in the Museum's courtyard. The newly formed Market Street Gardeners Association helped foster a sense of community with our culturally and linguistically diverse, intergenerational CBD neighbours, and contributed to city greening and sustainability agendas.



Generations Festival: co-produced by Multicultural Arts Victoria and Immigration Museum  
Photographer: Damian W Vincenz

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

Museums Victoria engages people with big ideas and creative solutions using science, technology, engineering and mathematics (STEM).

A highlight this year was National Science Week, presented in partnership with the Royal Society of Victoria and Innovation Australia that included more than 30 events. Melbourne Museum events included the national launch, “Science at the Extreme”, and *Science on Show* which featured Museums Victoria’s scientists sharing their research with more than 1,000 visitors over two days. Scienceworks’ events included programs on robotics, lunar science and a presentation by NASA biologist Dr Darlene Lim.

In July Scienceworks marked the 50th anniversary of the moon landing with “Footsteps on the Moon”, featuring a panel discussion between Dr Megan Clark AC, Head of the Australian Space Agency, Associate Prof. Alan Duffy, Lead Scientist of the Royal Society, Dr Gail Iles, former astronaut trainer and US Consul General Michael Kleine, moderated by Robyn Williams AM from the ABC Science Show. “Footsteps on the Moon” was presented with support from the United States Department of State.

The U.S. Embassy also supported *Journey to Pluto*, a special event in the Planetarium exploring the New Horizons mission including a rare opportunity to hear from the Missions Operations Manager Alice Bowman.

In November 2019 Scienceworks celebrated the 70th anniversary of CSIRAC, Australia’s first computer, with an education event on the history and future of Australian computer science, delivered in partnership with the Pearcey Foundation.

In January the Learning Lab at Melbourne Museum was launched, adding an innovative new learning space to the museum’s broad suite of education programs and experiences. The Learning Lab is an immersive environment that integrates collection and exhibition-based content and experiences with 21st-century learning using digital technologies. The highly flexible space has been designed to operate in a range of different teaching formats and can transform from an exhibition space into an interactive, co-creative digital workshop.

In February Scienceworks hosted the Australasian Planetarium Society Conference, welcoming delegates from around Australia and also New Zealand. The Australasian Planetarium Society (APS) is the primary organisation responsible for promoting the exchange of ideas, information and experiences within the planetarium community in Australia, New Zealand and the Australasian region. Scienceworks general manager Jonathan Shearer also joined the inaugural meeting of Future-Oriented Museum Synergies (FORMS) in Amsterdam, created to foster momentum and ideas exchange among innovative, future-oriented museums internationally.

Museums Victoria is grateful to the many supporters, donors and partners who have made vital contributions to Scienceworks this year, including a generous donation from the Andrew and Geraldine Buxton Foundation.

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

Museums Victoria's skilled and passionate staff and volunteers are the driving force of the organisation. The breadth of their work and its reach and impact across Victoria is made possible through the generous support of our highly valued community of Members and supporters, and enabled by our commercial operations, systems and technology, and the smooth functioning of our buildings and facilities.

This year there were 23,299 memberships representing more than 70,000 adults and children who enjoyed benefits including unlimited free general entry at Melbourne Museum, Scienceworks and Immigration Museum. Throughout the year Members also took part in a number of exclusive events, such as back of house tours, masterclasses, VIP retail evenings and a Members summer party in conjunction with the launch of *Air Playground* at Scienceworks. With the temporary closure of the museums in March, members programs went online with a special website and exclusive *Museum at Home* content.

The Museum Store also launched online in 2019–20 and saw steady growth during the lockdown periods while other commercial streams were more significantly impacted or ceased. The closure of Melbourne Museum however, allowed quick completion of works on the redevelopment of the Market Café and stylish new Mercury restaurant. While consumer demand decreased as a result of lockdown, the museum car park was able to provide parking to support essential workers and medical staff at the nearby St Vincent's Hospital.

Investments in our culture and engagement strategies have resulted in a continued focus on Diversity and Inclusion, development of programs that facilitate our understanding of our First Peoples cultures, partnerships with the Victorian Equal Opportunity and Human Rights Commission and delivery of core learning and development initiatives online. At year end, all staff had participated in a cultural competency training program, part of the delivery of the First Peoples transformational theme.

Programs were quickly adapted to online delivery with the closure of the museums in March for the first period of lockdown and the transition of more than 500 staff to working from home. There has been a strong focus on promoting staff health and wellbeing during this period, with a wide range of online resources available along with initiatives to help staff stay connected with each other and the organisation. An expanded learning and development program included conversational Mandarin and Beginners Auslan.

Staff development is also supported through The Botten-Cuthbertson Bursary, awarded annually to emerging leaders with the generous support of Director's Circle members Christobel Botten and Andrew Cuthbertson. This year's bursary was awarded to Leonora De Crescenzo who will take part in professional development courses at the Disney Institute in California when coronavirus (COVID-19)-related international travel restrictions are eased.

Museums Victoria's important community of supporters and donors continue to play a vital role in supporting a thriving organisation, providing valued support across research and collections, major projects, education, programming and staff development. Existing corporate partners such as Metro Tunnel (Rail Projects Victoria), TAC and Rio Tinto have been joined by new partnerships to support the presentation of engaging experiences and innovative programming to audiences. These include Major Road Projects Victoria, who generously supported engineering-based activities at Scienceworks during the September school holidays.

In November Museums Victoria announced an innovative partnership with VicHealth to phase out the sale of sugary drinks from Melbourne Museum, Scienceworks and the Immigration Museum. This project is VicHealth's first major public activity in their new strategy to tackle childhood obesity and will include the installation of new drinking fountains at the museums along with a research project to assess the initiative's impact.

In August Biostime Nutrition Australia partnered with Museums Victoria to present *Play Box: Early Starts for Early Learners*. Recognising the importance of play-based learning in a child's first 1,000 days, the program opened up spaces within Melbourne Museum an hour ahead of regular opening hours from Tuesday to Saturday. Following the closure of the Museum in March due to coronavirus (COVID-19), Museums Victoria developed a digital version of the program as part of *Museum at Home*.

Securing and investing in our systems and infrastructure is critical to ensuring sustainability and efficiency. In 2019–20, an ambitious \$11 million project to boost energy efficiency and drive down energy costs across Museums Victoria's six buildings was completed through an innovative energy management partnership with Siemens and the Victorian Government.

As part of the upgrade, more than 2,700 solar panels were installed at four Museum Victoria sites. The project is one of many being delivered under the Victorian Government's Greener Government Buildings program (GGB) and involves a combination of new efficient lighting, heating and cooling upgrades, solar panels and building automation and controls.

In June the current phase of the Protection and Promotion Project for the Royal Exhibition Building achieved practical completion. This project, which began in 2012 with funding from the Federal Government, included the complete refurbishment of the dome and entire south façade of the building, the creation of a new basement interpretation space and the restoration of the dome promenade. The project is generously supported by Dr Will Twycross and will feature objects from the John Twycross Melbourne International Exhibitions Collection, a remarkable collection of more than 200 objects that were purchased at the Melbourne International Exhibition in 1880.

Systems improvements this year included the successful roll-out of Microsoft 365, which has enabled staff collaboration and greater flexibility of work. In late June a new ticketing system, BOS, was launched across all sites in time for visitors returning to Melbourne Museum and Scienceworks for the brief re-opening period. The ticketing system improves Museums Victoria's sales reporting and data analysis processes and will provide better customer experiences, improved customer service and enhanced business intelligence.



Museums Victoria Solar Array Project announcement at Melbourne Museum  
Source: Museums Victoria | Photographer: Benjamin Healley

## Temporary exhibitions on view during 2019–20

Location	Exhibition	Dates	Description
Bunjilaka	<i>Midawarr: Harvest</i>	4 April–19 July 2019	A collaboration between artists Mulkun Wirrpanda and John Wolseley, <i>Midawarr: Harvest</i> explored the plants of the Dhubi-Djapu lands of East Arnhem Land. Mulkun Wirrpanda and John Wolseley met every Midawarr ('harvest' in the Yolngu matha language) for five years to research and document the useful and delicious plants that, for centuries, have sustained communities in this unique part of the continent. Midawarr inspired us to think about the way we use, connect, value and understand our environment.
Bunjilaka	<i>River of Language</i>	28 June–13 October 2019	As part of 2019 NAIDOC week celebrations, <i>River of Language</i> celebrated the role of language and how it embodies all that we know and do. The exhibition was developed in collaboration with the Victorian Aboriginal Corporation for Language and explores Victoria's Living Aboriginal Knowledge Systems. Through sound and images, visitors encountered and experienced the vibrancy of our living languages.
Bunjilaka	<i>Manggan – gather, gathers, gathering</i>	16 August 2019–26 January 2020	The first national touring exhibition of contemporary works by award-winning artists from Far North Queensland's Girringun Aboriginal Arts Centre. This exhibition provides a unique opportunity for Melbourne audiences to engage with the distinctive Aboriginal rainforest art traditions and culture of the Girringun region.
Bunjilaka	<i>Two Strong Sisters Connected</i>	22 February 2020–31 January 2021	Featuring over 38 works on display from celebrated Victorian Elders and artists Aunty Eileen Harrison and Aunty Rochelle Patten. <i>Two Strong Sisters Connected</i> is a journey through the stories of the artists, sharing matriarchal cultural knowledge, passed down from mothers and grandmothers for thousands of generations.
Melbourne Museum	<i>Top Designs 2019</i>	30 March–14 July 2019	Celebrating the innovation and creative problem-solving of Victoria's youngest designers, <i>Top Designs 2019</i> showcased the works of outstanding VCE and VET design students, with content spanning the breadth of furniture, fashion, graphic and product design, set, prop and costume design, film, print, photography, animation, mechanical, electronic and web design.
Melbourne Museum	<i>Revolutions: Records and Rebels</i>	26 April–6 October 2019	The late 1960s were a moment when youth culture drove optimism and idealism, motivating people to come together and question the establishment across every area of society. <i>Revolutions</i> explored this significant cultural shift using film, music and objects to consider the seismic changes of the 1960s and the impact the period had on the way we live today. Developed by the Victoria and Albert Museum, <i>Revolutions</i> toured exclusively in Australia to Melbourne Museum.
Melbourne Museum	<i>Mini Mega Model Museum</i>	7 December 2019–11 July 2021	Exploring why humans are fascinated with the world of miniaturised objects both big and small. This exhibition features over 300 models from the museum's own collection, with some dating back to the museum's founding from 1854.

Location	Exhibition	Dates	Description
Melbourne Museum	<i>Top Designs 2020</i>	20 March 2020–31 January 2021	Top Designs 2020 showcases some of the brightest VCE and VCE VET students from across Victoria. This exhibition features 88 works which offer a glimpse into the future of Australian design. Due to the impacts of coronavirus (COVID-19) and our museums closure, <i>Top Designs 2020</i> was taken online where visitors can take a virtual tour of the exhibition, watch interviews with the exhibitors and view the works up close.
Immigration Museum	<i>Our Bodies, Our Voices, Our Marks</i> Exhibition Series: <i>Documenting the Body: Curated by Miso</i>	24 May–6 October 2019	An exploration of self-expression and cultural connection through tattooing, featuring contemporary artists chosen by Stanislava Punchuk. <i>Documenting the Body</i> considered the stories our bodies tell and presented local and contemporary perspectives on tattooing as it intersects with themes of immigration, journeys, the body, heritage and identity.
Immigration Museum	<i>Our Bodies, Our Voices, Our Marks</i> Exhibition Series: <i>Tatau: Marks of Polynesia</i>	24 May–6 October 2019	Tatau showcased the work of traditional Tatau masters alongside that of younger practitioners and artists who are adopting Tatau motifs and styles for new media and art forms. Tatau are significant in Samoan culture and help Samoans and other Polynesians living abroad stay close to their identity and heritage.
Immigration Museum	<i>Our Bodies, Our Voices, Our Marks</i> Exhibition Series: <i>Perseverance</i>	24 May 2019–2 February 2020	An exploration of the artistry of traditional Japanese tattoos as well as their history and influence on modern tattoo practices. While tattooing is largely seen as an underground activity in Japan, it has persevered and is now internationally renowned for its artistry, lineage, historic symbolism and the skill of its practitioners.
Scienceworks	<i>2019 David Malin Awards: Winning Sky Photos</i>	May–July 2019	Display of spectacular, award-winning photographs of the night sky from the last 24 months as judged by world-renowned astrophotographer Dr David Malin.
Scienceworks	<i>STEM Videogame Arcade</i>	1 October 2019–2 February 2020	This exhibition showcased the winners of the Australian STEM Video Game Challenge. Each game was designed and produced by students from year 5 through to year 12 and were accessible for the museums visitors to play and engage with.
Scienceworks	<i>Air Playground</i>	14 December 2019–28 February 2021	<i>Air Playground</i> is designed for primary aged students to explore and breakdown the complex nature of air. Using various interactive hands on displays that use STEM skills to challenge children to think about what exactly air is and what it can do.

## Touring exhibitions

Location	Exhibition	Dates	Description
Migration Museum, Adelaide	<i>British Migrants: Instant Australians?</i>	22 February–22 November 2020	Developed by Museums Victoria and currently on display at the Migration Museum, Adelaide, <i>British Migrants: Instant Australians?</i> examines the post-war boom migration of nearly 1.5 million Britons using digital animation to tell the stories and experiences of these migrants.

## Museums Victoria collaborations

Location	Project	Partner	When
<b>With sector organisations</b>			
Immigration Museum	Urban Tactility Installation and Talks	Open House Melbourne	July 2019
Melbourne Museum	National Science Week	Royal Society of Victoria Innovation Australia	August 2019
Immigration Museum	Generations Festival	Multicultural Arts Victoria	October 2019
Melbourne Museum	Lunar New Year	Chinese New Year United City of Melbourne	February 2020
Immigration Museum	Refuge and Resilience: Curated Film Program for Refugee week	SBS On Demand	June 2020
Melbourne Museum	<i>Top Designs 2020</i>	Victorian Curriculum and Assessment Authority	March 2020
Melbourne Museum	Office accommodation Educator professional development	Australian Museums and Galleries Association Victoria	February 2020
Across Victoria	'STEMworks' Educator Professional Development	Catholic Education Commission Victoria	Annual
<b>With other Creative Industries Portfolio Agencies</b>			
Collaboration via Zoom	Victorian Museums and Galleries/ coronavirus (COVID-19) Exhibition Installation Guidelines	ACMI NGV Arts Centre Melbourne	May 2020
<b>With individual creative practitioners</b>			
Melbourne Museum	Learning Lab: River Connections video experience	Grumpy Sailor Koorie Elders and Community Members	January 2020
Immigration Museum	Pacific Essence: Tales of a Migrant Plantation	Midsumma Festival	January 2020
Immigration Museum	Summer of Dance	First nations choreographer Amrita Hepi	January 2020
Immigration Museum	Play On presents Park Jiha and Moopie	AsiaTOPA Department of Foreign Affairs and Trade	February 2020
Melbourne Museum	<i>Nocturnal</i>	Midsumma Festival Curator Jonathan Homsey	February 2020
Melbourne Museum	First Peoples Acknowledgement of Country artwork	Tati Tati artist Brendan Kennedy	June 2020

<b>Location</b>	<b>Project</b>	<b>Partner</b>	<b>When</b>
<b>With regionally based outcomes</b>			
Mildura, Victoria	National Science Week with Mildura Arts Centre	Mildura Arts Centre	August 2019
Little Desert National Park, Victoria	Bush Blitz Taxonomy Research Project	BHP Dept of Agriculture Water and Environment Ian Potter Foundation	October–November 2019
Portland, Victoria	Portland Upwelling Festival	Portland Tourist Association	November 2019
Grampians National Park Dandenong Ranges Alpine National park	Regional Victoria Bushfire Research Collaborations – Phase 1 and 2	Zoos Victoria Parks Victoria DELWP Wimmera Catchment Management authority University of Melbourne Deakin University Centre for Environmental Stress and Adaptation Research University of Canberra	January–February 2020
<b>With international organisations</b>			
Scienceworks, Melbourne, Australia	50 <sup>th</sup> Anniversary of the moon landing	US Consulate Melbourne	July 2019
Amsterdam, The Netherlands	Future Oriented Museum Synergy Group – Scienceworks’ attendance	Museum of Tomorrow	October 2019
Central Region, Singapore	Designing for and Engaging Children in Cultural Spaces – Professional Development Workshops online exchange	National Heritage Board Singapore	February 2020
Scienceworks, Melbourne, Australia	Conference Host	Australasian Planetarium Society (Australia/New Zealand partnership)	February 2020
Sulawesi, Indonesia	Investigation of Terrestrial Vertebrates, Spiders, Haemosporidian Parasites (Dr Kevin Rowe, Senior Curator of Mammals)	US National Science Foundation (Funding provider)	2019–20
London, United Kingdom	Virtual Realms Exhibition Agreement	Barbican International Enterprises (UK)	

# The year in brief

## Attendance

	2019–20	2018–19	2017–18	2016–17	2015–16
Immigration Museum	85,621	135,372	117,757	122,574	116,024
Scienceworks	369,194	506,342	481,037	433,472	502,109
Melbourne Museum	754,309 <sup>1</sup>	1,106,169	1,191,862	1,140,618	991,132
IMAX	170,199	224,903	261,495	230,040	258,271
<b>Total ticketed attendance</b>	<b>1,379,323</b>	<b>1,972,786</b>	<b>2,052,151</b>	<b>1,926,704</b>	<b>1,867,536</b>
Outreach Program	110,206	141,233	182,451	134,318	440,450
Website	5,876,777	6,213,921	5,192,921	5,327,403	5,897,515
<b>Total offsite attendance</b>	<b>5,986,983</b>	<b>6,355,154</b>	<b>5,375,372</b>	<b>5,461,721</b>	<b>6,337,965</b>
Royal Exhibition Building	382,747	701,267	635,218	567,136	541,404
<b>Total attendance</b>	<b>7,749,053</b>	<b>9,029,207</b>	<b>8,062,741</b>	<b>7,955,561</b>	<b>8,746,905</b>

### Notes:

Museums Victoria overall annual attendance was primarily influenced by coronavirus (COVID-19) and the associated venue closures from 16 March 2020. Melbourne Museum, Scienceworks and IMAX all reopened in late-June 2020, however due to physical distancing requirements had limited daily capacities. The Royal Exhibition Building experienced 12 cancelled or postponed events due to the coronavirus (COVID-19) closures from March 2020.

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 website was down on target for 2019–20, which can be attributed to a loss of website traffic related to a decline in visitor ticket sales because of coronavirus (COVID-19) and the resulting museum closures. This is offset by the increase in website use of 40% through *Museum at Home*.

The Key Performance Indicator results above for Total Ticketed Visitation, Outreach and Website form part of the published Victorian Government Budget Paper 3 (BP3) measures tracking Museums Victoria's Performance. From 2019–20, the 'Total Ticketed Visitation' and 'Outreach' categories have been combined to report the total 'Attendance/users' BP3 measure of 1,489,529.

## Key performance indicators

	2019–20	2018–19	2017–18	2016–17	2015–16
Collection stored to industry standard	78%	74%	74%	74%	75%
Visitors satisfied with visit overall	97%	97%	96%	98%	99%
Students participating in education programs	177,492	255,552	255,725	272,731	287,460
Volunteer hours	34,917	43,349	40,012	41,692	37,685
Memberships	23,299	23,522	29,216	20,307	16,295

### Notes:

Education programs were tracking slightly above target at the end of quarter two, however Education visitation was subject to the same impacts as General Admissions resulting from the coronavirus (COVID-19) pandemic and resulting museum closures.

The impact of coronavirus (COVID-19) and the closure of all venues has contributed to a decrease in the number of new and renewing memberships purchased during this reporting period.

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

<sup>1</sup> Melbourne Museum actual ticketed attendance was 752,903 for 2019–20. This figure above includes tours of the Royal Exhibition Building which are conducted by Melbourne Museum Visitor Engagement Officers (1,406 attendees).

## Financial summary

	2019-20 \$'000	2018-19 \$'000	2017-18 \$'000	2016-17 \$'000	2015-16 \$'000
Revenue from government	89,512	86,894	85,799	86,474	84,152
Total income from transactions	119,463	124,944	137,009	125,047	123,472
Total expenses from transactions	(119,766)	(125,093)	(133,753)	(117,696)	(117,297)
Net result from transactions before depreciation	(303)	(149)	3,256	7,351	6,175
Net result from transactions after depreciation	(33,800)	(30,376)	(26,126)	(20,936)	(11,369)
<b>Net result for the period</b>	<b>(34,158)</b>	<b>(31,326)</b>	<b>(26,044)</b>	<b>(20,577)</b>	<b>(11,943)</b>
Net cash flow from operating activities	(2,274)	(5,462)	12,414	4,469 <sup>2</sup>	16,363
Total assets	1,841,899	1,870,462	1,719,362	1,646,097	1,669,093
Total liabilities	32,951	32,802	30,798	23,955	26,367

Notes to Financial Summary:

Total income from transactions (which includes revenue from government) decreased due to a significant reduction in self-generated income from the coronavirus (COVID-19) pandemic lockdown which commenced on 16 March 2020. The reduction in self-generated income arose from a combination of reduced admission fees and lower commercial income earned. This is partially offset by increased revenue from government funding for coronavirus (COVID-19) business interruption.

Expenses from transactions decreased largely due to lower operating expenses due to the coronavirus (COVID-19) pandemic lockdown, partially offset by a higher depreciation.

Net cash outflow from operating activities is lower, mainly due to reduced payment to suppliers and employees due to the coronavirus (COVID-19) shutdown and increased government grant receipts due to coronavirus (COVID-19) business interruption funding. This is partially offset by reduced receipts self-generating income.

Assets decreased from higher depreciation expenditure due to the previous year's substantial rise in building revaluation. This is partially offset by an increase in building constructions work in progress.

## Environmental performance

	2019-20	2018-19	2017-18	2016-17	2015-16
<b>Energy</b>					
Total energy consumption (gigajoules)	39,853	72,284	61,728	100,100	130,181
Greenhouse emissions associated with energy use (tonnes – CO <sub>2</sub> )	13,113	14,512	16,196	19,195	21,698
<b>Waste</b>					
Percentage of total waste recycled	52%	46%	45%	51%	55%
<b>Water</b>					
Water consumption (kilolitres)	71,548	73,185	77,588	67,924	93,130

Notes:

Museums Victoria engages in sustainable management practices under the State Government's Energy Management Program. This is reflected in a reduction in the total energy consumption which can be attributed to more than 2,700 solar panels installed at four Museums Victoria sites. The project is one of many being delivered under the Victorian Government's Greener Government Buildings program and involves a combination of new efficient lighting, heating and cooling upgrades, solar panels and building automation and controls.

<sup>2</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.

# Future priorities

## First Peoples Strategy

This year saw significant progress towards delivery of a First Peoples Strategy that will best enable Museums Victoria to place First Peoples cultures, histories and knowledge at the heart of our practice. The strategy outlines 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.

## Museum at Home

Since 2017, Museums Victoria's Digital Life has been extended through investment in digital systems and infrastructure, creation of the Digital Life team and development of the One Digital Life Strategy 2018–25. Museums Victoria's Digital Life approach aims to increase Museums Victoria's digital footprint by connecting digital audiences with our people, collections, research and experiences through a variety of platforms and channels.

In late March 2020, Museums Victoria closed all its public spaces in response to the the coronavirus (COVID-19) pandemic. Within a week Museums Victoria initiated *Museum at Home*, a broad range of curated 'at home' online activities and experiences for audiences of all ages. The established Digital Life structure and strategy enabled *Museum at Home*'s immediate presence and immediate success. *Museum at Home* became a key initiative and priority during the closure period, keeping Museums Victoria connected with new and existing audiences under a single branded experience. New content is frequently added and promoted across social media and via email to our Members and subscribers, building awareness of our research and collections and generating revenue through the online shop.

Museums Victoria's Digital Life approach has amplified and integrated the way we develop content and products to grow digital audience engagement, extend onsite experiences and position Museum Victoria's digital channels as an integral part of our public engagement offer. The delivery of *Museum at Home* in quick response to very changed circumstances was the perfect vehicle to harness Museums Victoria's established Digital Life capabilities. 2020–21 will more deeply incorporate our matured digital content creation function into our established experience planning.

## Scienceworks redevelopment

Museums Victoria plans to transform Scienceworks physical presence at its existing site to amplify its delivery of compelling, innovative STEM-based experiences that emphasise open-ended, hands-on problem solving and learning.

A redeveloped Scienceworks would be positioned to inspire community members across all ages to engage with science and technology and build the talents of Victorians with a passion for science and technology, with a further emphasis on inspiring and supporting innovation in STEM-related fields. With a renewed focus on communicating contemporary science, the redevelopment would allow Scienceworks to further enhance its position as a visitor drawcard and as one of Victoria's most trusted and accessible sources of science-related news and discussion for family and education audiences.

Museums Victoria continues to progress the development of the full scope of the project, including planning, design, and fundraising strategies to support this significant and considerable redevelopment.

## Royal Exhibition Building Dome Promenade experience

Museums Victoria is the committed custodian of the Royal Exhibition Building. Work is now completed on the Royal Exhibition Building Protection and Promotion Project, delivering significant conservation works for this World Heritage Listed building. Museums Victoria will strive to continue long-term conservation works on the exterior and interior of this iconic Victorian building.

In 2020–21, experience planning will take place to deliver recreating the spectacular 1880's Dome Promenade accessing 360-degree views of Melbourne for an anticipated opening date in 2020–21.

## Gondwana Garden

Plans to create the Gondwana Garden at Melbourne Museum are underway.

Expanding from the Pauline Gandel Children's Gallery, the grand vision of this play-led learning experience is to create an outdoor adventure space focussed on children up to 9 years old who will roam among the epic yet little-known megafauna of Ice Age Australia. Gondwana Garden will represent the lush ancient environments found nowhere else on Earth.

During 2020–21 Museums Victoria will seek to secure the remaining budget and commence the construction planning of this exciting redevelopment.

# 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>
Mr Leon Kempler AM (President)	6
Ms Linda Bardo Nicholls AO (Treasurer)	5
Dr Bronte Adams AM (from 3 March 2020)	2 (of 2)
Mr Andrew Butcher	5
Mr Wilkin Fon	5
Mr Tim Goodwin	6
Dr Alison Inglis AM	6
Ms Mary Stuart	6
Mr Peter Tullin	4

## Board member profiles

### Mr Leon Kempler AM – President

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 Questacon 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.

### Ms Linda Bardo Nicholls AO – Treasurer

Appointed 2017

Linda is a corporate advisor and a non-executive director of a number of leading Australian companies and organisations. She is Chair of both Melbourne Health and Japara Healthcare and a Director of Medibank Private and Ingham’s Enterprises Previously Linda was a Director of Fairfax Media, Olivia Newton John Cancer Research Institute, Pacific Brands, Sigma Pharmaceuticals and St George Bank; and Chair of Healthscope, Australia Post and Keolis Downer (trading as Yarra Trams). 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 and Chair of the Audit and Risk Committee.

### **Dr Bronte Adams AM**

Appointed 2020

Bronte is currently Director and founder of dandolopartners, a management consulting firm specialising in public policy, advising a wide range of clients across the innovation, health, technology, science and research, start-up, cultural, and education sectors. Bronte is a Rhodes Scholar and has formerly held roles as a consultant with McKinsey & Co, and in a variety of senior government executive positions. Bronte is actively involved in public life with current and past board/director positions including the UNESCO High Commission; Innovation and Science Australia; Melbourne Symphony Orchestra; Melbourne University Publishing; Australia Council's Visual Arts Board; Science Technology and Innovation VicStart Assessment Panel the Victorian Office of Science and Technology's \$60 million infrastructure grants committee and the Australian Government's Broadband Advisory Group. Bronte is a member of the Audit and Risk Committee.

### **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 has had extensive experience in retailing, finance and investment sectors. He maintains a number of directorships in various companies in these business sectors. Wilkin is a member of the Audit and Risk Committee.

### **Mr Tim Goodwin**

Appointed 2019

Tim is a member of the Yuin people of the South East Coast of New South Wales and is a barrister at the Victorian Bar practicing in commercial and public law. Tim serves on a number of boards including the Victorian Equal Opportunity and Human Rights Commission and, in 2018, received the Federal Attorney General's National Indigenous Legal Professional of the Year Award. Tim is Chair of the Aboriginal Cultural Heritage Advisory Committee and member of Audit and Risk Committee.

### **Dr Alison Inglis AM**

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. In 2020, Alison received a member of the Order of Australia for her significant service to education, and to the museum and galleries sector. Alison is Acting Chair of the Research and a member of the Development Committee.

### **Ms Mary Stuart**

Appointed 2019

Mary is Executive Director of the iconic Luna Park Melbourne, which opened in 1912. Mary has a background in industrial relations, industry development and corporate governance with national ACTU Officer responsibilities for a range of industries across Printing and Newspapers, Building and Construction, Pulp and Paper, Timber and Forrest Products, Coal Mining and Maritime industries. Mary has also achieved pay equity test cases and professional rates for industry sectors dominated by women such as nursing and education/teaching. Mary has held several state and federal statutory positions and appointments and has been responsible for the establishment of organisations specialising in training, advocacy and social justice. Mary is also Chairperson of 'Her Place, Women's Museum Australia', Vice President of the Australian Amusement, Leisure and Recreations Association Inc (AALARA), Deputy Chair of St Kilda Tourism Association and remains actively involved in a range of community and social justice organisations. Mary is a member of the Development 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 Development Committee.

## Committees

The Board has established a number of 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 provides advice to the Board for governance, compliance and cultural guidance on matters relevant to First Peoples cultural heritage as they apply to Museums Victoria, and on matters referred to it by the Board.

Its members include representatives from First Peoples communities throughout Victoria.

Number of meetings during the financial year: 3

Committee member	No. of meetings attended
Mr Tim Goodwin (Chair)	2
Ms Julie Andrews	3
Professor Henry Atkinson	2
Ms Carolyn Briggs AM	3
Ms Gail Harradine	1
Ms Diane Kerr OAM	0
Mr Ricky Mullett	2

## 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: 5

Committee member	No. of meetings attended
Ms Linda Bardo Nicholls AO (Chair)	5
Mr Tim Goodwin	4
Mr Wilkin Fon	5
Dr Bronte Adams AM (from 3 March 2020)	2 (of 2)
Mr Colin Golvan AM QC <sup>3</sup> (from 5 August 2019)	2
Mr Matthew Hunt <sup>4</sup>	5
Mr Dale McKee <sup>5</sup> (from 11 December 2019)	3 (of 3)

## 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

Committee member	No. of meetings attended
Mr Andrew Butcher (Chair)	4
Dr Alison Inglis AM	2
Mr Peter Tullin	4
Ms Mary Stuart	3
Mr Jim Cousins AO <sup>6</sup> (from 11 December 2019)	2 (of 2)

<sup>3</sup> Non-voting independent member  
<sup>4</sup> Non-voting independent member  
<sup>5</sup> Non-voting independent member  
<sup>6</sup> Independent member

### Infrastructure Committee

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

The Infrastructure Committee was dissolved in December 2019, with its functions being absorbed into the Audit and Risk Committee and Development Committee.

Number of meetings during the financial year: 2

<b>Committee member</b>	<b>No. of meetings attended</b>
Mr Jim Cousins AO (Chair) (external member co-opted by the Board)	2
Mr Peter Tullin	2

### People, Culture and Governance Committee

The People, Culture and Governance Committee maintains oversight of Museums Victoria's needs across People and Culture; Executive recruitment; CEO performance and remuneration; and Strategic oversight of Board self-assessment; workforce conditions and enterprise agreement processes. The PCGC did not meet during 2019–20. The committee mandate, membership and quarterly meetings cycle will be confirmed in 2020–21.

### 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 AM (Chair)	2
Professor Lynette Russell	1
Professor Alistair Thomson	1
Professor Gregor Kennedy	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

### Corporate Services

Led by the Chief Operating Officer and Chief Financial Officer, the division supports 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 and Risk; Security and Emergency Management; Strategic Facilities Management; Strategic Information and Compliance; and Technology Strategy and Delivery.

### Development and Commercial Operations

Led by the Director, Development and Commercial, the department focuses on growing and nurturing Philanthropic and Corporate Partnerships, Museum Memberships, and Fundraising income from individuals and the community, and leading all Commercial activities incorporating Museums Spaces, Commercial, Retail Services, Car Park and IMAX.

### Exhibitions and Audience Experiences

The Director, Exhibitions and Audience Experiences is responsible for leading Museums Victoria's engagement with communities and individuals onsite, online and offsite. The division's functions include exhibition and experience development at Melbourne Museum, Scienceworks, Immigration Museum and the Royal Exhibition Building, as well as related Victoria-wide education and outreach programs. This division also includes Audience Insights, the team responsible for identifying the needs of our audiences that will drive content selection, and Digital Life who create audio, video and other digital content to distribute across a wide variety of online platforms and channels, connecting the audiences beyond our walls with our people, research, collections and programs.

### Governance and Communications

Led by the Chief Governance and Communications Officer the team has responsibility for Governance, Strategy, Planning and Reporting, Marketing and Communications. The Marketing and Communications function encompasses Corporate Communications, Brand and Marketing and Public Relations delivering reputation management and publicity, product development, marketing core product and special exhibitions and driving brand and positioning.

## People and Engagement

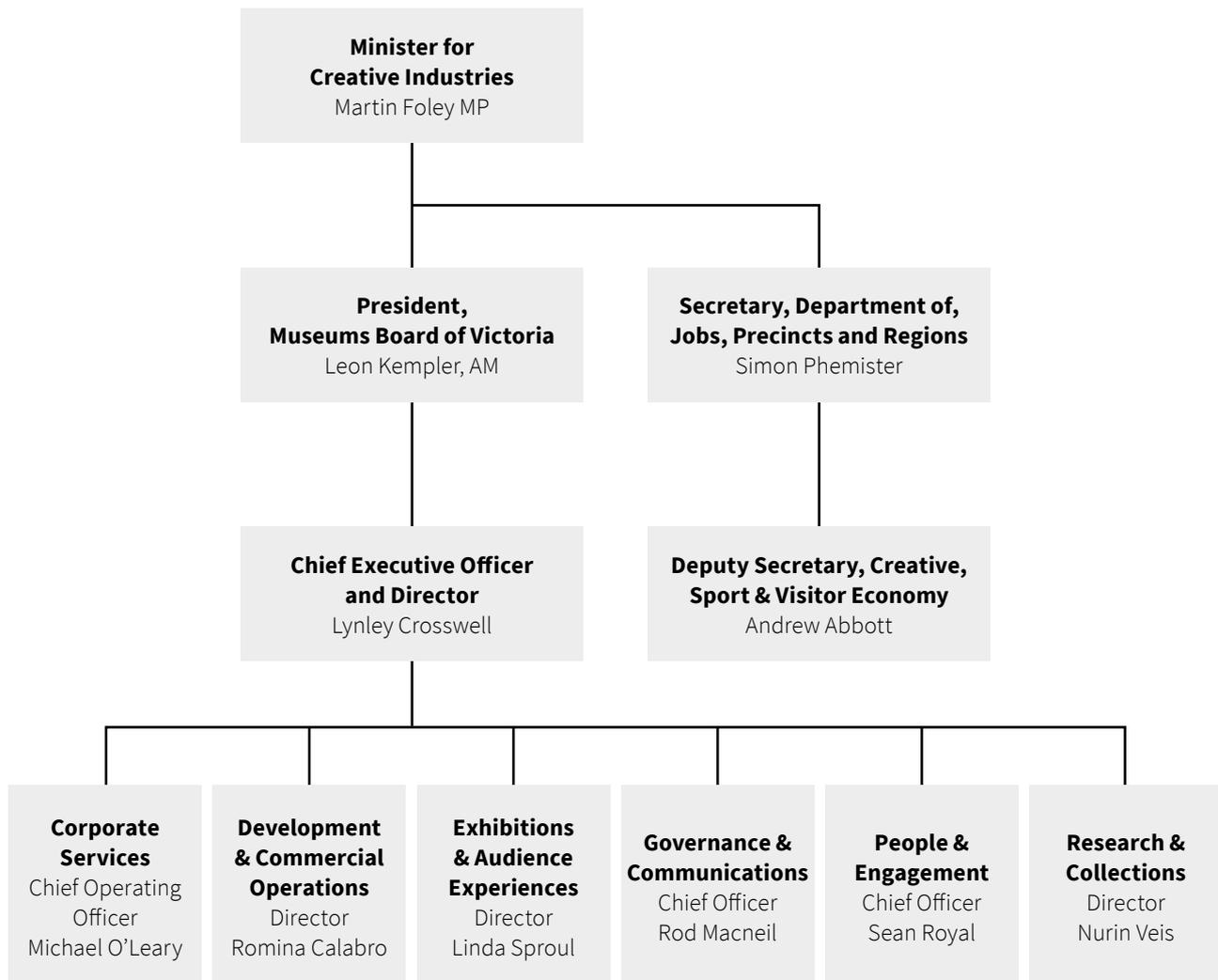
Led by the Chief People and Engagement Officer, this department is responsible for all Human Resources and Occupational Health, Safety and Wellbeing functions and support, including Recruitment, Engagement and Retention strategies, Payroll, Workforce Planning, Learning and Development and by ensuring Museums Victoria complies with all relevant Occupational Health and Safety (OHS) legislation, Compliance Codes, Codes of Practice, and relevant standards. From 2019 to 2020, oversight of the Museum General Management roles at our three Museum sites, and Customer Service operations at Melbourne Museum and Scienceworks come under the responsibilities of People and Engagement.

## Research and Collections

The division is led by the Director, Research and Collections, with responsibility for the development, preservation and promotion of the State collection through the acquisition and registration of new collection items, by making the collections available to scholars, community groups and other audiences; and by conducting research to address local, national and international issues. The division is also home to our First Peoples department, who provide strategic leadership to position First Peoples' living cultures, histories and knowledge at the core of Museums Victoria's practice.

## Organisation structure

At 30 June 2020



## Staff profile

Museums Victoria commenced 2019–20 with 551 full-time equivalent employees (FTE) and ended the period with 463.

### Employee Count

	Ongoing Employees			FTE	Fixed term & Casual		Total Headcount	Total FTE*
	Employees (Headcount)	Full-time (Headcount)	Part-time (Headcount)		Employees (Headcount)	FTE		
June 2020	422	290	132	363	228	100	650	463
June 2019	429	295	134	377	310	174	739	551

\*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.

## Employee gender, age and classification

	2019-20				2018-19			
	Ongoing		Fixed-term & Casual		Ongoing		Fixed-term & Casual	
	Employees (Headcount)	FTE						
<b>Gender</b>								
Female	263	218	122	55	264	223	181	103
Male	159	145	106	45	165	154	129	71
Self-described**	0	0	0	0	0	0	0	0
<b>Total</b>	<b>422</b>	<b>363</b>	<b>228</b>	<b>100</b>	<b>429</b>	<b>377</b>	<b>310</b>	<b>174</b>
<b>Age</b>								
Under 25	7	5	31	8	4	4	48	20
25-34	82	68	95	36	93	80	136	71
35-44	126	109	57	30	126	111	72	44
45-54	102	88	25	15	106	93	35	26
55-64	82	74	17	11	78	71	18	13
Over 64	23	18	3	1	22	18	1	0
<b>Total</b>	<b>422</b>	<b>363</b>	<b>228</b>	<b>100</b>	<b>429</b>	<b>377</b>	<b>310</b>	<b>174</b>
<b>Classification</b>								
VPS 1	0	0	0	0	0	0	0	0
VPS 2	148	107	163	43	142	107	216	85
VPS 3	107	98	27	24	104	97	45	43
VPS 4	78	71	26	22	90	82	31	27
VPS 5	61	59	5	5	68	66	9	9
VPS 6	25	25	4	3	24	24	5	6
STS 7	2	2	0	0	1	1	0	0
Executive Officers	0	0	3	3	0	0	4	4
<b>Total</b>	<b>422</b>	<b>363</b>	<b>228</b>	<b>100</b>	<b>429</b>	<b>377</b>	<b>310</b>	<b>174</b>

\*\*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	2	1	1	0
<b>Total</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>0</b>

\*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.

### Reconciliation of executive movements throughout the year

Classification	2020	2019
Executives	4	5
Accountable Officer (CEO)	1	1
Less Separations	1	1
<b>Total executive numbers at 30 June</b>	<b>3</b>	<b>4</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 2020, 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	0
\$200,000–\$219,999	0	1
\$220,000–\$239,999	0	1
\$240,000–\$259,999	0	0
\$260,000–\$279,999	1	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>3</b>	<b>2</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 2019–20, 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 66 corporate learning and development sessions, representing 22 individual training programs.

Museums Victoria again celebrated the annual International Women's Day (IWD) with a number of different activities and themed events in support of the campaign #EachforEqual. In recognition of an equal world is an enabled world, the IWD committee produced a number of events showcasing many of Museums Victoria's female contributors, including key speeches and 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.

## Public sector employment principles

During 2019–20 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.

# Statutory reports

## Accessibility Action Plan

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community. The *Disability Act 2006* requires Museums Victoria to prepare an Accessibility Action Plan and report on its implementation in the annual report. In the reporting period Museums Victoria has:

Museums Victoria in 2019–20 developed an Auslan-only tour of Melbourne Museum, supported by new signage across Melbourne Museum that was designed and developed by Museums Victoria. In addition to this, Museums Victoria offered bilingual Auslan / English programs across its existing suite of educational programs for hearing impaired preschool children and students learning Auslan to more than 2,520 students over 84 sessions.

The Autism Friendly Museum Project continued as a key project to increase access for all to our museums, and in 2019–20, AMAZE promoted Museums Victoria as one of their Champions. With AMAZE, Museums Victoria presented in-depth autism training to 90 of our front-line staff, who interact daily with our visitors to ensure they have the necessary people skills as part of the Autism Friendly Museum program, and at Melbourne Museum, Museums Victoria hosted the launch of the first television advertisements for social acceptance of Autism in Australia. All of Museums Victoria's sensory maps were also made available online in seven languages.

The Autism community was offered free entry to our Museums just prior to our re-opening in late June, and a sensory friendly day where lighting and sound were moderated, was also on offer to the community. Our online pages for all museums were accessed by 12,047 people over the financial year and 3,029 visitors accessed the social stories for the Autism community.

Professional development programs for staff also included 27 employees completing the Disability Awareness course and Museums Victoria.

## Building and maintenance compliance

As at 30 June 2020, 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 2019–20 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 floor sanding/repair works
- Heating hot water coil replacement
- Melbourne Museum glass safety works
- Melbourne Museum café upgrades
- Lower ground automatic door upgrades
- Melbourne Museum Learning Lab

### Scienceworks

- Café Refurbishment

### Royal Exhibition Building

- Protection and Promotion Project works
- Fire door automatic release integration

### Moreland Annexe

- New Project Offices
- Sprinkler compliance upgrade works
- Air-conditioning (boiler) upgrade

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

During 2019–20 the following were issued in relation to buildings owned by Museums Victoria:

Building permits	7
Occupancy permits	0
Certificates of final inspection	9
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.

## Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

Museums Victoria is 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. Museums Victoria continues to comply with the requirements of Competitive Neutrality Policy.

## Consultancies

In 2019–20, seven consultancies attracted total fees payable of \$10,000 or greater. The total expenditure incurred during the year in relation to these consultancies is \$586,520 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 \$11,240.

Consultant	Purpose	Total approved project fee (excl. GST)	Expenditure 2019–20 (excl. GST)	Future expenditure (excl. GST)
Bureau Veritas Asset Integrity and Reliability Services Australia Pty Ltd	Provision of Asbestos Management Plan	\$20,000	\$7,140	\$12,860
L.E.K. Consulting Australia Pty Ltd	Rapid Diagnostic Project	\$100,000	\$100,000	–
L.E.K. Consulting Australia Pty Ltd	Performance Improvement Project Phase 1	\$258,757	\$258,757	–
L.E.K. Consulting Australia Pty Ltd	Performance Improvement Project Phase 2	\$115,000	\$115,000	–
Studio Mether Pty Ltd	Exhibition Design Services	\$89,498	\$47,780	\$2,172
The Red Fox Group Pty Ltd	Membership Analysis Project	\$14,500	\$14,500	–
University of Melbourne	Inter-Agency Review of Digital Asset Management Systems	\$43,343	\$43,343	–

## Disclosure of major contracts

In 2019–20, there was no major contract that was \$10,000,000 or greater.

## DataVic Access Policy

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

Museums Victoria makes more than 1.3 million collection records freely available on the Museums Victoria Collections website (<https://collections.museums victoria.com.au>) 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 120,000 item and image records available.
- *Atlas of Living Australia*, through which we share science specimen data, with approximately 925,300 specimen records of which 16,728 have one or more images. More than 21 million individual specimen records have been downloaded between July 2019 and June 2020.
- *DigitalNZ*, through which we share collections data related to New Zealand, with approximately 2,400 items and image records from our collection available.
- *Biodiversity Heritage Library (BHL)*, through which we digitise biodiversity literature from 29 organisations across Australia and make that literature freely accessible online, with over 350,000 pages contributed.

## Freedom of Information

The *Freedom of Information Act 1982* (Commonwealth) allows the public a right of access to documents held by Museums Victoria. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments and agencies, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by a government agency. This comprises documents both created by Museums Victoria or supplied to Museums Victoria by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes.

The Act allows Museums Victoria to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include: cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to Museums Victoria in confidence.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant’s agreement this may occur any number of times. However, obtaining an applicant’s agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

If an applicant is not satisfied by a decision made by Museums Victoria, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

## Making a request

Access to documents can also be obtained through a written request to Museums Victoria’s Freedom of Information Officer, as detailed in s17 of the Act.

When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

Requests for documents in the possession of Museums Victoria should be addressed to:

Freedom of Information Officer  
Museums Victoria  
GPO Box 666  
Melbourne VIC 3001

## FOI statistics/timeliness

During 2019–20, Museums Victoria received zero Freedom of Information applications. During 2019–20, one outstanding application, subject to review by OVIC, was finalised.

## Further information

Further information regarding the operation and scope of FOI can be obtained from the Act; regulations made under the Act; and <https://ovic.vic.gov.au/freedom-of-information/for-the-public/>.

## 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.

## 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>Revolutions: Records and Rebels</b>	To drive visitation to Melbourne Museum's exhibition <i>Revolutions: Records and Rebels</i>	\$61,000	\$4,000	\$0	\$13,000	\$17,000	\$95,000
March 2019–							
October 2019							

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 2019–20 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
2019–20	1,379,323	450	0.0326
2018–19	1,972,786	697	0.0353
2017–18	2,052,151	609	0.0296

## 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
2019–20	463	159	34.34	4	0.86	\$5489
2018–19	551	269	48.8	4	0.73	\$77,411
2017–18	521	82	15.7	4	0.77	\$29,194

Notes:

Improved claims management performance and a reduction in the number of new claims has led to significantly lower claims costs compared to the previous year. Average cost per claim includes payments to 30 June 2020 as well as an estimate on future claims costs.

## Information and communication technology expenditure

For the 2019–20 reporting period, Museums Victoria had a total ICT expenditure of \$ 4,763,000 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
<i>Total</i>	<i>Total A+B</i>	<i>A</i>	<i>B</i>
4,519	244	27	217

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

### Projects Completed – Local Jobs First Standard

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

During 2019–20, Museums Victoria completed 1 Local Jobs First Standard project totalling \$21.3 million. This project was located in metropolitan Melbourne, with an average commitment of 94.11 per cent local content. There were no projects that occurred state-wide. The MSPG was applied to this project.

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 per cent 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 3 new apprenticeships, traineeships, and cadets;
- the retention of the remaining 0 existing apprenticeships, traineeships and cadets
- MPSG applicable projects provided a total of 8,892 hours to apprentices, trainees, cadets and engaged 3 apprentices, trainees and cadets.

## Museums Board of Victoria Financial Management Compliance Attestation Statement

I Leon Kempler, on behalf of the Museums Board of Victoria, certify that the Museums Board of Victoria has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994 and Instructions*.



### Mr Leon Kempler AM

President  
Museums Board of Victoria

27 August 2020

## Public Interest disclosures

Museums Victoria is committed to the aims and objectives of the *Public Interest Disclosures 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).

## Social Procurement Framework

The Victorian Government has introduced a Social Procurement Framework across all departments and agencies.

The main requirement and aim of social procurement is to use Museums Victoria's procurement spend to create additional social benefit in the community through a number of social factors including employment of people from disadvantaged backgrounds, development of accredited Victorian based Aboriginal and Torres Strait Islander majority owned businesses, use of social enterprises, ethically accredited uniform suppliers and environmentally conscious businesses. Museums Victoria intends to develop and implement its Social Procurement Plan in 2020–21.

During 2018–19 and 2019–20 the following progress were made on social procurement within Museums Victoria:

- social Procurement principles were included in the MV Procurement Policy and Procurement Standard Operating Procedures
- social Procurement clauses were added to Request for Tender and Request for Quotation documents
- social Procurement awareness was included in Museums Victoria-wide procurement training for all staff
- discussions held with First People's Department, Exhibition Development and Retail to plan roll-out and commence identification of currently used Victorian based Aboriginal and Torres Strait Islander owned businesses
- discussions were held with People and Culture to emphasise a mandatory requirement to source uniform and personal protective equipment from Australian and New Zealand accredited ethical clothing suppliers
- Museums Victoria has now commenced sourcing staff uniforms from accredited ethical clothing suppliers
- social procurement principles have been included in the Draft Museums Victoria First Peoples Strategy and the Draft Museums Victoria Sustainability Plan
- Museums Victoria commenced quantifying purchases from Victorian based First Peoples businesses during 2019–20.

# Financial overview of operations

The net result before depreciation was a deficit of \$0.661 million for the year ended 30 June 2020.

The net result was a deficit of \$34.158 million, which comprises depreciation expense of \$33.497 million and 'other economic inflows included in net result' of \$0.358 million.

## General Operations

The net result before depreciation decreased from \$1.099 million in 2018–19 to \$0.661 million in 2019–20. This was due to a reduction in the losses in 'other economic flows included in net result' of \$0.592 million, mainly attributable to a net loss arising from revaluation of long service leave liability. This was offset by decreases in both income and expenses excluding depreciation (\$5.481 million and \$5.327 million respectively) during the coronavirus (COVID-19) pandemic shutdown.

## Income

Year on year income from transactions decreased by \$5.481 million mainly from reduced self-generating income from admission fees and commercial income during the coronavirus (COVID-19) pandemic shutdown. This was partially offset by the government's emergency business interruption funding.

## Expenses

Year on year expenses from transactions excluding depreciation were lower by \$5.327 million. These are due to lower operating expenses which reduced by \$4.626 million and lower employee benefit expenses which decreased by \$0.701 million, during the coronavirus (COVID-19) pandemic shutdown.

Depreciation increased by \$3.270 million mainly due to an increase in the value of Buildings following the previous year's significant building revaluation.

'Other economic flows included in net result' were lower by \$0.592 million. This is due to the decrease in the current Long Service Leave provision because of a reduction in the discount rate used to calculate present value.

# Financial statements

Museums Board of Victoria

## Declaration in the Financial Statements

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 2020 and financial position of the Museums Board of Victoria as at 30 June 2020.

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 27 August 2020.



.....  
**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 and Chief Operating Officer

**27 August 2020**

.....  
Dated

# Financial statements table of contents for the financial year ended 30 June 2020

Museums Board of Victoria (Museums Victoria) has presented its audited general-purpose financial statements for the financial year ended 30 June 2020 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 2020

	Notes	2020 \$'000	2019 \$'000
<b>Continuing Operations</b>			
<b>Income from transactions</b>			
Grants	2.2	92,052	89,162
Self-Generated Income	2.3	25,113	32,434
Other Income	2.4	2,298	3,348
<b>Total income from transactions</b>		<b>119,463</b>	<b>124,944</b>
<b>Expenses from transactions</b>			
Employee benefit expenses	3.2	(51,931)	(52,632)
Capital asset charge	3.3	(38,122)	(38,122)
Operating expenses	3.4	(29,713)	(34,339)
Depreciation	4.2	(33,497)	(30,227)
<b>Total expenses from transactions</b>		<b>(153,263)</b>	<b>(155,320)</b>
<b>Net deficit from transactions</b>		<b>(33,800)</b>	<b>(30,376)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on disposal of property, plant and equipment		12	52
Net gain/(loss) arising from revaluation of long service leave liability <sup>i</sup>		(370)	(1,002)
<b>Total other economic flows included in net result</b>		<b>(358)</b>	<b>(950)</b>
<b>Net result</b>		<b>(34,158)</b>	<b>(31,326)</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
Changes in Fair Value of Foreign Currency Hedging Contracts	8.2.2	(54)	1
<b>Comprehensive result</b>		<b>(34,212)</b>	<b>143,165</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 2020

	Notes	2020 \$'000	2019 \$'000
<b>Financial Assets</b>			
Cash and deposits	6.1	12,367	22,630
Receivables	5.1	1,029	2,298
Foreign exchange forward contracts used for hedging	7.1.4	-	74
<b>Total Financial Assets</b>		<b>13,396</b>	<b>25,002</b>
<b>Non-Financial Assets</b>			
Property, plant, equipment, exhibitions and collections	4.1	1,823,723	1,842,641
Other non-financial assets	5.4	4,780	2,819
<b>Total Non-Financial Assets</b>		<b>1,828,503</b>	<b>1,845,460</b>
<b>Total Assets</b>		<b>1,841,899</b>	<b>1,870,462</b>
<b>Liabilities</b>			
Payables	5.2	6,798	9,566
Advance from Creative Victoria	5.3	9,487	9,487
Leases	6.2.1	1,652	514
Employee related provisions	3.2.2	14,961	13,163
Foreign exchange forward contract payable	7.1.2	53	72
<b>Total Liabilities</b>		<b>32,951</b>	<b>32,802</b>
<b>Net Assets</b>		<b>1,808,948</b>	<b>1,837,660</b>
<b>Equity</b>			
Accumulated deficit	8.2.1	(260,130)	(228,953)
Reserves	8.2.2	1,463,208	1,466,243
Contributed capital	8.2.3	605,870	600,370
<b>Net Worth</b>		<b>1,808,948</b>	<b>1,837,660</b>

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

## Cash flow statement for the financial year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Receipts from government		91,922	88,973
Receipts from other entities		30,574	37,248
Interest received		241	769
Goods and Services Tax Recovered from the ATO		1,858	2,667
<b>Total Receipts</b>		<b>124,595</b>	<b>129,657</b>
<b>Payments</b>			
Payments to suppliers and employees		(88,747)	(96,997)
Capital asset charge payments		(38,122)	(38,122)
<b>Total Payments</b>		<b>(126,869)</b>	<b>(135,119)</b>
<b>Net Cash Flows Provided by Operating Activities</b>	6.1.1	<b>(2,274)</b>	<b>(5,462)</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sale of non-financial assets		61	238
Purchases of non-financial assets		(13,012)	(18,801)
<b>Net Cash Flows Used in Investing Activities</b>		<b>(12,951)</b>	<b>(18,563)</b>
<b>Cash Flows from Financing Activities</b>			
Finance costs		(60)	(14)
Proceeds of advance from Creative Victoria and lease liabilities		19	5,281
Repayments of advance from Creative Victoria and lease liabilities		(497)	(1,067)
Capital Contribution Received		5,500	5,931
<b>Net Cash Flows Used in Financing Activities</b>		<b>4,962</b>	<b>10,131</b>
<b>Net Increase/(Decrease) in Cash Held</b>		<b>(10,263)</b>	<b>(13,894)</b>
Cash and Deposits at the Beginning of the Financial Year		22,630	36,524
<b>Cash and Deposits for the Period Ending 30 June 2020</b>	6.1	<b>12,367</b>	<b>22,630</b>

The above Cash Flow Statement should be read in conjunction with 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 *Contribution*, 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.

### Coronavirus (COVID-19) Impact on Going Concern

The coronavirus (COVID-19) pandemic had a sudden and substantial impact on the arts and cultural heritage sectors. The global health crisis and the uncertainty resulting from it profoundly affected organisations' operations as well as individuals – both employed and independent – across the sector. Arts and culture sector organisations attempted to uphold their (often publicly funded) mission to provide access to cultural heritage to the community; maintain the safety of their employees, collections, and the public; while reacting to the unexpected change in their business model with an unknown end. Museums Victoria has made intensive efforts to provide alternative or additional services through digital platforms, to maintain essential activities with minimal resources, to document the events themselves through new acquisitions, and simultaneously an awareness that there would be many new creative works which had been inspired by the event.

In these highly uncertain times, Museums Victoria's self-generated income has been, and will continue to be, materially impacted given all the organisation's museums are currently closed and there is much uncertainty around when they will re-open; what restrictions will be imposed when they do; and the confidence of the public to return to places of public gathering.

Museums Victoria is wholly dependent on the continued support of the Government to provide additional funding with self-generated income now reduced to virtually zero. The Government, through its Crisis Council of Cabinet, has consistently indicated that the government will ensure public institutions including Museums Victoria will be supported throughout the impact of coronavirus (COVID-19) crisis to ensure timely re-opening and full preservation of employment.

The Department of Jobs, Precincts and Regions (DJPR), Creative Victoria (CV) and the Department of Treasury and Finance (DTF) is working closely with Museums Victoria to consider and assess any additional funding requirements.

To provide comfort that funding will be available when needed the Minister for Creative Industries has provided a Letter of Support to the Museums Board of Victoria to give it confidence that it can prepare its Annual Financial Report for 2019–20 on a going concern basis to meet the requirements of Australian accounting standard AASB 101 *Presentation of Financial Statements*. In addition to this letter, Museums Victoria has received other indication from government that funding support will continue for as long as the impacts of the coronavirus (COVID-19) crisis are felt, extending into the 2021–22 financial year if necessary. The support requires that Museums Victoria comply with the following conditions agreed to by the Crisis Council of Cabinet:

- All necessary steps must be taken to minimise expenditure, including deferring discretionary internal projects, while maintaining core activities as required to ensure programs and services can rebound once restrictions are lifted;
- The consistent application of the coronavirus (COVID-19) guidance note – Victorian Public Sector and any subsequent policies determined by the Victorian Government;
- Existing sources of funding are drawn down, including uncommitted cash reserves and liquidating tradeable equity investments (unless significantly disadvantageous); and
- Provision of monthly cash flow reports and other information to support the application of these conditions and any future funding requests is provided to DJPR and DTF as requested.

From Museums Victoria’s close interactions with government we believe that we will be able to continue to comply with these conditions. Central to this belief is that Museums Victoria has already demonstrated its ability to comply with these conditions resulting in Museums Victoria having received business interruption funding of \$3.5 million in May 2020 and confirmation of an additional \$7.31 million to flow in August and September 2020.

On this basis, the Museums Board of Victoria and management believe funding shortfalls will continue to be addressed by business interruption funding from the government to ensure that Museums Victoria can continue to pay its debts as and when they fall due and that it is appropriate to prepare these financial statements on a going concern basis.

## 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*.

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 revenue and income that funds the delivery of our services
- 2.2 Grants
- 2.3 Self-Generated income
- 2.4 Other income

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

	Notes	2020 \$'000	2019 \$'000
Grants	2.2	92,052	89,162
Self-Generated income	2.3	25,113	32,434
Other income	2.4	2,298	3,348
<b>Total income from transactions</b>		<b>119,463</b>	<b>124,944</b>

Revenue and income that fund delivery of Museums Victoria's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

## 2.2 Grants

	Notes	2020 \$'000	2019 \$'000
Victorian government grants	2.2.1	91,551	88,631
Commonwealth government grants		99	253
Other grants		402	278
<b>Total grants</b>		<b>92,052</b>	<b>89,162</b>

The impact of initially applying AASB 1058 on Museums Victoria's grant revenue is described in Note 8.9. Due to the modified retrospective transition method chosen in applying AASB 1058, comparative information has not been restated to reflect the new requirements. The adoption of AASB 1058 did not have an impact on the Comprehensive Operating Statement and the Statement of Cash flows for the financial year.

Income from grants that are enforceable and with sufficiently specific performance obligations are recognised as revenue under AASB 15 when Museums Victoria satisfies the performance obligation.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when Museums Victoria receives the cash. On initial recognition of the asset, Museums Victoria recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue ('related amounts') in accordance with other Australian Accounting Standards. Related amounts may take the form of:

- a. contributions by owners, in accordance with AASB 1004;
- b. revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15;
- c. a lease liability in accordance with AASB 16;
- d. a financial instrument, in accordance with AASB 9; or
- e. a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

### Previous accounting policy for 30 June 2019

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.

	2020 \$'000	2019 \$'000
<b>Recurrent grant</b>		
Applied to operations	49,279	46,115
Capital Asset Charge	38,122	38,122
<b>Total recurrent grant</b>	<b>87,401</b>	<b>84,237</b>
Capital Funding	2,110	2,657
Other Grants from Victorian Government Entities	2,040	1,737
<b>Total Victorian Government Grants</b>	<b>91,551</b>	<b>88,631</b>

## 2.3 Self-Generated income

	2020 \$'000	2019 \$'000
Fees and Charges	14,833	19,152
Sales of Goods and Services	3,129	3,872
Rent Revenue	3,563	5,270
Sponsorship	1,470	942
Memberships	1,464	1,843
Income TAC – Road to Safety Education Complex (Operational)	654	1,355
<b>Total self-generated income</b>	<b>25,113</b>	<b>32,434</b>

The impact of initially applying AASB 15 on Museums Victoria's revenue from contracts with customers is described in Note 8.9. Due to the modified retrospective transition method chosen in applying AASB 15, comparative information has not been restated to reflect the new requirements.

The following practical expedient has been used for uncompleted contracts when applying AASB 15 retrospectively under the modified approach:

- For contracts modified before the date of initial application, Museums Victoria has reflected the aggregate of all past contracts modifications that occurred before the date of initial application when identifying performance obligations and determining and allocating the transaction price.

The practical expedient has been consistently applied to all contracts within the current reporting period and the effect of applying the practical expedient is disclosed in Note 8.9.2.

### Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. Museum Victoria recognises revenue when it transfers control of a good or service to the customer.

Revenue is recognised when, or as, the performance obligations for the sale of goods and services to the customer are satisfied. Income from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided. Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability. Where the performance obligations are satisfied but not yet billed, a contract asset is recorded.

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 to which it relates.

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.

## 2.4 Other income

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Donations income	206	136
Donated cultural assets at fair value	83	186
Interest from Financial Assets	223	697
Royalties Received	18	37
Miscellaneous Income	1,768	2,292
<b>Total other income</b>	<b>2,298</b>	<b>3,348</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 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.

**Voluntary Services:** Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated. Museums Victoria does not recognise volunteer services due to lack of reliable measurements and Museums Victoria's inability to fund an alternate workforce to replace volunteers.

## 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 Expenses incurred in delivery of services
- 3.2 Employee benefit expenses
- 3.3 Capital asset charge
- 3.4 Operating expenses

### 3.1 Expenses incurred in delivery of services

	<b>Notes</b>	<b>2020</b>	<b>2019</b>
		<b>\$'000</b>	<b>\$'000</b>
Employee benefit expenses	3.2	51,931	52,632
Capital asset charge	3.3	38,122	38,122
Operating expenses	3.4	29,713	34,339
<b>Total expenses from transactions</b>		<b>119,766</b>	<b>125,093</b>

## 3.2 Employee benefit expenses

### 3.2.1 Employee benefits in the comprehensive operating statement

	2020 \$'000	2019 \$'000
Salaries and wages, annual leave and long service leave	47,276	48,230
Defined contribution superannuation expense	3,821	3,896
Defined benefit superannuation expense	333	327
Termination benefits	501	179
<b>Total employee expenses</b>	<b>51,931</b>	<b>52,632</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.

	2020 \$'000	2019 \$'000
<b>Current provisions:</b>		
<b>Annual leave</b>		
Unconditional and expected to be settled within 12 months <sup>i</sup>	1,814	1,437
Unconditional and expected to be settled after 12 months <sup>ii</sup>	1,651	1,306
<b>Long service leave</b>		
Unconditional and expected to be settled within 12 months <sup>i</sup>	530	456
Unconditional and expected to be settled after 12 months <sup>ii</sup>	7,782	7,212
<b>Provisions for on-costs</b>		
Unconditional and expected to be settled within 12 months <sup>i</sup>	637	500
Unconditional and expected to be settled after 12 months <sup>ii</sup>	1,225	1,134
<b>Total current provisions for employee benefits</b>	<b>13,639</b>	<b>12,045</b>
<b>Non-current provisions:</b>		
Employee benefits <sup>ii</sup>	1,142	966
On-costs <sup>ii</sup>	180	152
<b>Total non-current provisions for employee benefits</b>	<b>1,322</b>	<b>1,118</b>
<b>Total provisions for employee benefits</b>	<b>14,961</b>	<b>13,163</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 provision

	2020 \$'000	2019 \$'000
<b>Opening balance</b>	1,786	1,608
Additional provisions recognised	206	42
Unwind of discount and effect of changes in the discount rate	50	136
<b>Closing balance</b>	<b>2,042</b>	<b>1,786</b>
Current	1,862	1,634
Non-current	180	152
<b>Total on-cost</b>	<b>2,042</b>	<b>1,786</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 benefits 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 the 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 2020 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
State Superannuation Fund (VicSuper Scheme)	2,369	2,505	-	-
State Superannuation Fund (Revised Scheme & New)	333	327	-	-
Other funds	1,452	1,391	-	-
<b>Total</b>	<b>4,154</b>	<b>4,223</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

	2020 \$'000	2019 \$'000
Cost of Goods Sold	1,534	1,742
Finance Costs	60	14
Facilities Expenses	12,630	13,745
Consumables and Corporate Expenses	8,093	9,826
Contractors and Exhibitions	5,250	6,520
Marketing and Promotion	2,095	2,361
Collections Management	51	131
<b>Total operating expenses</b>	<b>29,713</b>	<b>34,339</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.

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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Land at fair value	517,242	517,242	-	-	517,242	517,242
Buildings at fair value	582,212	581,984	(29,639)	-	552,573	581,984
Plant, equipment and vehicles at fair value	33,257	31,157	(26,868)	(25,569)	6,389	5,588
Exhibitions at fair value	82,106	81,714	(76,305)	(73,997)	5,801	7,717
Work in progress at cost	24,002	12,643	-	-	24,002	12,643
Collections at fair value <sup>i</sup>	718,116	717,766	(400)	(299)	717,716	717,467
<b>Net carrying amount</b>	<b>1,956,935</b>	<b>1,942,506</b>	<b>(133,212)</b>	<b>(99,865)</b>	<b>1,823,723</b>	<b>1,842,641</b>

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

The following tables are subsets of buildings, and, plant and equipment by right-of-use assets.

#### 4.1 (a) Total right-of-use assets: buildings, plant, equipment and vehicles

	Gross carrying amount	Accumulated depreciation	Net carrying amount
	2020 \$'000	2020 \$'000	2020 \$'000
Plant, equipment and vehicles	2,301	672	1,629
<b>Net carrying amount</b>	<b>2,301</b>	<b>672</b>	<b>1,629</b>

	Plant, equipment and vehicles at fair value \$'000
<b>Opening balance - 1 July 2019<sup>i</sup></b>	<b>2,139</b>
Additions	19
Disposals	(11)
Depreciation	(518)
<b>Closing balance - 30 June 2020</b>	<b>1,629</b>

i. This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 along with the transfer from finance lease assets (recognised under AASB 117 at 30 June 2019) to right-of-use assets (recognised under AASB 16 at 1 July 2019).

### **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.

### **Right-of-use asset acquired by lessees (Under AASB 16 – Leases from 1 July 2019) – Initial measurement**

Museums Victoria recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

### **Subsequent measurement**

All non-current physical assets as well as right-of-use assets under leases 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). In addition, for right-of-use assets the net present value of the remaining lease payments is often the appropriate proxy for fair value of relevant right-of-use assets.

### **Right-of-use asset – Subsequent measurement**

Museums Victoria depreciates the right-of-use assets on a straight line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of the right-of-use assets is determined on the same basis as property, plant and equipment. The right-of-use assets are also subject to revaluation however as at 30 June 2020 right-of-use assets have not been revalued.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

### **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
2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening 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>
Recognition of right-of-use assets on initial application of AASB 16	-	-	1,617	-	-	-	1,617
<b>Adjusted balance at 1 July 2019</b>	<b>517,242</b>	<b>581,984</b>	<b>7,205</b>	<b>7,717</b>	<b>12,643</b>	<b>717,467</b>	<b>1,844,258</b>
Additions	-	-	320	467	11,837	387	13,011
Disposals	-	-	(12)	-	-	(37)	(49)
Asset revaluation	-	-	-	-	-	-	-
Transfers	-	227	251	-	(478)	-	-
Depreciation	-	(29,638)	(1,375)	(2,383)	-	(101)	(33,497)
<b>Closing balance</b>	<b>517,242</b>	<b>552,573</b>	<b>6,389</b>	<b>5,801</b>	<b>24,002</b>	<b>717,716</b>	<b>1,823,723</b>
<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>

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

	2020 \$'000	2019 \$'000
Buildings	29,638	26,617
Plant, Equipment & Motor Vehicles <sup>i</sup>	1,375	1,112
Exhibitions	2,383	2,397
Collections-Library (non-Rare)	101	101
<b>Total depreciation</b>	<b>33,497</b>	<b>30,227</b>

i. The table incorporates depreciation of right-of-use assets as AASB 16 Leases have been applied for the first time from 1 July 2019.

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:

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where Museums Victoria obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the Museums Victoria will exercise a purchase option, Museums Victoria depreciates the right-of-use asset over its useful life.

**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

	<b>2020 \$'000</b>	<b>2019 \$'000</b>
<b>Contractual</b>		
Debtors	714	1,461
Allowance for impairment losses of contractual receivables	(22)	(28)
Interest receivable	11	29
<b>Statutory</b>		
GST input tax credit recoverable	326	836
<b>Total receivables</b>	<b>1,029</b>	<b>2,298</b>
<i>Represented by:</i>		
Current receivables	1,029	2,298

**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.

Details about Museum Victoria’s impairment policies, the Museum Victoria’s exposure to credit risk, and the calculation of the loss allowance are set out in Note 7.1.1.

## 5.2 Payables

	2020 \$'000	2019 \$'000
<b>Contractual</b>		
Trade Creditors	710	1,318
Other Payables	2,598	4,012
Unearned Income	1,510	2,061
Accrued Salaries	1,482	1,566
<b>Statutory</b>		
Payroll Tax	190	308
Car Park Levy	308	301
<b>Total payables</b>	<b>6,798</b>	<b>9,566</b>
<i>Represented by:</i>		
Current payables	6,798	9,566

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 the 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

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates			
			Less than 1 month \$'000	1-3 months \$'000	3 months- 1 year \$'000	1-5 years \$'000
<b>2020</b>						
Trade Creditors	710	584	51	19	56	-
Other Payables	2,598	2,598	-	-	-	-
Unearned Income	1,510	1,510	-	-	-	-
Accrued Salaries	1,482	1,482	-	-	-	-
<b>Total</b>	<b>6,300</b>	<b>6,174</b>	<b>51</b>	<b>19</b>	<b>56</b>	<b>-</b>
<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>

### 5.3 Advance from Creative Victoria

	2020 \$'000	2019 \$'000
<b>Advance from Creative Victoria</b>	<b>9,487</b>	<b>9,487</b>
Represented by:		
Current advance	3,236	1,621
Non-current advance	6,251	7,866

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

	2020 \$'000	2019 \$'000
<b>Current other assets</b>		
Inventories	976	1,211
Prepayments	3,804	1,608
<b>Total other non-financial assets</b>	<b>4,780</b>	<b>2,819</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. The current year includes an acquisition of a significant Collections Asset.

## 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

	2020 \$'000	2019 \$'000
Cash at call deposits	9,289	21,960
Cash	3,078	670
<b>Total cash and deposits</b>	<b>12,367</b>	<b>22,630</b>

Cash and deposits, including cash equivalents, comprise cash on hand, cash at bank and at call accounts 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

	2020 \$'000	2019 \$'000
<b>Net result for the year</b>	<b>(34,158)</b>	<b>(31,326)</b>
<b>Non-cash movements</b>		
Loss/(Gain) on sale of non-financial assets	(12)	(52)
Loss/(Gain) arising from revaluation of long service leave liability	370	1,002
Depreciation expense	33,497	30,227
<b>Movements included in financing activities</b>		
Finance costs	60	14
<b>Movement in assets and liabilities</b>		
Decrease/(Increase) in receivables	1,270	(725)
Decrease/(Increase) in other non-financial assets	(1,961)	(1,317)
Increase/(Decrease) in payables	(2,769)	(3,783)
Increase/(Decrease) in employee related provisions	1,429	498
<b>Net cash flows from/(used in) operating activities</b>	<b>(2,274)</b>	<b>(5,462)</b>

## 6.2 Leases

### 6.2.1 Leases

Information about leases for which Museums Victoria is a lessee is presented below.

#### Museums Victoria leasing activities

Museums Victoria leases various properties IT equipment and motor vehicles. The lease contracts are typically made for fixed periods of 3–5 years with an option to renew the lease after that date.

#### 6.2.1 (a) Right-of-use Assets

Right-of-use assets are presented in Note 4.1 (a).

## 6.2.1 (b) Amounts recognised in the Comprehensive Operating Statement

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	<b>2020</b>
	<b>\$'000</b>
Interest expense on lease liabilities	60
Expenses relating to leases of low-value assets	663
<b>Total amount recognised in the Comprehensive Operating Statement</b>	<b>723</b>

## 6.2.1 (c) Amounts recognised in the Statement of Cashflows

The following amounts are recognised in the Statement of Cashflows for the year ending 30 June 2020 relating to leases:

	<b>2020</b>
	<b>\$'000</b>
<b>Total cash outflow for leases</b>	<b>428</b>

For any new contracts entered into on or after 1 July 2019, Museums Victoria considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, Museums Victoria assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Museums Victoria and for which the supplier does not have substantive substitution rights;
- Museums Victoria has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Museums Victoria has the right to direct the use of the identified asset throughout the period of use; and
- Museums Victoria has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

### Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

## Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

### Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or Museums Victoria incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments);
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from purchase and termination options reasonably certain to be exercised.

### Lease Liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right of use asset is already reduced to zero.

### Short-term leases and leases of low value assets

Museums Victoria has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight line basis over the lease term.

### Presentation of right-of-use assets and lease liabilities

Museums Victoria presents right-of-use assets as 'property plant equipment'. Lease liabilities are presented as 'leases' in the balance sheet.

### Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

Leases of property, plant and equipment where Museums Victoria as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

	Minimum future lease payments		Present value of minimum future lease payments	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Leases</b>				
Leases are payable as follows:				
Not longer than 1 year	635	191	595	188
Longer than 1 year but not longer than 5 years	1,091	349	1,057	326
<b>Minimum lease payments</b>	<b>1,726</b>	<b>540</b>	<b>1,652</b>	<b>514</b>
Less future finance charges	(74)	(26)	-	-
<b>Present value of minimum lease payments</b>	<b>1,652</b>	<b>514</b>	<b>1,652</b>	<b>514</b>
<i>Represented by:</i>				
Current lease liabilities			595	188
Non-current lease liabilities			1,057	326
<b>Total Lease Liabilities</b>			<b>1,652</b>	<b>514</b>

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

### 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 \$'000	1-5 years \$'000	5+ years \$'000	Total \$'000
<b>Nominal amounts 2020</b>				
Capital expenditure commitments	2,348	296	-	2,644
Operating lease commitments	454	510	-	964
Operating expenditure commitments	6,286	3,547	-	9,833
<b>Total commitments (inclusive of GST)</b>	<b>9,088</b>	<b>4,353</b>	<b>-</b>	<b>13,441</b>
Less GST recoverable				1,344
<b>Total commitments (exclusive of GST)</b>				<b>12,097</b>

Operating lease commitments in 2019–20 include all residual leases that are low value (less than \$10,000) or short term (less than 12 months). All other operating leases have now been classified as lease liabilities in the Balance Sheet under AASB 16 *Leases*.

	Less than 1 year \$'000	1-5 years \$'000	5+ years \$'000	Total \$'000
<b>Nominal amounts 2019</b>				
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>

Capital expenditure commitments in 2020 relates mainly to the acquisition of a significant Collections Asset.

## 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 of 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 investment to only the Central Banking System (CBS) At Call Account with the Westpac Bank.

## Categories of financial assets

### Financial assets at amortised cost

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

- the assets are held by 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 liabilities

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 lease liabilities).

## 7.1.2 Financial instruments: Categorisation

	\$'000			
2020	Financial assets / liabilities measured at fair value through other comprehensive income	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
<b>Contractual financial assets</b>				
Cash and deposits	-	12,367	-	12,367
<i>Receivables<sup>i</sup></i>				
Sale of goods and services	-	725	-	725
Foreign exchange forward contract used for hedging	-	-	-	-
<b>Total contractual financial assets</b>	-	<b>13,092</b>	-	<b>13,092</b>
<b>Contractual financial liabilities</b>				
<i>Payables<sup>i</sup></i>				
Supplies and services	-	-	6,300	6,300
Advance from Creative Victoria	-	-	9,487	9,487
Lease liabilities	-	-	1,652	1,652
Foreign exchange forward contract used for hedging	53	-	-	53
<b>Total contractual financial liabilities</b>	<b>53</b>	<b>-</b>	<b>17,439</b>	<b>17,492</b>

\$'000

2019	Financial assets / liabilities measured at fair value through other comprehensive income	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
<b>Contractual financial assets</b>				
Cash and deposits	-	22,630	-	22,630
Receivables:				
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:				
Supplies and services	-	-	8,957	8,957
Advance from Creative Victoria	-	-	9,487	9,487
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>

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 counterparty 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 2019-20.

Credit quality of financial assets				\$'000
2020	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	-	12,308	59	12,367
Statutory receivables (with no impairment loss recognised)	326	-	-	326
Foreign exchange forward contract used for hedging	-	-	-	-
<b>Financial assets with loss allowance measured at lifetime expected credit loss</b>				
Contractual receivables applying the simplified approach for impairment	-	-	725	725
<b>Total contractual financial assets</b>	<b>326</b>	<b>12,308</b>	<b>784</b>	<b>13,418</b>

Credit quality of financial assets				\$'000
2019	Government agencies (A-1+ credit ratings)	Financial institution (A-1+ credit ratings)	Not rated	Total
<b>Contractual financial assets</b>				
<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>

### Impairment of financial assets under AASB 9

Museums Victoria records the allowance for expected credit loss for the relevant financial instruments, applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Museums Victoria's contractual receivables and statutory receivables.

### 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
30 June 2020	Current	Less than 1 month	1-3 months	3 months-1 year	1 year-5 years	Total
<b>Expected loss rate</b>	0%	1%	5%	10%	100%	
Gross carrying amount of contractual receivables	465	104	107	25	13	714
<b>Loss allowance</b>	-	<b>1</b>	<b>5</b>	<b>3</b>	<b>13</b>	<b>22</b>

1 July 2019	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>

	2020 \$'000	2019 \$'000
<b>Balance at beginning of the year</b>	(28)	(23)
<b>Opening Loss Allowance</b>	(28)	(23)
Increase in provision recognised in the net result	-	(43)
Reversal of provision of receivables written off during the year as uncollectible	-	38
Reversal of unused provision recognised in the net result	6	-
<b>Balance at end of the year</b>	<b>(22)</b>	<b>(28)</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.

<b>Foreign exchange risk sensitivity</b>		<b>\$'000</b>			
		<b>-15%</b>		<b>+15%</b>	
	<b>Carrying amount</b>	<b>Net result</b>	<b>Hedging Currency Reserve</b>	<b>Net result</b>	<b>Hedging Currency Reserve</b>
<b>2020</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	53	-	-	-	-
Total financial liabilities	53	-	-	-	-
<b>2019</b>					
<b>Financial Assets</b>					
Foreign exchange forward contract used for hedging	74	-	13	-	(9)
<b>Total financial assets</b>	<b>74</b>	-	<b>13</b>	-	<b>(9)</b>
<b>Financial Liabilities</b>					
Foreign exchange forward contract payable	72	-	-	-	-
<b>Total financial liabilities</b>	<b>72</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 2019–20 (2019: Nil).

### Contingent liabilities

	<b>2020 \$'000</b>	<b>2019 \$'000</b>
<b>Quantifiable contingent liabilities</b>		
Retrospective payment for employee benefit entitlements <sup>i</sup>	214	-
Legal proceedings and disputes <sup>ii</sup>	-	100
<b>Total Contingent liabilities</b>	<b>214</b>	<b>100</b>

i. Museums Victoria are currently awaiting a decision to process a payment in retrospect (backpay) to all employees covered under the Museums Victoria Staff Partnership Agreement 2020 for all employee benefit entitlements from 30 March 2020. The decision is pending the successful conclusion of the Museums Victoria Staff Partnership Agreement 2020. This contingent amount is presently estimated at \$0.2m.

ii. In 2019, there was a contingent liability of one personal injury claim 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.

## 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 2019–20 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

Leases

Foreign exchange forward contract payable

**Financial assets and liabilities measured at fair value** \$'000

2020	Carrying amount as at 30 Jun 20	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
Financial liabilities at fair value through Other economic flows – Foreign Currency Hedging Reserve:				
Foreign exchange forward contract payable	(53)	-	(53)	-
<b>Total</b>	<b>(53)</b>	<b>-</b>	<b>(53)</b>	<b>-</b>

2019	Carrying amount as at 30 Jun 19	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
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>

There have been no transfers between levels during the 2019–20 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: Non-financial physical assets**
**Fair value measurement hierarchy** \$'000

2020	Carrying amount as at 30 Jun 20	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
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	552,573	-	-	552,573
<b>Total Buildings at fair value</b>	<b>552,573</b>	<b>-</b>	<b>-</b>	<b>552,573</b>
Plant, Equipment & Vehicles <sup>1</sup>	6,389	-	-	6,389
<b>Total Plant, Equipment &amp; Vehicles at fair value</b>	<b>6,389</b>	<b>-</b>	<b>-</b>	<b>6,389</b>
Exhibitions	5,801	-	-	5,801
<b>Total Exhibitions at fair value</b>	<b>5,801</b>	<b>-</b>	<b>-</b>	<b>5,801</b>
Collections	717,716	-	9,598	708,118
<b>Total Collections at fair value</b>	<b>717,716</b>	<b>-</b>	<b>9,598</b>	<b>708,118</b>

## Fair value measurement hierarchy

\$'000

2019	Carrying amount as at 30 Jun 19	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
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>i</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>

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

**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 in 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.

Based on Museums Victoria's latest assessment using the Victorian Valuer General's indices, there was a 5.15% increase in land valuation in 2019–20. This is considering that land indices were released in March 2020 and may not fully reflect the fair values as at 30 June 2020, given the valuation uncertainties of coronavirus (COVID-19) pandemic lockdown during the period between April to June 2020. Management noted however that the real estate market may have been impacted by the uncertainty that coronavirus (COVID-19) pandemic has caused. Market conditions are in a state of change each day. Given the significant economic uncertainty, it was decided that asset values be kept unchanged until Museums Victoria's next 5-year cycle asset revaluation, which is due in 2020–21. This is fully supported by government's guidance materials (FRD 103H Non-financial physical assets).

**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 (GV) 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.

Based on Museums Victoria's latest assessment using the Victorian Valuer General's indices, there was no movement in building valuation in 2019–20. This is considering that building indices were released in March 2020 and may not fully reflect the fair values as at 30 June 2020, given the valuation uncertainties of coronavirus (COVID-19) pandemic lockdown during the period between April to June 2020. Management noted however that the real estate market may have been impacted by the uncertainty that coronavirus (COVID-19) pandemic has caused. Market conditions are in a state of change each day. Given the significant economic uncertainty, it was decided that asset values be kept unchanged until Museums Victoria's next 5-year cycle asset revaluation, which is due in 2020–21. This is fully supported by government's guidance materials (FRD 103H Non-financial physical assets).

**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 2020 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 6.14% (2019: 5.95%) increase in value between the 2016 comprehensive valuation and 2020 fair value assessment. This was not considered to be material movement in value.

Museums Victoria has been monitoring conditions and events up to the date of signing the financial report for any indications of a decline in the value of assets that may need to be either adjusted or disclosed in the financial statements. If information was made available post period end which impacted the assumptions made in its impairment analysis, Museums Victoria considered whether those assumptions could be reasonably expected to be made at period end. Given the uncertainty surrounding coronavirus (COVID-19) as disclosed in Note 1, any potential material adjustment cannot be reasonably quantified and impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of this reporting period. Museums Victoria can confirm that it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year that are different from the assumptions made could require a material adjustment to the carrying amount of the Collections Assets.

There were no changes in valuation techniques throughout the period to 30 June 2020.

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

<b>Reconciliation of Level 3 fair value</b>					<b>\$'000</b>
<b>2020</b>	<b>Land</b>	<b>Buildings</b>	<b>Plant and Equipment</b>	<b>Exhibitions</b>	<b>Collections</b>
<b>Opening balance</b>	<b>488,968</b>	<b>581,984</b>	<b>5,588</b>	<b>7,717</b>	<b>709,057</b>
Recognition of right-of-use assets on initial application of AASB 16	-	-	1,617	-	-
Purchases (sales)	-	227	559	467	350
Transfers in (out) of Level 3	(1,414)	-	-	-	(1,188)
Gains or losses recognised in net result	-	-	-	-	-
Depreciation	-	(29,638)	(1,375)	(2,383)	(101)
Impairment loss	-	-	-	-	-
Subtotal	487,554	552,573	6,389	5,801	708,118
Gains or losses recognised in other economic flows – other comprehensive income					
Revaluation	-	-	-	-	-
Subtotal	-	-	-	-	-
<b>Closing balance</b>	<b>487,554</b>	<b>552,573</b>	<b>6,389</b>	<b>5,801</b>	<b>708,118</b>
<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
Depreciation	-	(26,617)	(1,112)	(2,397)	(101)
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>

## Description of significant unobservable inputs to Level 3 valuation

2020 and 2019	Valuation technique	Significant unobservable inputs
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
- 8.9 Changes in accounting policies

### 8.1 Ex gratia expenses

	2020 \$'000	2019 \$'000
Compensation for early termination	81	27
<b>Total ex gratia expenses<sup>i</sup></b>	<b>81</b>	<b>27</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

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of financial year	(228,953)	(200,225)
Net result	(34,158)	(31,326)
<b>Transfers to Reserves:</b>		
Transfer (to)/from Board Reserves	(1,758)	(1,724)
Transfer (to)/from Trust Funds	145	2
Transfer (to)/from Externally Funded Special Projects	4,594	4,320
<b>Balance at end of financial year</b>	<b>(260,130)</b>	<b>(228,953)</b>

### 8.2.2 Reserves

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Board Reserves</b>		
Balance at beginning of financial year	2,929	1,205
Transfer (to)/from Accumulated Deficit	(11)	(41)
Transfer (to)/from Reserves	1,769	1,765
<b>Balance at end of financial year</b>	<b>4,687</b>	<b>2,929</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	2,579	2,581
Transfer (to)/from Accumulated Deficit	131	393
Transfer (to)/from Reserves	(276)	(395)
<b>Balance at end of financial year</b>	<b>2,434</b>	<b>2,579</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	8,133	12,453
Transfer (to)/from Accumulated Deficit	(3,424)	(3,849)
Transfer (to)/from Reserves	(1,170)	(471)
<b>Balance at end of financial year</b>	<b>3,539</b>	<b>8,133</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	1,452,601	1,278,111
Asset revaluation increases	-	174,490
<b>Balance at end of financial year</b>	<b>1,452,601</b>	<b>1,452,601</b>

<b>Foreign Currency Hedging Reserve</b>		
Balance at beginning of financial year	1	-
Changes in Fair Value of Foreign Currency Hedging Contracts	(54)	1
<b>Balance at end of financial year</b>	<b>(53)</b>	<b>1</b>
<b>Total Reserves</b>	<b>1,463,208</b>	<b>1,466,243</b>

### Board Reserves

This represents the Working Capital Reserve and Acquisition Reserve and 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 Reserve 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

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of financial year	600,370	594,439
Capital Contribution	5,500	5,931
<b>Balance at end of financial year</b>	<b>605,870</b>	<b>600,370</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:

Minister for Creative Industries – Hon Martin Foley MP	1 July 2019–30 June 2020
Chief Executive Officer and Director (Accountable Officer) – Ms Lynley Crosswell	1 July 2019–30 June 2020
Board Members:	
Leon Kempler AM (President)	1 July 2019–30 June 2020
Dr Bronte Adams AM	3 March–30 June 2020
Mr Andrew Butcher	1 July 2019–30 June 2020
Mr Wilkin Fon	1 July 2019–30 June 2020
Mr Tim Goodwin	1 July 2019–30 June 2020
Dr Alison Inglis	1 July 2019–30 June 2020
Ms Linda Bardo Nicholls AO (Treasurer)	1 July 2019–30 June 2020
Mr Mary Stuart	1 July 2019–30 June 2020
Mr Peter Tullin	1 July 2019–30 June 2020

## 8.4 Remuneration of executives

Members of the Board act in an honorary capacity.

Amounts relating to the 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 \$410,000–\$420,000 (\$390,000–\$400,000 in 2018–19). The remuneration of the Accountable Officer is not included in note 8.4.1 below.

### 8.4.1 Remuneration of Executive Officers

(includes Key Management Personal disclosed in Note 8.5.1)

	2020 \$'000	2019 \$'000
Short-term employee benefits	1,417	2,021
Post-employment benefits	124	194
Other long-term benefits	32	45
Termination benefits	124	86
<b>Total remuneration</b>	<b>1,697</b>	<b>2,346</b>
<b>Total number of executives<sup>i</sup></b>	<b>8</b>	<b>14</b>
<b>Total annualised employee equivalent (AEE)<sup>ii</sup></b>	<b>7</b>	<b>14</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:

Key Management Personnel	Position Title	Period
Hon Martin Foley MP	Minister for Creative Industries	1 July 2019–30 June 2020
Ms Lynley Crosswell	Chief Executive Officer and Director	1 July 2019–30 June 2020
Leon Kempner AM	Board Member and President	1 July 2019–30 June 2020
Dr Bronte Adams AM	Board Member	3 March 2020–30 June 2020
Mr Andrew Butcher	Board Member	1 July 2019–30 June 2020
Mr Wilkin Fon	Board Member	1 July 2019–30 June 2020
Mr Tim Goodwin	Board Member	1 July 2019–30 June 2020
Dr Alison Inglis AM	Board Member	1 July 2019–30 June 2020
Ms Linda Bardo Nicholls AO	Board Member	1 July 2019–30 June 2020
Ms Mary Stuart	Board Member	1 July 2019–30 June 2020
Mr Peter Tullin	Board Member	1 July 2019–30 June 2020
Mr Michael O’Leary	Chief Operating Officer and Chief Financial Officer	1 July 2019–30 June 2020
Ms Nurin Veis	Director Research and Collections	1 July 2019–30 June 2020
Mr Rod MacNeil	Chief Governance and Communications Officer	1 July 2019–30 June 2020
Ms Linda Sproul	Director, Exhibitions and Audience Experiences	1 July 2019–30 June 2020
Mr Sean Royal	Chief People and Engagement Officer	1 July 2019–30 June 2020
Ms Romina Calabro	Director, Development and Commercial Operations	19 August 2019–30 June 2020
Ms Natalene Muscat	Director, Marketing, Communications and Commercial	1 December 2019–30 June 2020

### 8.5.1 Remuneration of Key Management Personnel

	2020 \$’000	2019 \$’000
Short-term employee benefits	1,786	2,376
Post-employment benefits	158	226
Other long-term benefits	40	54
Termination benefits	124	86
<b>Total remuneration<sup>i</sup></b>	<b>2,108</b>	<b>2,742</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.

	2020		2019		KMP	Relationship	Nature of Transactions
	Revenue \$'000	Expenditure \$'000	Revenue \$'000	Expenditure \$'000			
Victorian Arts Centre Trust	47	-	40	-	Martin Foley MP	Responsible Minister	Storage Income, Long Service Leave entitlement, ASIA TOPA grant
National Gallery of Victoria	64	-	56	-	Martin Foley MP	Responsible Minister	Storage Income, Program Partner Fee
The University Of Melbourne	212	125	935	49	Dr Alison Inglis AM, Board Member	Master/Employee	Venue Hire and School Programs, Scholarships & Research Projects
Fairfax Media	-	-	53	8	Ms Linda Bardo Nicholls AO, Board member and Treasurer	Non Executive Director/Shareholder	Event rental income, Copyright & Advertising
Remix Summits	-	-	4	1	Peter Tullin, Board Member	Co-Founder and Managing Partner	Venue Hire, Conference costs
<b>Total</b>	<b>323</b>	<b>125</b>	<b>1,088</b>	<b>58</b>			

As at 30 June 20, there were no amounts outstanding to Museums Victoria with related parties (2019: Nil).

Leon Kempler AM is Chairman of the Advisory Council of Questacon — The National Science and Technology Centre. During the year Museums Victoria entered into a loan agreement with Questcon for the *Born or Built* temporary exhibition commencing 6 November 2020 to 18 April 2021. Total committed amount included in Note 6.3 is \$158,800.

Bronte Adams' company Dandolopartners, provided pro-bono consulting services to Museums Victoria on approaches to monetising digital engagement initiatives. Estimated value of this free service is \$30,000.

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 received funding from and made payments to government-related entities below. All transactions were undertaken in the ordinary course of business and were at arm's length and on normal commercial terms.

<b>Government-related Entity</b>	<b>Transactions</b>	<b>2020 \$'000</b>
Department of Jobs, Precincts and Regions	2019–20 Operating Funding	49,280
Department of Treasury and Finance	Capital Asset Charge	38,122
Transport Accident Commission	Road Safety Education Complex Expenditure	324
Department of Education and Training	Strategic Partnership, Scienceworks Star 6 Funding	557
Department of Education and Training	Early Childhood STEM Professional Learning	360
Department of Jobs, Precincts and Regions	CFM Capital grant	610
Department of Jobs, Precincts and Regions	Community Support Fund	1,500
Visit Victoria	Public Programming, White Night Reimagined	100
Department of Jobs, Precincts and Regions	Great Melbourne Telescope Restoration	150
Department of Jobs, Precincts and Regions	Legacy Data & Interim Storage	505
Department of Treasury and Finance	Interest Income, Central Banking System arrangement	221
Victorian Managed Insurance Authority	General & specialised insurance	(770)
Department of Treasury and Finance	Capital Asset Charge	(38,122)
Department of Jobs, Precincts and Regions	Equity Transfer (Capital) Exhibition Renewal and REB Protection and Promotion	5,500
Various Government Departments	Other Minor Transactions <sup>i</sup>	443

<b>Government-related Entity</b>	<b>Transactions</b>	<b>2019 \$'000</b>
Department of Jobs, Precincts and Regions	2018–19 Operating Funding	46,115
Department of Treasury and Finance	Capital Asset Charge	38,122
Department of Education and Training	Strategic Partnership, Scienceworks Star 6 Funding	370
Department of Jobs, Precincts and Regions	Exhibition Renewal & CFM Capital grant	2,657
Department of Education and Training	Early Childhood STEM Professional Learning	300
Department of Jobs, Precincts and Regions	Legacy Data & Interim Storage	505
Department of Jobs, Precincts and Regions	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)
Department of Jobs, Precincts and Regions	Equity Transfer (Capital) REB Protection and Promotion	5,931
Victorian Managed Insurance Authority	General & Specialised Insurance	(644)
Various Government Departments	Other Minor Transactions <sup>i</sup>	609

i. 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)	
	2020 \$'000	2019 \$'000
<b>Government-related Entity</b>		
Department of Education and Early Childhood Development	-	110
Department of Jobs, Precincts and Regions	485	79
Owing to Other Government-related entity	25	112
<b>Total Outstanding To Museums Victoria</b>	<b>510</b>	<b>301</b>
Department of Treasury and Finance	(418)	(513)
Department of Jobs, Precincts and Regions	(9,487)	(9,758)
Owing by Other Government-related entity	(103)	(80)
<b>Total Outstanding By Museums Victoria</b>	<b>(10,008)</b>	<b>(10,351)</b>
<b>Net Outstanding</b>	<b>(9,498)</b>	<b>(10,050)</b>

## 8.6 Remuneration of auditors

	2020 \$'000	2019 \$'000
<b>Victorian Auditor-General's Office</b>		
Audit of the financial statement	77	75
<b>Total remuneration of auditors</b>	<b>77</b>	<b>75</b>

## 8.7 Subsequent events

When events occur between the end of the reporting period and the date when the financial statements are authorised for issue:

- Adjustments are made to amounts recognised in the financial statements where those events provide information about conditions which existed at the reporting date; and/or
- Disclosure is made where the events relate to conditions which arose after the end of the reporting period that are of material interest.

As noted in Note 1, Museums Victoria sites were closed on 9 July 2020 for a proposed period of six weeks. On 2 August 2020, Victoria was declared a state of disaster and went into Stage 4 lockdown for a further six weeks. The situation remains fluid and due to the significant amount of material uncertainty, it is not possible to quantify the full economic impact at present.

Museums Victoria is not aware of any other material events after the reporting date that would affect these financial statements. (2019: Nil).

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

Certain new accounting standards have been published that are not mandatory for the 2019–20 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises Museums Victoria of their applicability and early adoption where applicable.

The following table outlines the accounting pronouncements that have been issued but are not effective for 2019–20 reporting year, which may result in potential impacts on public sector reporting for future reporting periods.

<b>Standard/ Interpretation</b>	<b>Summary</b>	<b>Applicable for annual reporting periods beginning on</b>	<b>Impact on Museums Victoria’s financial statements</b>
AASB 2018–7 <i>Amendments to Australian Accounting Standards – Definition of Material</i>	This Standard principally amends AASB 101 <i>Presentation of Financial Statements</i> and AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> . The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 January 2020	It is not anticipated to have a material impact.
AASB 2020–1 <i>Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current</i>	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.	1 January 2023	It is not anticipated to have a material impact.

## 8.9 Change in accounting policies

### 8.9.1 Leases

This note explains the impact of the adoption of AASB 16 *Leases* on Museums Victoria’s financial statements.

Museums Victoria has applied AASB 16 with a date of initial application of 1 July 2019.

Museums Victoria has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, Museums Victoria determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 *Determining whether an arrangement contains a Lease*. Under AASB 16, Museums Victoria assesses whether a contract is or contains a lease based on the definition of a lease as explained in Note 6.2.

On transition to AASB 16, Museums Victoria has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

#### Leases classified as operating leases under AASB 117

As a lessee, Museums Victoria previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Museums Victoria. Under AASB 16, Museums Victoria recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low value leases.

On adoption of AASB 16, Museums Victoria recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using Museums Victoria’s incremental borrowing rate as of 1 July 2019. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

Museums Victoria has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Applied a single discount rate to a portfolio of leases with similar characteristics;
- Adjusted the right-of-use assets by the amount of AASB 137 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review;
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term;
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date.

### Impacts on financial statements

On transition to AASB 16, Museums Victoria recognised \$1.6 million of right-of-use assets and \$1.6 million of lease liabilities.

When measuring lease liabilities, Museums Victoria discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 3%.

	<b>\$'000</b>
	<b>1 July 2019</b>
Total Operating lease commitments disclosed at 30 June 2019	3,152
Discounted using the incremental borrowing rate at 1 July 2019	105
Finance lease liabilities as at 30 June 2019	514
Recognition exemption for:	
Short-term leases	(247)
Leases of low-value assets	(1,393)
<b>Lease liabilities recognised at 1 July 2019</b>	<b>2,131</b>

### 8.9.2 Revenue from Contracts with Customers

In accordance with FRD 121 requirements, Museums Victoria has applied the transitional provisions of AASB 15, retrospectively with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Museums Victoria applied this standard retrospectively only to contracts that are not 'completed contracts' at the date of initial application.

Comparative information has not been restated.

Note 2.3 Self-generated income includes details about the transitional application of AASB 15 and how the standard has been applied to revenue transactions.

### 8.9.3 Income of Not-for-Profit Entities

In accordance with FRD 122 requirements, Museums Victoria has applied the transitional provision of AASB 1058, retrospectively with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, Museums Victoria applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application.

Comparative information has not been restated.

Note 2.2 Grants includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions.

The adoption of AASB 1058 did not have an impact on the Comprehensive Operating Statement and the Statement of Cash flows for the financial year.

#### 8.9.4 Transition impact on financial statements

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

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

The impact on the Balance Sheet has been summarised in the following tables.

Impact on Balance Sheet due to the adoption of AASB 15, AASB 1058 and AASB 16 is illustrated with the following reconciliation between the carrying amounts at 30 June 2019 and the balances reported under the new accounting standards at 1 July 2019:

	\$'000		
<b>Balance Sheet</b>	<b>Before new accounting standards Opening 1 July 2019</b>	<b>Impact of new accounting standards – AASB 16, 15 &amp; 1058</b>	<b>After new accounting standards Opening 1 July 2019</b>
Total financial assets	25,002	-	25,002
Total non-financial assets	1,845,460	1,617	1,847,077
<b>Total assets</b>	<b>1,870,462</b>	<b>1,617</b>	<b>1,872,079</b>
Payables	9,566	-	9,566
Leases	514	1,617	2,131
Other liabilities	22,722	-	22,722
<b>Total liabilities</b>	<b>32,802</b>	<b>1,617</b>	<b>34,419</b>
Accumulated deficit	(228,953)	-	(228,953)
Physical Revaluation Surplus	1,466,243	-	1,466,243
Other items in equity	600,370	-	600,370
<b>Total equity</b>	<b>1,837,660</b>	<b>-</b>	<b>1,837,660</b>

# Auditor–General’s report



## Independent Auditor’s Report

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

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<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 2020</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>• declaration in the financial statements.</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 2020 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 are 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 determine 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 are 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  
9 September 2020



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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Staff and volunteers painting the River of Language Mural by Brendan Kennedy and Vicki Couzens in the Birrarung Gallery. Source: Museums Victoria | Photographer: Rodney Start

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