

Annual Report

2016–17
Museums Board
of Victoria



**MUSEUMS
VICTORIA**

Declaration of the Responsible Body

In accordance with the *Financial Management Act 1994*, I am pleased to present the Report of Operations for the Museums Board of Victoria for the year ending 30 June 2017.

Rufus Black

Dr Rufus Black

President,
Museums Board of Victoria
15 September 2017

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

Further information about Museums Victoria is available at museums victoria.com.au.

FRONT COVER

Children in the Pauline Gandel Children's Gallery;
Photography by John Gollings

THIS PAGE (left to right, top to bottom)

Nocturnal; Photography by Daniel Mahon

Ganbu Yalingbu Ngulu-Bulok, One Day, Many Voices Launch, 2017; Source/Photography by Stewart Donn

Asia Pop Courtyard, Asia TOPA 2017 festival;
Photography by Taryn Ellis

Secondary STEM Catalysts program;
Photography by Rodney Start

Ganbu Yalingbu Ngulu-Bulok, One Day, Many Voices Launch, 2017; Source/Photography by Stewart Donn

Astro Light Festival 2016; Source/Photography by Stewart Donn

Aotearoa Festival 2016; Photography by Taryn Ellis

Asia Pop Courtyard, Asia TOPA 2017 Festival;
Photography by Taryn Ellis

Pauline Gandel Children's Gallery; Photography by Joel Checkley, Tiny Empire Collective

Asia TOPA; Photography by Rich MacDonald

Pauline Gandel Children's Gallery; Photography by John Gollings

Asia Pop Courtyard, Asia TOPA 2017 festival;
Photography by Taryn Ellis

Astro Light Festival 2016; Source/Photography by Stewart Donn

Secondary STEM Catalysts program;
Photography by Rodney Start



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President's Message

It was my privilege to take on the role of Museums Board of Victoria President in July 2016, at the commencement of a year of significant development for the organisation. The Museums Board of Victoria is pleased to present the report of our operations, financial results and key achievements for 2016–17.

This year we celebrated the extraordinary contribution of outgoing Chief Executive Officer (CEO), Dr J Patrick Greene OBE who departed in February 2017. Over the last 15 years, Patrick was responsible for writing an important chapter in the life of this remarkable public institution. Patrick turned the move to Carlton and the creation of a network of museums into a terrific success and he greatly strengthened the collections management and scholarly work upon which enduring great museums are built.

A crowning achievement of Dr Greene's time was the opening of the Pauline Gandel Children's Gallery, a truly beautiful fusion of the best scholarship on early learning with enchanting design. Since opening in December 2016, the significant boost to gallery family membership attendance shows the youngest Victorians and their parents falling in love with the Museum once again.

This last year we also marked with great gratitude the conclusion of the term of Professor Margaret Gardner AO as President of the Museums Board of Victoria after 8 years of so ably steering the Museum through a very successful era.

This year also saw the conclusion of the terms of two of our board members. Sylvia Falzon after seven years of exceptional service during which time she championed a stronger development focus and greater revenue diversification through our commercial efforts, and generously acted in the Board Treasurer role in between permanent appointees. She also played a pivotal role in some of our most important philanthropic developments.

We also farewelled Trevor Tappenden, who for three years took carriage of the two key roles of Board Treasurer and Chair of the Finance, Audit and Risk Committee. During his tenure, Trevor shared his broad Director acumen to steer our financial and governance position with clarity and consistency. Our deep thanks and acknowledgment of the contribution of these dedicated departing Board members.

As one chapter in the history concluded another began with the commencement of our new CEO Lynley Marshall in February 2017. Following her appointment she has been leading a whole of organisation effort to develop a new strategic vision to take us towards 2025 and launching an exciting and ambitious schedule of exhibitions and initiatives for this year.

While there have been changes in leadership the outstanding work of the staff of Museums Victoria has been continuing as you will find detailed in this report.

We are a rare Museum organisation, fortunate in our multiple museum sites across the physical, the virtual and outreach. The endeavours of scholarship move throughout all our experiences, and translate into a dynamic and thriving education offering.

We only can do all of these because of the outstanding support of the Victorian Government, corporate partners, philanthropists and supporters, and, of course, our many visitors.

Along with my colleagues of the Board, the Chief Executive Officer, Executive Team and Museums Victoria staff, we look forward to building Museums Victoria's next chapter, where people are enriched by wondrous discovery and trusted knowledge, and society is compelled to act for a thriving future.



Dr Rufus Black

President, Museums Board of Victoria

Chief Executive Officer's Message

Joining Museums Victoria in February 2017, I discovered an organisation of abundant opportunity and potential. The extraordinary diversity of people, skills and talent supports world-leading expertise in delivering museum experiences founded in the magnificent museum collection and quality research programs.

Highlights from the last year illustrate this remarkable breadth of expertise. In May 2017, Museums Victoria's scientists led an international team on CSIRO's Research Vessel *Investigator* to explore the biodiversity of the ocean abyss, four kilometres below the surface off the coast of eastern Australia. Their discoveries, which are likely to include several species never previously described, attracted international attention and demonstrated the significant research abilities that Museums Victoria is recognised for.

In March we launched *Invisible Farmer*, a three-year research project into the untold stories of Australian women farmers. This will be the largest-ever study of Australian women on rural land, spanning research, scholarship, academic partnerships and community making in regions right across Australia.

In our Bunjilaka Aboriginal Cultural Centre we commemorated the 50th anniversary of the 1967 referendum in which Australians voted to include Aboriginal and Torres Strait Islanders in the national census – a landmark event in the inclusion and recognition of our first peoples.

And we saw an extraordinary response to the launch of the new Pauline Gandel Children's Gallery, an internationally ground-breaking early-learning experience for babies and children 0–5 years old. The first four months of opening saw an increase in the number of children visiting Melbourne Museum of almost 30% while visits by Members increased by more than 80%.

As I've stepped into my role at Museums Victoria I am grateful for the strong legacy left by departing CEO, Dr J Patrick Greene OBE in handing over an organisation so well established in its strengths and accomplishments.

Building on these strengths, successes and unique attributes, I now look to the exciting challenge of leading Museums Victoria into the future and delivering our new strategic direction through to 2025. Planning for this direction commenced in March, with cross-functional teams of staff who worked to develop a strategic white paper setting out our operating context and ideas for the future. This was followed in April by a planning workshop where key strategic themes were challenged and explored by more than 400 stakeholders including staff, the Museums Board and leaders from Museums Victoria's partner organisations.

These ideas are now being shaped into a strategic plan that will be finalised in 2017. A key focus will be building a complementary capability to produce even more responsive and agile experiences to sit alongside established skills at creating exceptional long-term exhibitions and experiences. In addition, a dynamic new program of exhibitions, events and experiences is envisioned, with the goal of further leveraging the museum's collections, research and spaces to continue to grow our audience base and provide more opportunities to engage with visitors of all ages.

This year Museums Victoria farewelled two long-standing Executives: Dr Robin Hirst PSM, Director – Collections, Research and Exhibitions, and Tim Hart, Director – Public Engagement. These departures will be deeply felt.

Robin's eminent career with the museum has been integral to outstanding exhibition development at Scienceworks and the Planetarium, the Immigration Museum and Melbourne Museum. Under Robin's leadership, the development, care and access to the collections has been transformed, and he has built strong research partnerships with many universities.

Tim's deep commitment to museum practice, digital transformation and collections has shaped the dynamic, public presence of Museums Victoria to reach national and international standing through multiple cultural exchanges and significant partnerships.

To Robin and Tim, I express my profound gratitude for the welcome, insights and support offered since my arrival and I wish them every success for the future.

The achievements of Museums Victoria are a testament to the skill and dedication of our Board, staff and volunteers, and the generosity of our supporters. To these people, our greatest asset, I extend my thanks for the successes of the last year and for the opportunity to take our world-class strengths and practices to build together the future vision of Museums Victoria.



Lynley Marshall
Chief Executive Officer

Profile of Museums Victoria

Museums Victoria is Australasia's largest public museum organisation. As the State museum for Victoria, we are responsible for developing and maintaining the State collection, delivering educational and entertaining exhibitions, conducting research, and providing cultural and science programs for the people of Victoria and visitors from interstate and overseas.

Museums Victoria dates back to 1854, with the founding of the National Museum of Victoria, and then, in 1870, the Industrial and Technological Museum of Victoria (later known as the Science Museum of Victoria). By proclamation of the *Museums Act 1983* (Vic.), these two institutions were amalgamated to form what is today known as Museums Victoria, governed by the Museums Board of Victoria.

Museums Victoria undertakes high-quality research into historical and contemporary issues in the fields of science, history, technology and Indigenous cultures. Our research is based on an internationally significant collection of more than 17 million items and is carried out by expert curators. Museums Victoria operates three museums, a collection storage facility (Moreland Annexe) and a non-collection storage facility (Simcock Avenue), and is custodian of the World Heritage-listed Royal Exhibition Building.

Melbourne Museum

Opened October 2000

The iconic Melbourne Museum stands adjacent to the historic Royal Exhibition Building in Carlton Gardens. Melbourne Museum incorporates the Bunjilaka Aboriginal Cultural Centre and showcases Australian social history, Indigenous cultures, the human mind and body, science and technology, and the environment. The IMAX Theatre is also located at Melbourne Museum and is operated by Museums Victoria.

Scienceworks

Opened March 1992

Located in the grounds of and incorporating the historic Spotswood Pumping Station, Scienceworks is an extremely popular science and technology museum that features modern interactive exhibition galleries, the Melbourne Planetarium and the Lightning Room.

Immigration Museum

Opened November 1998

The Immigration Museum is one of the world's leading social history museums and is situated in the historic Old Customs House, on Flinders Street, in Melbourne. It is a living cultural centre that engages visitors with the history and experiences of immigration and cultural diversity that have contributed to shaping modern Australia.

Royal Exhibition Building

Constructed 1879–80

Museums Victoria custodianship since 1996

Located in Carlton Gardens, facing Melbourne Museum, the Royal Exhibition Building was constructed for the 1880 Melbourne International Exhibition and continues to host exhibitions and other events. The building and gardens were inscribed on the UNESCO World Heritage register in July 2004.

Moreland Annexe

Opened October 1996

Moreland Annexe is the offsite collection storage facility for Museums Victoria, housing the largest proportion of the collection items. It complements the collection stores at Melbourne Museum and Scienceworks.

Simcock Avenue Store

Opened November 2007

Museums Victoria operates the Simcock Avenue Store, a non-collection store, on behalf of a number of creative industries agencies. It is adjacent to Scienceworks.

The Year in Brief

Key Indicators

	2016-17	2015-16	2014-15	2013-14	2012-13
Collection stored to industry standard	74%	75%	75%	77%	75%
Visitors satisfied with visit overall	98%	99%	92%	94%	93%
Students participating in education programs	272,731	287,460	281,095	276,111	256,329
Volunteer hours	41,692	37,685	44,124	50,565	49,908
Memberships	20,307	16,295	16,368	17,496	16,165

Note:

The successful opening of the Pauline Gandel Children's Gallery contributed significantly to the strong performance of the membership program.

Growth in volunteer hours reflects the redevelopment of the organisations approach to volunteer allocation to better meet community trends and opportunities, influenced by a shift in the age of volunteers, who increasingly come from younger generations.

Financial Summary

	2016-17 \$'000	2015-16 \$'000	2014-15 \$'000	2013-14 \$'000	2012-13 \$'000
Revenue from government	86,474	84,152	84,377	85,848	84,701
Total income from transactions	125,047	123,472	114,971	123,129	116,940
Total expenses from transactions	(117,696)	(117,297)	(110,475)	(116,940)	(115,946)
Net result from transactions before depreciation	7,351	6,175	4,496	6,189	994
Net result from transactions after depreciation	(20,936)	(11,639)	(13,448)	(12,715)	(18,187)
Net result for the period	(20,577)	(11,943)	(13,510)	(12,688)	(18,271)
Net cash flow from operating activities	4,452	16,363	6,572	6,139	1,679
Total assets	1,646,097	1,669,093	1,023,949	1,035,227	1,043,561
Total liabilities	23,955	26,367	17,344	15,112	14,747

Notes:

Revenue received from government was higher in comparison to the previous financial year, mainly from an increase in capital funding for Exhibition Renewal projects. In accordance with government policy, a capital asset charge is included in revenue from government and disclosed separately as an expense within the financial statements. Total income includes donations and grants that are brought to account when received and not matched with expenditure, which may occur in subsequent financial periods.

Overall revenue generated from paid admissions was down on 2015-16 due to the timing of the *Jurassic World: The Exhibition* across two financial years, combined with a drop in admissions at Scienceworks. This was offset by increases in admissions at Melbourne Museum mainly due to higher visitation experienced as a result of the new Pauline Gandel Children's Gallery. Total Expenditure includes increased salary costs as part of the new Staff Partnership Agreement (SPA) which was offset by savings in operating expenditure across all categories. Net cash flow is significantly lower due to payment of salaries under the new enterprise agreement and timing of payments within operating expenditure. The independent revaluations on Land and Buildings in 2015-16 has resulted in a substantial increase in depreciation which reduced asset carrying values and decreased Total Assets.

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

Visitation

	2016-17	2015-16	2014-15	2013-14	2012-13
Immigration Museum	122,574	116,024	122,662	123,877	132,883
Scienceworks	433,472	502,109	486,938	474,823	448,210
Melbourne Museum	1,140,618	991,132	828,379	955,838	802,949
IMAX	230,040	258,271	252,446	279,758	272,621
Total ticketed visitation	1,926,704	1,867,536	1,690,425	1,834,296	1,656,663
Outreach Program	134,318	440,450	135,881	112,049	90,450
Website	5,327,403	5,897,515	5,624,812	5,481,307	5,295,827
Total offsite visitation	5,461,721	6,337,965	5,760,693	5,593,356	5,386,277
Royal Exhibition Building	567,136	541,404	660,962	646,982	658,384
Total visitation	7,955,561	8,746,905	8,112,080	8,074,634	7,701,324

Notes:

Melbourne Museum had a successful year due to the opening of the new Pauline Gandel Children's Gallery and high visitation to the Melbourne Museum Touring Hall, which hosted the very popular *Jurassic World: The Exhibition* and *Brickman: Wonders of the World*.

The visitation growth to Scienceworks experienced in the previous financial years suffered a set-back due to a lack of new exhibition product, an outcome that will be remedied in the coming year with the release of both new long-term and short-term exhibition product.

Attendance at IMAX reflects the lower than expected performance of major film titles at the venue during the year.

Outreach Program figures include participation in the program's activities and attendances at Federation Handbells performances. Strong results in the prior 2015-16 year are attributed to performances of the Federation Handbells held at the Queensland Art Gallery and Gallery of Modern Art, which attracted more than 300,000 attendees.

Website visits in 2015-16 were boosted by *Jurassic World: The Exhibition* achieving almost 1.1 million views of the 'What's On' and ticketing pages. Lower website visitation for 2016-17 can be attributed to the lack of an equivalent touring exhibition for the period, plus redevelopment of the Museums Victoria website, bringing an initial slowing in visitation as the new venue websites were launched.

Environmental Performance

	2016-17	2015-16	2014-15	2013-14	2012-13
Energy					
Total energy consumption (gigajoules)	100,100	130,181	151,747	141,774	133,593
Greenhouse emissions associated with energy use (tonnes - CO ₂)	19,195	21,698	25,107	21,167	20,784
Waste					
Percentage of total waste recycled	51%	55%	53%	44%	69%
Water					
Water consumption (kilolitres)	67,924	93,130	79,852	77,284	63,397

Notes:

Museums Victoria engages in sustainable management practices under the State Government's Energy Management Program. This is reflected in reduced energy consumption due to efficiency upgrades occurring across all Museums Victoria sites. These include the installation of energy-efficient exhibition lighting and improvements associated with the Energy Management Program.

The unusually high level of water usage reported in 2015-16 is due to a water leak at Melbourne Museum that went undiagnosed for some time and was repaired in January 2016.

Purpose and Vision

Statement of Purpose

As a cherished cultural organisation, we engage in contemporary issues of relevance, interest and public benefit. Both within and beyond our museums, we encourage participation in the diversity of experiences we offer. We develop and use our knowledge, collections and expertise to build connections with and between individuals and communities to enhance understanding and a sense of belonging.

Vision

Leading museums that delight, inspire, connect and enrich.



Pauline Gandel Children's Gallery
Photography by John Gollings

Strategic Directions

Strategic Direction 1: Deepening Connections

The way that visitors interact with cultural organisations is changing. Many people wish to become more active participants in their cultural experiences – to personalise, communicate and share with others. Museums hold a unique place in the community, able to engage people in critical ideas and issues through new ways of communicating and connecting.

Museums Victoria offers a suite of exhibitions and public programs that draw from our collections, research and distinctive spaces.

Museum experiences showcase the magnificent State collection to deepen our connections with Victorians, Australians and the world.

Museums Victoria delivers:

Community engagement and informal learning

Adults, children and families alike regularly enjoy myriad of activities including tours, talks, and school holiday programs.

Exhibitions and displays

Exhibitions and public spaces provide curated experiences that directly engage visitors with items from the collections. These experiences are thought provoking and give visitors and tourists insights into uniquely Victorian environments, flora, fauna and culture.

Education programs

The education program caters for early childhood learners; primary, secondary and tertiary students; and teachers and lecturers. Access programs enable students and disadvantaged communities from rural and regional Victoria to visit, enjoy and engage with our museums. Education program collaborations provide professional development for teachers, focusing on the unique nature of learning in museums and on building teacher capacity and knowledge.

Museum Members

Museum Members enjoy exclusive opportunities to explore Museums Victoria's collections, spaces and knowledge through special events, behind-the-scenes visits and insights, free museum access, and discounts and special offers.

Volunteers

Volunteers are valuable and crucial members of Museums Victoria. More than 550 volunteers donate more than 40,000 hours of their time annually, supporting us to deliver public programs, as well as assisting curators and collection staff behind the scenes.

Public access to collection information

The Museums Victoria Discovery Centres respond to thousands of public enquiries each year and provide access to resources and the State collection. Visitors are welcomed at our centres at Melbourne Museum and the Immigration Museum to explore their questions about science, Australian history and Indigenous cultures; view local fauna specimens; and access the museum libraries. Discovery Centres also provide online access to our extensive range of collections and research.

Customer service

Visitors to our museums are offered personal experiences by our dedicated customer service team. Our team provides visitors with guided tours, exhibit interpretation and a range of services to ensure visitors have an enjoyable and safe museum experience.

Repatriation

Museums Victoria works with Aboriginal communities to identify ancestral remains and secret-sacred objects, and to repatriate them to traditional owners.

2016–17 Highlights & Achievements

Pauline Gandel Children's Gallery

On 4 December 2016, Museums Victoria opened the new Pauline Gandel Children's Gallery, supported by Gandel Philanthropy and the Victorian Government. The gallery has proven enormously popular as a unique place for children aged 0–5 to explore, play and learn. The gallery features a one-third life-size model of Victoria Railway's first C-class steam locomotive (1917) from our collection, along with a dinosaur dig, Indigenous storytelling and sculptures, a camouflage disco, a giant climbing net and quiet spaces for time out.

Jurassic World: The Exhibition

Jurassic World: The Exhibition entertained visitors to Melbourne Museum from 19 March to 2 October 2016. The exhibition featured life-like animatronic dinosaurs created by Melbourne-based Creature Technology Company. Drawing on one of the most successful movie franchises in cinema history, the exhibition attracted more than 400,000 visitors to the museum, immersing audiences of all ages in scenes inspired by the beloved film.

DarkLab

Scienceworks' expanded its programs for adult audiences with the series *DarkLab: Adults Only*, After Hours Events for Thinkers, Makers, Stargazers and Creators. Throughout the year more than 6000 people enjoyed 21 after-hours events, co-created with partners including the Mount Burnett Observatory, Telescopes in Schools, Melbourne International Film Festival, the School of Life and ABC Radio National.

A Victorian Silhouette: An Evening Behind the Door of the Boudoir

Melbourne Museum presented *A Victorian Silhouette: An Evening Behind the Door of the Boudoir*, a fashion event revealing the secrets of the 1850's Victorian silhouette, as part of the 2017 Virgin Australia Melbourne Fashion Festival arts program. The event was staged with presenting partner Sovereign Hill showcasing a range of fashions from the 1850's, and audiences rated it among their top five festival experiences.

They Cannot Take the Sky: Stories from Detention

Museums Victoria partnered with the Behind the Wire oral history project to develop the exhibition *They Cannot Take the Sky: Stories from Detention*. Presented at the Immigration Museum from March to July 2017, the exhibition featured personal stories of those who have sought or are seeking asylum and refuge in Australia.

Inflatable Refugee

The Immigration Museum partnered with Belgian visual artists Schellekens and Peleman to bring their *Inflatable Refugee* to Melbourne as part of Refugee Week in June 2017. The large-scale artwork of a crouched figure wearing a life-jacket was created to increase awareness of the journey of the tens of millions of people currently seeking asylum around the world.

Inflatable Refugee was presented in partnership with the City of Melbourne and in conjunction with the exhibition *They Cannot Take the Sky: Stories from Detention*.

Federation Handbells

As the custodians of the Federation Handbells, Museums Victoria partners with a wide range of creative and major events and entities including White Night and the City of Melbourne. This year the bells reached more than 57,000 participants and audiences.

Additional funding support from Creative Victoria will support the establishment of rural and outer-metropolitan bell networks that will further the reach and impact of this much-loved program.

Outreach Program

Museums Victoria's Outreach Program delivered 970 presentations and 309 loans kits to 72,900 people during 2016–17. Close to 53,000 individuals, or more than 70% of program participants, were in outer metropolitan areas or regional Victoria.

Education

Regardless of their start in life, our education program seeks to connect with and promote a positive culture of lifelong learning for all Victorian students. Every year we connect with 50% of registered schools in the State. In 2015 and 2016 we have connected with 60% of the bottom third of 'Student Family Occupation' ranked government schools year on year.

Our education offer of established and customised programs covering foundation to year 10 provides a unique platform within the Victorian education system to deliver key Education State strategic goals.

In October 2016, Scienceworks facilitated an intense educational experience for 120 secondary students, who presented to 11,000 delegates at the Intelligent Transport Systems World Congress at Melbourne Convention Centre. Scienceworks ran its program Design Your Future in the six months prior to the congress, using the Think Ahead exhibition to enable students to design intelligent transport systems to revolutionise travel in an imaginary city. The top projects were then showcased at the congress, allowing students to present their work to both their peers and experts in the field from around the world.

In tertiary education, Museums Victoria hosted 56 internships during the year. There were 14 international students from the USA, Canada, Hong Kong and UK, and domestic students from Victoria and interstate.

'I want to go to the Museum!' program

The *'I want to go to the Museum!'* program reaches out to children, schools and young families who, due to disadvantage or distance, have not visited one of our museums. The program brings these families together at the museum, building community connections, and helps develop children's literacy and numeracy in an informal environment. This year the program welcomed 240 children and parents and subsidised museum visits for more than 85 Victorian schools.

The *'I want to go to the Museum!'* program also includes the Autism Friendly Museum project, which offers navigation, interpretation and information tools – such as sensory maps and social stories – that assist parents of children on the autism spectrum prepare for a museum visit. This year there were 14,798 visits to the project's website and 1732 social stories were accessed. Materials from the project were this year added to the National Library of Australia Collection.

The Museum Generation

To celebrate the opening of new Pauline Gandel Children's Gallery, Museums Victoria, in partnership with the Maternal and Child Health Nurse Program, launched The Museum Generation program. The program offers a free six-month household membership for families with a baby born, adopted or fostered in 2017. By the end of June, 2116 families had been welcomed to The Museum Generation program.

Partnership with Vicdeaf

Museums Victoria has developed a program in partnership with Vicdeaf to provide co-hosted Auslan classes to families, museums staff and the broader Victorian community. The program aims to introduce new audiences to Melbourne Museum and increase access through shared resources and opportunities for staff development.

Australia Day 2017 honours list

Two of Museums Victoria's staff were recipients in the Australia Day 2017 honours list. Dr Robin Hirst, Director Collections, Research and Exhibitions was recognised with the Public Service Medal for outstanding development of community engagement with the museum and galleries sector in Victoria. Padmini Sebastian, Manager Immigration Museum, received a Medal of the Order of Australia (OAM) for services to multiculturalism, and to the community.



Winter School Holiday Program, Immigration Museum 2017
Photography by Rodney Start

Strategic Direction 2: Investing in Knowledge, Expertise and Collections

The big questions about the world that museums seek to answer are complex. Collections provide a sound basis for enquiry, but the issues cannot be understood through a single lens. Museums of the 21st century bring together multiple disciplines, perspectives and understandings to develop a range of expertise that delivers value to the community.

Research

Museums Victoria is recognised as a leader in our areas of research through publication of research findings in highly regarded journals, receipt of research grants from government and other funding bodies, and by collaborations with research institutions in Australia and abroad.

Collection development and management

Museums Victoria actively develops extensive research and heritage collections through field expeditions, collaborative research partnerships, donations and acquisitions. The conservation program includes preventive and remedial conservation, integrated pest management, environmental monitoring, and assessing and addressing risks to the collection.

Information and knowledge management

Our information and knowledge assets comprise documentation relating to the collections, exhibitions, research and programs, publications and corporate information of Museums Victoria. Information and records management standards support our team to improve creation, sharing and use of knowledge.

2016–17 Highlights & Achievements

Sampling the Abyss

A scientific team from Museums Victoria led a marine research voyage aboard the Research Vessel *Investigator*, Australia's National Science Facility ship managed by the CSIRO. The team conducted deep-sea biological sampling in the Tasman Sea and Coral Sea from May to June 2017. The discoveries of rarely seen and new species that live in the abyssal depths more than four kilometres below the ocean's surface received worldwide media and social attention.

Species Discovery

A new rat species was discovered during expeditions to remote rainforests in Sulawesi, Indonesia, by scientists from Museums Victoria, Louisiana State University (USA) and Indonesia's Museum Zoologicum Bogoriense. The discovery of the distinctive Slender Rat (*Gracilimus radix*) was recognised by the International Institute for Species Exploration as one of its 'Top 10 new species of 2017' in an effort to bring greater public attention to the threats that impact on biodiversity in tropical rainforests.

Bush Blitz and Bioscan

Museums Victoria's researchers completed two major biodiversity surveys – the Bush Blitz and Bioscan – in iconic Victorian national parks and reserves during the year. The Bush Blitz, funded by the Australian Biological Resources Study and Parks Australia, examined terrestrial, freshwater and marine environments in East Gippsland, while a Bioscan – the first stage of 'The Murray Explored' project delivered in partnership with the Gannawarra Shire Council – was undertaken at Gunbower Island in October.

Invisible Farmer

Invisible Farmer, the largest-ever study of Australian women on the land, was launched on International Women's Day, 8 March 2017. The three-year project is funded by an Australian Research Council Linkage Project grant to the University of Melbourne, and involves a nationwide partnership between Museums Victoria, as lead investigator, and other government and cultural organisations, universities and rural communities. The program has generated extensive media coverage and community interest.

Australian Research Council (ARC) linkage grants

Museums Victoria is currently involved with nine ARC Linkage Projects – an unprecedented number – in partnerships with six universities. ARC grants encourage higher-education institutions to develop strategic research alliances with other research and industry bodies including Museums Victoria. The collaborating universities are the University of Melbourne, Monash University, Deakin University, Australian National University, University of Adelaide and University of Queensland.

Acquisitions

Museums Victoria continued its program of adding items of significance to the State collection with a number of exciting new additions.

A key highlight was the acquisition of a tea caddy belonging to Lieutenant Governor David Collins, dating from the time of Victoria's first European settlement in 1803. The tea caddy is thought to have been made during Governor Collins' brief residence in Sorrento and is the oldest-known, non-Indigenous Victorian object made from local materials in existence.

Other acquisition highlights included: a set of engraved prints relating to William Blandowski's Victorian expeditions in the 1850's, of particular interest due to Blandowski's role as a founding curator of the museum; a bedroom suite that featured in the 1880 Melbourne International Exhibition held in the Royal Exhibition Building acquired with support from the National Cultural Heritage Account; and a Murray River Steam Navigation and Commerce Medal from 1853, commemorating the opening of the Murray River to steamship navigation by Captain Francis Cadell.

Kodak Heritage Collection Project

The Kodak Heritage Collection at Museums Victoria is made up of thousands of photographs, documents and other artefacts tracing the history of the company and its predecessors in Australia. The collection covers themes of photographic history – including manufacturing, marketing and retail – as well as the community surrounding the industry. In 2015 Museums Victoria celebrated the 10th Anniversary of the Kodak Heritage Collection and in 2016–17 was awarded a significant grant from the Baker Foundation towards continuing its registration and digitisation.

Great Melbourne Telescope

Restoration of the Great Melbourne Telescope continued, with the most recent work reinstating structural and mechanical components of the telescope in their original form. The Copland Foundation, Ian Potter Foundation and Myer Foundation have generously supported the restoration work to date.

Leading collections management

In 2017, Museums Victoria completed the first phase of the five-year collection risk-assessment and management (CRAM) program, which leads the way in the Australian collecting sector through its institution-wide and interdisciplinary preventive conservation model. The CRAM program has also resulted in an organisation-wide cultural transformation in understanding of and approach to managing collections.

Awards, grants and scholarships

The McCoy Project, a partnership between Museums Victoria and the University of Melbourne, aims to foster collaborative and interdisciplinary research. In 2016–17, the project delivered a fourth round of seed funding to five pilot projects and awarded two new strategic Australian Postgraduate Award scholarships for PhD candidates.

The Robert Blackwood Partnership between Museums Victoria and Monash University was launched. It promotes research collaborations and engagement between the two institutions, and this year provided seed funding for projects in the Sciences, Arts, Education and Science faculties at Monash University. The partnership also encompassed the latest round of Honours and PhD scholarships awarded to postgraduate students working with Museums Victoria collections.

Museums Victoria appointed its third Ian Potter Fellowship for Biodiversity Research in 2016–17 to Ms Shandiya Balasubramaniam. The three-year fellowship supports a talented early career researcher to undertake innovative wildlife conservation research linked to the new Ian Potter Australian Wildlife BioBank facility at Melbourne Museum, which opened in August 2016. The Ian Potter Foundation generously provided funding for both the research fellow and the BioBank facility.

Memoirs of Museums Victoria special edition

Museums Victoria published a special issue of *Memoirs of Museums Victoria* in honour of Dr Thomas Rich (Senior Curator, Vertebrate Palaeontology). The issue's 28 papers were written and compiled to celebrate Dr Rich's significant contribution to vertebrate palaeontology in Australia and elsewhere. Dr Rich commenced his career as the curator of fossils at the then National Museum of Victoria in 1974.

Strategic Direction 3: Digital Transformation

Keeping up with the continually shifting digital environment requires organisations to be forward-looking and agile. This presents both a challenge and opportunity for museums, which must reposition themselves to operate effectively in the digital age. At its heart, this means changes in the way that people think, work and interact.

Digital and emerging technology (DET)

Museums Victoria delivers high-performing information technology infrastructure and systems to meet the collection, business and staffing requirements of the organisation.

Information and knowledge management

Museums Victoria facilitates knowledge management initiatives, including collaboration and workflows, to allow staff to work together remotely and digitally.

Our electronic document and records management systems support digital transformation across the organisation.

2016–17 Highlights & Achievements

Digital Transformation Strategy 2015–20

The Strategy is in the second year of its five-year evolution, continuing the conversion of museum experiences, information and services into a digital future. Key achievements during 2016–17 are the Nodel project (below), and the phased Museums Victoria website redevelopment, delivering new features to the sites for Melbourne Museum, Immigration Museum, Scienceworks and Bunjilaka. A new mobile-friendly site for Museum Spaces was added to this suite, allowing potential customers to browse our unique spaces to stage events or exhibitions.

The strategy's focus to digitally meet business needs across visitor and commercial operations delivered a new ticketing system for IMAX and launch of the new Priava system for commercial events management. Introduction of the digital volunteer management solution Volgistics now enables our 550 volunteers to sign in and out via touch screens each day. In March 2017, free wireless was installed in the Melbourne Museum plaza supporting the Virgin Australia Melbourne Fashion Festival as part of the Victorian Government's free public Wi-Fi project, and is now an ongoing service in this precinct.

Nodel

During the year Museums Victoria completed the upgrade of its digital gallery information systems with rollout of the Nodel solution across all museum sites. Nodel is a platform developed by Museums Victoria that integrates data across multiple digital media devices in public display applications using a simple web-based interface. The upgrade finalised removal of obsolete legacy systems, and Nodel now drives the control, scheduling and monitoring of over 1500 multimedia devices and their associated exhibits and galleries across Museums Victoria.

Catching the Eye

Work by the lead photographer for Museums Victoria's *Catching the Eye* project won two silver awards in the Science Wildlife and Wild Places category at the 2016 Australian Institute of Photography's Australian Professional Photography Awards. *Catching the Eye* captures moving and still images of Victorian and Australian wildlife, particularly those that are difficult to photograph and are rare or rarely seen species. Many of these images feature in the Museums Victoria Collections site, the Museum's field guide apps and other digital resources, as well as in publications and education and conservation programs.

This project is made possible with continuing support from the Ian Potter Foundation, the Calvert Jones Foundation, the Limb Family Foundation, the RE Ross Trust and the Australian Environmental Grantmakers Network of donors and organisations.

Devonian seas virtual reality experience

Visitors to Melbourne Museum during the 2016 September school holidays were amazed by *Devonian Seas*, a unique prehistoric virtual reality (VR) experience featuring acanthodians, nautiloids and trilobites. Three Oculus Rift headsets delivered the experience to visitors seated in supportive 'pod' chairs while they revelled in their three-minute encounter with the remote past.

Biodiversity Heritage Library Australia

Biodiversity Heritage Library Australia, a global collaboration of the biodiversity community led by Museums Victoria, contributed approximately 40,000 additional pages across 49 titles to the project website www.biodiversitylibrary.org. The Library improves research methodology by making biodiversity literature openly available across the world to the global biodiversity community. The project was aided with the acquisition of a Zeutschel scanning rig which has improved the speed and consistency of results.

Museums Victoria Collections online

Museums Victoria has been building and researching its collections since 1854. These are available for our visitors to explore online, featuring over 1.15 million records of zoology, geology, palaeontology, history, technology and Indigenous cultures. In 2016–17, the website garnered more than 672,800 user sessions with more than 1.52 million pages viewed by visitors spending an average of one minute and 37 seconds on the site.

Strategic Direction 4: Organisational Resilience

Museums aim to engage, entertain, move and inspire people. All staff and volunteers contribute to this goal. In responding to the changing economic and social environment, it is important that people work collaboratively with a common purpose and find creative ways to use resources more effectively, to deliver the best possible value for the public.

Supporting staff

Museums Victoria is built on the contributions and commitment of our people. Our investment in human resources builds employee engagement and provides a full range of services to staff and the organisation, including payroll, employee relations, job design and classification, recruitment, training and development, and performance management.

Financial management

Museums Victoria assumes a prudent approach to managing resources. Our financial management includes accounts payable and receivable, budget forecasting and reporting, fixed assets, general procurement and fleet management.

Information and knowledge management

Museums Victoria manages information and knowledge effectively to develop and share our expertise. This ensures we are viewed as a comprehensive and accessible resource that interprets and provides reliable information and knowledge to our staff and the community.

Commercial

Museums Victoria is committed to maximising commercial revenue through provision of high-quality commercial products and services across our museums and the Royal Exhibition Building. Our commercial activities provide enhanced visitor experiences complemented by our collections, research and exhibitions. These activities include retail operations, café and catering services, venue hire, car parking and IMAX films.

2016–17 Highlights & Achievements

Philanthropy, grants and corporate partnerships

This year's Annual Giving program was a great success, with 521 donations to support a range of activities including the *'I want to go to the Museum!'* Program, Research and Collections, Exhibitions and Programs.

The Museums Victoria Patrons Circle is designed to recognise individual donors who give more than \$1000 in the preceding financial year. This year, the Patrons Circle grew to 29 donors who gave more than \$120,000 to projects and activities across our museums. These included gifts towards our Autism Friendly Museum project that will now focus on giving young people with autism and related conditions valuable work experience opportunities at the Museum; support to bring the international art work, the *Inflatable Refugee*, to Melbourne; and a gift to purchase a new state-of-the-art scanner that can help us to continue digitising our Collections.

Our annual Supporters' Thank You event was held in March at Melbourne Museum. To recognise our ongoing supporters, Museums Victoria gave guests an opportunity to explore the new Pauline Gandel Children's Gallery before taking them on an adventure behind the scenes.

Precinct partnerships

In 2016–17 the Carlton Gardens precinct – encompassing Melbourne Museum and the Royal Exhibition Building – attracted a large number of major events and trade shows. Notable were the Melbourne International Flower and Garden Show (MIFGS), the World 50 Best Restaurant Awards, hosted for the first time in Australia, and the Virgin Australia Melbourne Fashion Festival (VAMFF).

Energy Management Program

Museums Victoria is an active participant in the Victorian Government's Greener Government Buildings program, where Government-owned organisations are supported to improve energy efficiency in existing buildings as well as reduce greenhouse gas emissions. Museums Victoria has partnered with Siemens to implement a strategic schedule of energy efficiency measures with demonstrated success. Carbon dioxide (CO₂) emissions have fallen by 35%, saving 4590 tonnes of CO₂ per year, and water consumption has dropped by 6%. The cost of utilities fell by 32%, saving an amount equivalent to the electricity consumption of 1264 average households per year.

Archive Volunteers

Volunteers in the records and archives area continue to add value to our information assets. Projects this year include digitisation of the annual reports of our predecessor institutions, dating back to 1870; consolidation and listing of architectural plans and drawings across all venues; and listing and registration of subject files from the Royal Exhibition Building.

Capital program

Museums Victoria works to ensure its buildings and major assets are fit for purpose, safe to work in and enhance the visitor experience. Activities during the year included an upgrade of the Royal Exhibition Building's lightning protection system to further protect this World Heritage-listed cultural asset and enhance the safety of all visitors.

Significant works at Melbourne Museum delivered two upgraded café spaces, refurbishment of the retail shop and preparations to transform two spaces into new galleries as part of a new partnership with the Transport Accident Commission for 2018. Major upgrades to two galleries commenced at Scienceworks that will deliver new science-based exhibition experiences in the coming year.

Strategic Direction 5: Building Victoria's Cultural Capital

Victoria's cultural sector underpins the strength of the economy by generating jobs, supporting creative industries and attracting tourists from interstate and overseas. But simply maintaining the current state of the sector is not enough. New opportunities must be exploited to ensure Victoria upholds its position as Australia's arts and culture capital.

Several cultural events over the year drew significant activity to our sites and precincts, offering substantial engagement and rich experiences for visitors to connect with our iconic sites.

2016–17 Highlights & Achievements

Bunjilaka Aboriginal Cultural Centre

Bunjilaka, at Melbourne Museum, collaborates with Koorie communities to connect them with Museums Victoria audiences and to connect museum visitors with Aboriginal culture, history, stories and perspectives. Events and exhibitions in 2016–17 gave community and visitors alike opportunities to celebrate the vibrant and ancient cultures of Australia's First Peoples.

In June the *First Peoples* exhibition in Bunjilaka received the Interior Design Impact award at the 2017 Australian Interior Design Awards.

In partnership with the inaugural Yirramboi Festival and the City of Melbourne, Bunjilaka joined the Koorie Makers Festival in celebrating Melbourne's vibrant Koorie arts scene. Over the weekend festival, hundreds of visitors took part in workshops and demonstrations and enjoyed live performances.

To celebrate NAIDOC Week 2017, Bunjilaka presented the exhibition *Yannaë Wirrate Weelam: The Journey Home (Artworks from the Torch)* from July–November 2016. The exhibition featured artworks by Indigenous artists from south-eastern Australia who are participating in the Torch Project's Indigenous Arts in Prison and Community program, part of a rehabilitation process that helps build confidence and social capital.

BioBank

In August 2016, Museums Victoria launched the Ian Potter Australian Wildlife BioBank at Melbourne Museum. The facility provides Australia's first biobank for the mass and long-term storage of wildlife tissue samples, allowing up to 160,000 samples to be kept in the state-of-the-art cryogenic storage tanks. The facility will ensure Museums Victoria remains a leader in the areas of genetic research and reproductive biology research programs in Australian wildlife.

White Night

Melbourne Museum, Carlton Gardens and the Royal Exhibition Building formed part of Precinct 1 for the 2017 White Night Melbourne event. The Bunjilaka Aboriginal Cultural Centre and the Pauline Gandel Children's Gallery were at the heart of the Melbourne Museum program, with both areas open from 7pm to 7am. Illumination in the Carlton Gardens provided the perfect pathway for visitors to access the precinct, with 20,130 admissions to Melbourne Museum over the course of the evening and an additional 120,000 estimated to have visited the precinct.

Engaging with Asia

Museums Victoria participated in the inaugural AsiaTOPA, the Asia Triennial of Performing Arts. Collaborations with local and international performers at the Immigration Museum included the dance performances *Traces of Becoming*, a multimedia installation *Kung Fu Motion* and Asia Pop courtyard festivals, which together attracted a total of 12,352 visitors.

In February–March 2017, Museums Victoria collaborated with the National Heritage Board of Singapore to provide a professional development workshop in exhibition management for 35 international trainees, representing the next generation of cultural leaders in their respective countries. The program was conducted under a Memorandum of Understanding between Museums Victoria and the National Heritage Board signed in July 2015.

Royal Exhibition Building Protection and Promotion Project

Museums Victoria is the committed custodian of the Royal Exhibition Building. Work continues on the Royal Exhibition Building Protection and Promotion Project to preserve and secure the future of the World Heritage-listed building. The project will deliver restoration works to preserve the heritage fabric of the building, improve facilities for both exhibitors and visitors, and recreate the spectacular 1880's Dome Promenade to access 360-degree views of Melbourne. Currently, Museums Victoria is working with Heritage Victoria to secure the required heritage permits, with project works commencing in 2018.

Exhibition renewal and creative industries engagement

Museums Victoria's Exhibition Renewal Program delivers strategic renewal of long-term exhibition spaces across our multiple sites. The program focuses on engaging Victoria's creative industries and other small to mid-tier Victorian based businesses wherever possible: on average, this amounts to close to half the total renewal project budget. A major achievement for 2016–17 was the engagement of 259 Victorian businesses on the construction of the Pauline Gandel Children's Gallery. These businesses ranged from transport and logistics, to soundscape design. The project invested a total of \$3.85 million into Victoria's small to mid-tier businesses, comprising 65% of overall project funds.

Future Priorities

Museums Victoria Strategy 2025

As the current strategic plan comes to its conclusion and with the recent appointments of key leadership roles – President Rufus Black and CEO Lynley Marshall – Museums Victoria has embarked on developing an invigorating and inspiring vision, accompanied by strategic objectives to drive an ambitious program into the next decade. The new strategy, set to commence implementation in September 2017, outlines a suite of initiatives and operational activities that will consolidate our sustainability into the future.

In 2017–18, Museums Victoria will deliver an expansive calendar of audience activations and experiences. Key highlights will include:

- the *LightTime* interactive exhibition at Scienceworks exploring the drama and phenomena of light
- *Bug Lab: Little Bugs, Super Powers* touring exhibition at Melbourne Museum
- *Nocturnal* Friday night events series with presentations by museum experts, cocktail offerings and live music at Melbourne Museum
- *We call them Vikings* touring exhibition at Melbourne Museum
- *Museum Moves* creative morning aerobics throughout the galleries of Melbourne Museum
- opening two Transport Accident Commission (TAC) Galleries at Melbourne Museum, a key partnership realising public safety, education and outreach benefits
- two new permanent gallery experiences opening at Scienceworks, *Ground Up* and *Beyond Perception*
- a Museums Victoria-curated exhibition *Museum Inside Out: Act 1* in the Melbourne Museum Touring Hall.

In 2017–18, Museums Victoria will consolidate organisational resilience and sustainability throughout operations. Key areas of focus include:

- strengthening our physical assets with preservation works at the Royal Exhibition Building and restoration of the majestic Long Room at Immigration Museum (Old Customs House Building) to its original state
- working with all staff to define Museums Victoria's organisational culture and values
- ensuring robust measures of success in building a more detailed and authentic capture of our visitation turnover
- activating stronger systems and processes supporting financial sustainability and addressing our expanding compliance obligations.

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 closely with Creative Victoria to deliver policy objectives.

The Board is responsible for maintaining the standards of management of Museums Victoria and has the following functions which are to:

- 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.

The Museums Board of Victoria functions are listed under section 23 of the *Museums Act 1983* (Vic.).

Number of meetings during the financial year: 6

Board member	No. of meetings attended
Dr Rufus Black (President)	6
Mr Andrew Butcher	6
Professor Edwina Cornish AO	4
Mr Jim Cousins AO	6
Ms Sylvia Falzon	5
Mr Wilkin Fon	6
Mr Colin Golvan QC	6
Dr Alison Inglis	6
Mr Trevor Tappenden	5
Ms Annette Vickery	3

Committees

The Board has established a number of committees under the Act.

Aboriginal Cultural Heritage Advisory Committee

The committee advises the Board on all matters relevant to Aboriginal cultural heritage. Its members include representatives from Aboriginal communities throughout Victoria.

Number of meetings during the financial year: 4

Committee member	No. of meetings attended
Ms Annette Vickery (Chair)	4
Ms Julie Andrews	3
Professor Henry Atkinson	4
Ms Carolyn Briggs	3
Mr Colin Golvan QC	2
Dr J. Patrick Greene OBE (to February 2017)	2 (of 2)
Ms Lynley Marshall (from February 2017)	2 (of 2)
Ms Gail Harradine	2
Ms Diane Kerr	0
Ms Caroline Martin	0
Mr Ricky Mullett	4
Mr John Patten (from October 2016)	3 (of 3)

Finance, Audit and Risk Committee

The committee assists the Board in fulfilling its responsibilities concerning financial reporting, audit activities, accounting and reporting practices, and financial and operational risk management as prescribed by the *Financial Management Act 1994*. All members of the committee are independent.

Number of meetings during the financial year: 6

Committee member	No. of meetings attended
Mr Trevor Tappenden (Chair)	5
Mr Jim Cousins AO	6
Ms Sylvia Falzon	4
Mr Wilkin Fon	6

Fundraising Committee

The committee has oversight of the planning, coordination and implementation of all fundraising activities and actively engages in establishing and maintaining fundraising networks for Museums Victoria. All members of the committee are independent.

Number of meetings during the financial year: 4

Committee member	No. of meetings attended
Mr Colin Golvan QC (Chair)	3
Ms Sylvia Falzon	2
Dr Alison Inglis (Observer)	3

Nominations, Remuneration and Governance Committee

The committee advises the Board on all staffing and governance matters. All members of the committee are independent.

Number of meetings during the financial year: 3

Committee member	No. of meetings attended
Dr Rufus Black (Chair)	3
Mr Jim Cousins AO	3
Mr Colin Golvan QC	3

Research Committee

The committee advises the Board on strategic matters relating to research and collection development, and it oversees the implementation of the Board's research strategy. 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: 3

Committee member	No. of meetings attended
Professor Edwina Cornish AO (Chair)	3
Professor Graeme Davison AO	3
Dr J. Patrick Greene OBE (to February 2017)	1 (of 2)
Dr Robin Hirst	3
Dr Alison Inglis	3
Professor David Karoly	2
Ms Lynley Marshall (from February 2017)	1 (of 1)
Professor Lynette Russell	1
Professor Alistair Thomson	3

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

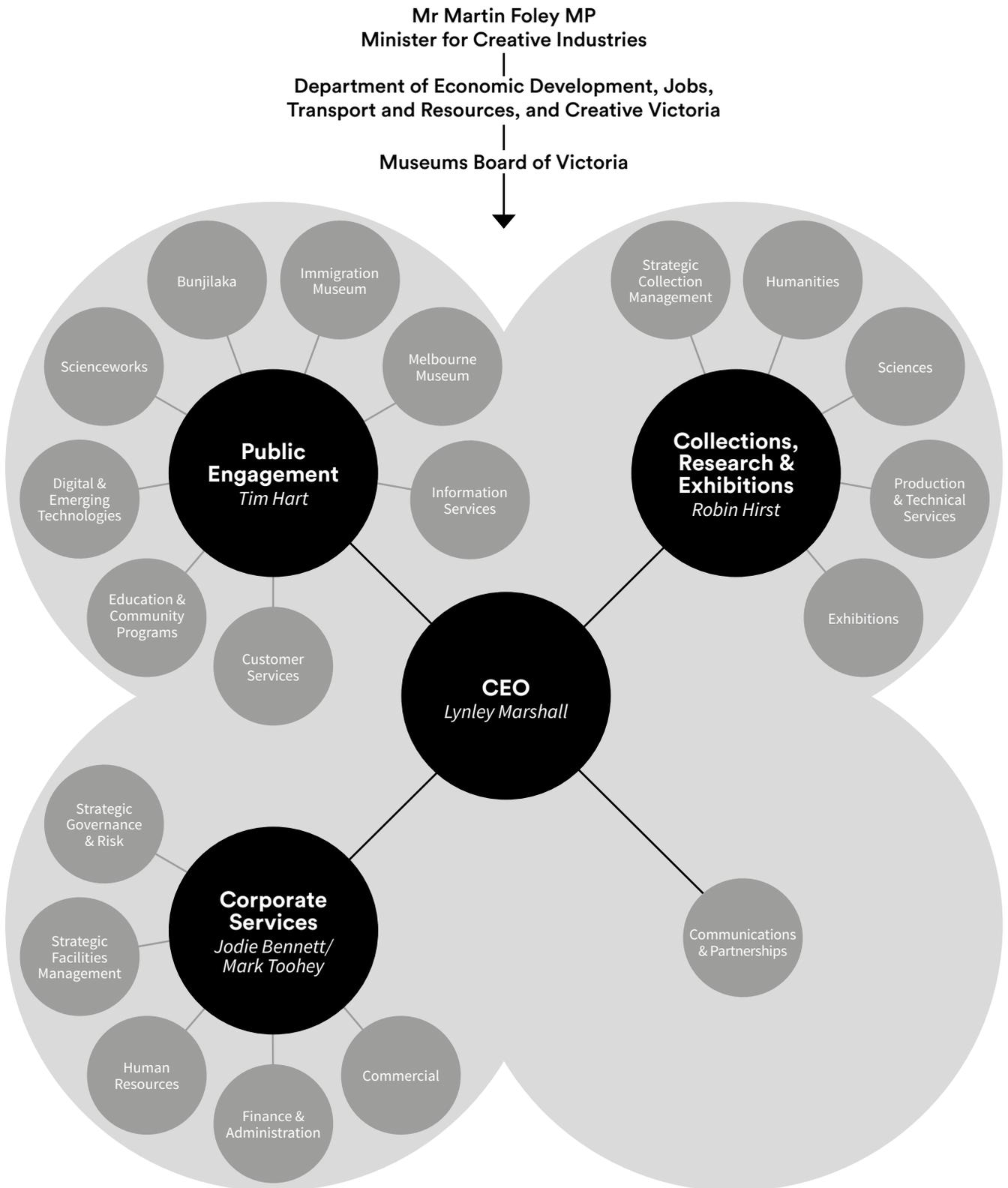
Donald Thomson Collection Administration Committee

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

Organisational Structure

As at 30 June 2017



Staff Profile

Museums Victoria commenced 2016–17 with 507 full-time equivalent employees (FTE) and ended the period with 492.

	Ongoing Employees			Fixed-term & Casual		Total FTE
	Employees (Headcount)	Full-time (Headcount)	Part-time (Headcount)	FTE	FTE	FTE
June 2017	422	268	154	360	132	492
June 2016	439	280	159	380	127	507

	2017			2016		
	Ongoing		Fixed-term & Casual	Ongoing		Fixed-term & Casual
	Employees (Headcount)	FTE	FTE	Employees (Headcount)	FTE	FTE
Gender						
Female	256	211	83	261	220	72
Male	166	149	49	178	161	55
Total	422	360	132	439	380	127
Age						
Under 25	1	1	12	4	2	12
25-34	81	66	58	96	81	58
35-44	119	102	36	130	114	33
45-54	116	99	16	110	96	16
55-64	80	71	9	78	70	6
Over 64	25	21	1	21	17	2
Total	422	360	132	439	380	127
Classification						
VPS 1	0	0	0	3	1	32
VPS 2	165	118	64	156	116	42
VPS 3	102	94	23	109	101	19
VPS 4	77	72	27	86	80	21
VPS 5	63	61	9	67	64	6
VPS 6	15	15	4	18	18	3
Executive Officers	0	0	5	0	0	4
Total	422	360	132	439	380	127

*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.

Total number of Executive Officers for Museums Victoria as at 30 June 2017, broken down into gender

	All	Male	Female
Class	No.	No.	No.
EO-01	0	0	0
EO-02	1	0	1
EO-03	4	3	1
Total	5	3	2

Reconciliation of executive movements throughout the year

	2017	2016
Executives*	5	3
Accountable Officer (CEO)	2	1
Less Separations	2	0
Total executive numbers at 30 June**	5	4

* Executives excluding CEO

** Executives including CEO – Includes transitioning Corporate Services Directors and Chief Executive Officers.

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

Employees have been correctly classified in workforce data collections.

Staff Development

Museums Victoria's learning and development framework is aligned to emerging development needs of staff and focuses on core capabilities, critical skills and knowledge.

In 2016–17, the corporate learning and development program included both face-to-face sessions and e-learning programs. The e-learning program included a suite of compliance training targeted at increasing awareness and reflecting strong organisational commitment to diversity, equal opportunity, bullying prevention, code of conduct, child safety and health and safety.

In addition to the corporate learning and development programs, managers supported employee development needs through seminars, conferences, temporary assignments, mentor programs and cross-divisional project opportunities.

In total, Museums Victoria offered 42 corporate learning and development sessions, representing 29 individual training programs. Additionally, 23 e-learning modules were completed (including the compliance e-learning project, which was completed by more than 78% of all employees). The face-to-face training sessions were attended by 261 employees. The majority of participants rated their level of satisfaction as 'high' or 'very high'.

During 2016–17, Museums Victoria celebrated International Women's day with a breakfast attended by approximately 200 people, hosted a panel on careers for mid-career women at Museums Victoria and conducted a program on Women in Leadership.

A successful workshop on unconscious bias linked to diversity and inclusion was held with staff from the Public Engagement Division.

A range of workshops and briefings were also held across departments concentrating on performance development, giving and receiving feedback, building a constructive culture and building effective working relationships.

Employee Relations

Negotiations for the 2016 Staff Partnership Agreement (SPA) concluded in late 2016, with staff overwhelmingly supporting the new agreement. An affirmative vote of 95.7% of voters was achieved. The new SPA was approved by the Fair Work Commission on 18 January 2017 and will apply until 31 December 2019. Among other things, the new Agreement included pay increases of 3.25% per annum in line with Victorian Public Sector agreements; introduced paid Family Violence Leave; removal of gender references from Parental leave and extended penalty rate payments for all staff performing work on weekends and public holidays.

Museums Victoria continues to maintain an excellent working relationship with staff and with the primary representative, the Community and Public Sector Union (CPSU). Regular CPSU Consultative Committee meetings were held in 2016–17, as were constructive discussions regarding organisational reviews and exhibition projects. There has been no industrial action.

The Staff Consultative Committee continued to operate during 2016–17, facilitating effective communication between management and staff in relation to major issues affecting Museums Victoria.

People Matter Survey

In early May 2016, Museums Victoria participated in the People Matter Survey, designed for the Victorian Public Sector (VPS) and run by the Victorian Public Sector Commission.

An exceptional 56% of People Matter Surveys were returned for Museum Victoria, compared with a 40% result in 2014, and a 34% response rate for the Victorian Public Sector in 2016.

In addition, 34% of those Museums Victoria employees who did respond (124 employees) also chose to use free-text to make additional comments.

The results were received in October 2016 and were shared with the appropriate Department Managers and Directors for discussion and action with staff.

Museums Victoria fared well with respect to staff engagement and job satisfaction levels which were noted at 76%, and 75% respectively. The organisation also scored well with respect to attitudes towards diversity, with staff rating the organisation well for its approach, especially to Aboriginal and Torres Strait Islander communities.

Areas that the Survey identified for further action and review included bullying, strategy and direction. To this end, following consultation with staff, a road map to eliminate bullying was endorsed by the Executive team and Board and a new Strategic Plan will commence implementation in September.

Values

Museums Victoria's values are aligned with those of the Victorian public sector. These values form the foundation of our workplace and underpin the delivery of our strategic objectives.

Leadership

We will demonstrate leadership, particularly in the areas of reconciliation, promotion of cultural diversity and communication about the effects of climate change, and through learning and the development of our staff.

Respect

We will acknowledge and respect the diverse nature of the Victorian community and its views. We will demonstrate respect for the environment by increasing public awareness about the effects of climate change on biodiversity and human societies, and through responsible use of our resources.

Reconciliation

We will build on our strong commitment to achieving reconciliation between Indigenous and non-Indigenous peoples. By working in partnership with Indigenous communities, we will increase understanding of and respect for Indigenous history, culture and traditions.

Human Rights

We will embrace the values of fairness, equity and social justice in all we do. By acknowledging and acting in accordance with the principles of fundamental human rights, we will contribute to social inclusion for all members of the community.

Responsiveness

We will engage with the Victorian community in a spirit of openness to encourage access and participation. We will deliver high-quality services and continually seek opportunities for improvement.

Integrity

We will maintain our reputation for trustworthiness and authority by being professional and transparent in our actions and decisions. Our research program will be carried out according to the highest standards of scholarship.

Impartiality

Our staff will act in accordance with Museums Victoria's policies, procedures and strategic directions. We will disseminate our knowledge in an equitable manner and take an unbiased approach in the delivery of information that contributes to public debate.

Accountability

Our stewardship of the State Collection will be undertaken in a manner that preserves and augments this important public inheritance for future generations. We will demonstrate accountability through our service to the community and through efficient and sustainable use of our resources.

Financial Overview of Operations

The net result from transactions before depreciation was a surplus of \$7.351 million for the year ended 30 June 2017.

General Operations

The increase in net result from transactions before depreciation from \$6.175 million in 2016 to \$7.351 million in 2017 was due to an increase in income of \$1.575 million offset by an increase in expenses of \$0.399 million.

In 2017 there was an increase of \$5.09 million in State Government grants, including \$2.0363 million for additional capital exhibition renewal and \$3.2 million from the Transport Accident Commission (TAC) for the development of the Road Safety Education Complex in Melbourne Museum.

The new Pauline Gandel Children's Gallery opened in December 2016 and is much loved by children and families alike, driving an increase in general visitations and memberships. This increase partly offset a decrease in touring exhibitions visitation including the very popular Jurassic World exhibition which finished in September 2016 and Bug Lab which only opened late June 2017. Scienceworks visitation was also down on prior year due to the closure of exhibition spaces for renewal.

Museums Victoria was pleased to receive some larger grants during the year from Rio Tinto, Ian Potter Foundation and The Baker Foundation for science and humanities projects.

There was increase from 2016 in employee expenses of \$2.913 million in 2017. Negotiation of the new staff partnership agreement led to salary increases, and as well as changes to penalties and other conditions. The increase in visitations also contributed to an increase in staff employment and associated costs.

The completion of the first phase of the Energy Management Program delivered by Siemens realised savings in energy consumption expenses across Museums Victoria's sites.

Depreciation

The Valuer-General Victoria's valuation as at 30 June 2016 of land buildings resulted in an increase to buildings of \$201 million in 2016. As a result, the depreciation expense for buildings increased from \$15.7 million in 2016 to \$25.7 million in 2017.

Depreciation expense does not give rise to a cash outflow from activities.

The comprehensive result was a deficit of \$20.584 million, which comprises:

- Depreciation expense of \$28.287 million; and
- Other economic inflows included in the result of \$0.359 million.

Financial Statements Museums Board of Victoria

Accountable Officer and Chief Financial and Accounting Officer's Declaration

We certify that the attached financial statements for the Museums Board of Victoria have been prepared in accordance with Standing Direction 5.2 of the Minister for Finance 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 2017 and financial position of the Museums Board of Victoria as at 30 June 2017.

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 15 September 2017.



.....
Dr Rufus Black

President, Museums Board of Victoria



.....
Lynley Marshall

Chief Executive Officer



.....
Jodie Bennett

Chief Financial Officer

15 September 2017
.....

Dated

Financial Statements

Comprehensive Operating Statement for the financial year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Continuing Operations			
Income from transactions			
Victorian Government Grants	2	90,823	85,731
Fees and Charges		19,741	21,452
Sales of Goods and Services		3,221	3,374
Other Grants	3	2,228	1,905
Donations		460	1,456
Rent Revenue		4,350	4,072
Sponsorship		126	1,052
Memberships		1,422	1,153
Other Income	4	2,676	3,277
Total Income from transactions		125,047	123,472
Expenses from transactions			
Employee Expenses	5(a)	(45,705)	(42,793)
Cost of Goods Sold		(1,566)	(1,586)
Finance Costs		(17)	(19)
Capital Asset Charge	1(m)	(38,122)	(38,122)
Facilities Expenses		(12,550)	(13,339)
Consumables and Corporate Expenses		(9,254)	(10,201)
Contractors and Exhibitions		(9,067)	(8,882)
Other Operating Expenses	5(b)	(1,415)	(2,355)
Total Expenses from transactions		(117,696)	(117,297)
Net result from transactions before depreciation		7,351	6,175
Depreciation	9(d)	(28,287)	(17,814)
Net deficit from transactions		(20,936)	(11,639)
Other economic flows included in net result			
Net Gain/(Loss) on Non-Financial Assets		14	144
Net Gain/(Loss) arising from movement of discount rates for LSL liability		345	(448)
Total Other economic flows included in net result		359	(304)
Net result		(20,577)	(11,943)
Other economic flows – other comprehensive income/(expenditure)			
Items that will not be reclassified to Net result			
Changes in Physical Asset Revaluation Surplus		–	644,064
Changes to Foreign Currency Hedging Reserve		(7)	–
Comprehensive result		(20,584)	632,121

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

Financial Statements

Balance Sheet as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Financial Assets			
Cash and deposits	6,15(a)	31,429	40,789
Receivables	7	2,200	1,051
Foreign exchange forward contract		1,058	–
Total Financial Assets		34,687	41,840
Non-Financial Assets			
Prepayments	8	127	214
Inventories		953	1,114
Property, plant and equipment	9(a)	888,757	908,005
Exhibitions	9(b)	6,722	3,580
Collections	9(c)	714,851	714,340
Total Non-Financial Assets		1,611,410	1,627,253
Total Assets		1,646,097	1,669,093
Liabilities			
Payables	10	11,295	14,579
Interest bearing liabilities	11	363	457
Employee related provisions	12	11,232	11,331
Foreign exchange forward contract payable		1,065	–
Total Liabilities		23,955	26,367
Net Assets		1,622,142	1,642,726
Equity			
Accumulated deficit	13(a)	(173,883)	(150,628)
Reserves	13(b)	1,205,886	1,203,215
Contributed capital	13(c)	590,139	590,139
Net Worth		1,622,142	1,642,726
Contingent assets and contingent liabilities	14		
Commitments for expenditure	18		

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

Statement of Changes in Equity for the financial year ended 30 June 2017

		Physical Asset	Externally Funded	Foreign Currency			
	Accumulated Deficit	Revaluation Surplus	Trust Funds	Special Projects	Hedging Reserve	Contributions by Owner	Total
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2015	(141,838)	545,888	7,260	9,156	-	586,139	1,006,605
Net result for the year	(11,943)	-	-	-	-	-	(11,943)
Other Comprehensive income for the year	-	644,064	-	-	-	-	644,064
Transfer (to)/from Accumulated Deficit	13(a),(b) 3,153	-	85	(3,238)	-	-	-
Capital contributions	13(c) -	-	-	-	-	4,000	4,000
Balance at 30 June 2016	(150,628)	1,189,952	7,345	5,918	-	590,139	1,642,726
Net result for the year	(20,577)	-	-	-	-	-	(20,577)
Other Comprehensive income for the year	-	-	-	-	(7)	-	(7)
Transfer (to)/from Accumulated Deficit	13(a),(b) (2,678)	-	368	2,310	-	-	-
Capital contributions	13(c) -	-	-	-	-	-	-
Balance at 30 June 2017	(173,883)	1,189,952	7,713	8,228	(7)	590,139	1,622,142

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

Financial Statements

Cash Flow Statement for the financial year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Cash Flows from Operating Activities			
Receipts			
Government Grants: Recurrent		52,701	46,030
Grants and Donations		2,687	4,940
Interest		628	886
Fees and Charges*		22,242	23,663
Sales – Commercial Operations*		3,629	3,722
Other		6,798	9,275
Goods and Services Tax Recovered from the ATO		1,329	1,297
Total Receipts		90,014	89,813
Payments			
Salaries and Associated Costs		(45,219)	(41,766)
Operating Expenses*		(25,171)	(14,323)
Building and Facilities*		(13,630)	(15,666)
Cost of Goods for Resale*		(1,525)	(1,676)
Finance Costs		(17)	(19)
Total Payments		(85,562)	(73,450)
Net Cash Flows Provided by Operating Activities	15(b)	4,452	16,363
Cash Flows from Investing Activities			
Proceeds from sales of assets		14	144
Payments for assets		(13,732)	(9,826)
Net Cash Flows Used in Investing Activities		(13,718)	(9,682)
Cash Flows from Financing Activities			
Proceeds from Finance Leases		65	–
Payments for Finance Leases		(159)	(128)
Capital Contribution received		–	4,000
Net Cash Flows Used in Financing Activities		(94)	3,872
Net Increase/(Decrease) in Cash Held		(9,360)	10,553
Cash and Deposits at the Beginning of the Financial Year		40,789	30,236
Cash and Deposits at the End of the Financial Year	6,15(a)	31,429	40,789

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

*In the 2016 financial statements these balances were presented net of GST. To ensure compliance with AASB 107, these balances have been restated in the comparatives to reflect the gross balance inclusive of GST.

Notes to the Financial Statements for the Financial Year Ended 30 June 2017

1. Summary of significant accounting policies

(a) Statement of compliance

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

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

The financial statements were authorised for issue by the Museums Board of Victoria on the date the declaration was signed.

Accounting policies are selected and applied in a manner which ensures 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.

(b) Basis of accounting preparation and measurement

The accrual basis of accounting has been applied in the preparation of 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.

These financial statements are presented in Australian dollars, the functional and presentation currency of Museums Board of Victoria (Museums Victoria).

In the application of AASs, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The 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.

The financial report has also been prepared on a going concern basis. Museums Victoria is economically dependent on the Victorian State Government (Government) grant to assist in funding its operations and depreciation is funded on a limited basis.

This report has been prepared in accordance with the historical cost convention except for non-financial physical assets which, subsequent to acquisition, are measured at their fair value at the date of the revaluation less any subsequent accumulated depreciation, if applicable, and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value.

(c) Scope and presentation of financial statements

Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is consistent with the whole of government reporting format and is allowed under *AASB 101 Presentation of Financial Statements*.

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. Transactions also include flows within an entity, such as depreciation. Transactions can be in kind or where the final consideration is cash.

'Other economic flows' are changes arising from market re-measurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets.

The net result is equivalent to profit or loss derived in accordance with AASs.

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current assets and liabilities and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

Cash flow statement

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under *AASB 107 Statement of Cash Flows*.

Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

Notes to the Financial Statements for the Financial Year Ended 30 June 2017

1. Summary of significant accounting policies (continued)

(d) Cash and deposits

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

(e) Receivables

Trade debtors are recognised at the amount receivable, as they are due for settlement no more than 30 days from the date of recognition. Collectability of trade debtors is reviewed on an ongoing basis. A provision for doubtful debts is raised when there is objective evidence that the debts will not be collected. Bad debts are written off when identified.

(f) Inventories

Inventories include goods and other property held either for sale or for distribution at no or nominal cost in the ordinary course of business operations. It excludes depreciable assets.

Inventories are measured at the lower of cost and net realisable value.

(g) Non-current physical assets

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.

The fair value of the Collections (cultural assets), heritage assets and other non-current physical assets that the State intends to preserve because of their unique historical, cultural or scientific attributes, is measured using a statistical sampling approach given the extent and diversity of the Collections, with reference to market based evidence where available or at replacement cost less, where applicable, accumulated depreciation and any accumulated impairment.

The fair value of property, plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant and equipment, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

The fair value of land and buildings is determined using 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). The market approach is used for non-specialised land, non-specialised buildings, and specialised land, although specialised land is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

Consistent with *AASB 13 Fair Value Measurement*, the Museums Board of Victoria determines the policies and procedures for recurring fair value measurements such as collections, property, plant and equipment, and financial instruments in accordance with the requirements of *AASB 13* and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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.

Revaluations of non-current physical assets

Non-current physical assets measured at fair value are revalued in accordance with the financial reporting directions issued by the Minister for Finance. Revaluations of Land & Buildings and Collections were carried out by independent valuers in 2015–16 as required under FRD103F *Non-financial physical assets*. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases are recognised in 'other economic flows – other comprehensive income' and accumulated in equity under the asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as other economic flows in the net result, except that the net revaluation decrease is recognised in 'other economic flows – other comprehensive income' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. The net revaluation decrease recognised in 'other economic flows – other movements in equity' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes. Any asset revaluation surplus is not normally transferred to accumulated funds on de-recognition of the relevant asset.

Scheduled revaluations of land and buildings are performed every five years by the Valuer-General Victoria. Fair value assessments are conducted annually, such that the asset reflects the fair value at the end of the annual reporting period, after taking into consideration of all fair value indicators, which include Valuer-General Victoria land and building indices, the highest and best use and other relevant indicators. Interim revaluations and managerial revaluations may arise as a result of fair value assessments. Such assessments use indices and/or other fair value indicators for indications of material changes in values.

Management revaluation under FRD103F calculated an increase of 11.4% based on relevant indices that was incrementally above the threshold. This is being closely monitored.

Depreciation

Land, the Collections and Library Collection Rare and High Value Books is not depreciated. The Collections referred to are heritage assets and are deemed to have an indefinite useful life.

The depreciable amounts of property, plant and equipment are calculated using the straight-line method over their estimated useful lives commencing from the time the asset is available for use, consistent with the estimated consumption of the economic benefits embodied in the asset. Prior to depreciation commencing, an asset will be reported as work-in-progress.

Estimates of remaining useful lives to the entity are made on an annual basis for all assets, with annual assessments for all classes. The following are the estimated useful lives for the different asset classes for current and prior years:

Buildings	20–100 years
Plant and equipment	1–20 years
Exhibitions	1–5 years
Library (non-Rare or High Value items)	50 years

Exhibitions with a life of one year or less are expensed immediately. Exhibitions with an anticipated life of more than one year are capitalised and depreciated over their remaining useful life.

Disposal of Non-Financial Assets

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

Impairment of Assets

Assets are assessed annually for indications of impairment, except for inventories (refer Note 1(f)).

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset’s carrying value exceeds its recoverable amount, the difference is written off by a charge to the Comprehensive Operating Statement except to the extent that the write-down can be debited to an asset revaluation surplus amount applicable to that class of asset.

(h) Payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days following the month of recognition.

(i) Leases

Operating lease payments are charged to the Comprehensive Operating Statement in the periods in which they are incurred, as this represents the pattern of benefits derived from leased assets.

Finance leases are capitalised. A leased asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

(j) Employee benefits provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(i) Wages, Salaries & Annual Leave

Liabilities for wages and salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in respect of employees’ services up to the reporting date and are measured as the amounts expected to be paid when the liabilities are settled.

(ii) Long Service Leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current liability – unconditional LSL (representing 7 or more years of continuous service for staff and executives) is disclosed as a current liability even where the Museum does not expect to settle the liability within 12 months because it will not have an unconditional right to defer the settlement of the entitlement should the employee take leave within 12 months.

Non-current liability – conditional LSL (representing less than 7 years of continuous service for staff and executives) 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.

Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Notes to the Financial Statements for the Financial Year Ended 30 June 2017

1. Summary of significant accounting policies (continued)

(iii) Employee Benefit On-costs

Employee benefit on-costs, including superannuation, workers compensation and payroll tax are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

(iv) Superannuation

The amount recognised in the Comprehensive Operating Statement in relation to employer contributions for members of defined benefit superannuation plans represents the employer contributions that are paid or payable to these plans during the operating period. The level of these contributions will vary depending upon the relevant rules of each plan. The Department of Treasury and Finance centrally recognises the defined benefit liability.

(k) Equity

Contributions By Owners

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 or distributions 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.

Trust Funds

This represents the balance of unexpended funds from bequests, external trusts, board reserves and board trusts for purposes that include the development and custodianship of collections and ensuring financial sustainability of the entity, 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.

(l) Income from transactions

Grant income

Grants from Government and other sources are brought to account as income as and when received. The Museum is deemed to have assumed control when the grant is received or receivable. Expenditure from such grants is recognised when incurred.

Fees and charges

Income from fees and charges is recognised at the time of attendance by visitors paying fees and charges.

Sales of goods and services

Income from the sale of goods and services is recognised upon delivery of the goods and services to the customer.

Donations

Specific donations for exhibition development have been treated in these financial statements as income, when received or receivable.

Rent Revenue

Rental revenue at museum venues is recognised when received or receivable.

Other income

All other income for the provision of goods and services is recognised when received or receivable.

Interest income

Interest income is recognised on the proportional basis taking into account interest rates applicable to the financial assets.

(m) Expenses from transactions

Employee expenses

These expenses include all costs related to employment including wages and salaries, superannuation, payroll tax, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

Cost of Goods Sold

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. The amount of any write down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Finance Costs

Finance costs are recognised as expenses in the period in which they are incurred and include finance lease charges.

Capital Asset Charge

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

In accordance with Government policy, this charge has been recognised as revenue within the Government grant and disclosed separately as an expense within the financial statements.

Facilities Expenses

Costs related to the operations and maintenance of buildings and facilities are recognised as an expense in the reporting period in which they are incurred.

Consumables and Corporate Expenses

Costs related to consumables and corporate expenses are recognised as an expense in the reporting period in which they are incurred.

Other Operating Expenses

Costs related to all other operating expenses are recognised as an expense in the reporting period in which they are incurred.

(n) Foreign currency

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Exchange differences are recognised in profit or loss in the period in which they arise.

Foreign exchange forward contract

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

(o) Goods and services tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Balance Sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flow.

Commitments and contingent assets and liabilities are also stated inclusive of GST.

(p) Rounding

Amounts in the financial statements and notes thereto have been rounded to the nearest thousand dollars, unless otherwise stated.

(q) Events after the reporting period

Museums Board of Victoria is not aware of any material events after balance date which would affect these financial statements.

(r) New and revised accounting standards and interpretations

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Museums Board of Victoria.

The Museums Board of Victoria has decided not to early adopt any of these new and amended pronouncements. The Board's assessment of the new and amended pronouncements that are relevant to Museums Board of Victoria but applicable in future reporting periods is set out below. Management is yet to consider the potential impact of these pronouncements on the entity.

- AASB 9 *Financial Instruments*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2014-8 *Amendments to Australian Accounting Standards – effective date of AASB 15*
- AASB 2016-3 *Amendments to Australian Accounting Standards – clarifications to AASB 15*
- AASB 16 *Leases*
- AASB 2016-4 *Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities*
- AASB 1058 *Income of Not-For-Profit Entities*
- AASB 2016-7 *Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-For-Profit Entities*
- AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-For-Profit Entities*
- AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*
- Interpretation 22 *Foreign Currency Transactions and Advance Consideration*

Notes to the Financial Statements for the Financial Year Ended 30 June 2017

Notes	2017 \$'000	2016 \$'000
2. Victorian Government Grants		
The Museums Board of Victoria received the following grants from the Victorian Government		
Recurrent Grant		
Applied to Operations and Assets	41,597	41,338
Capital Funding	6,755	4,692
Capital Asset Charge	38,122	38,122
Total Recurrent Grant	86,474	84,152
Other Grants from Victorian Government Entities	4,349	1,579
Total Victorian Government Grants	90,823	85,731
3. Other Grants		
Commonwealth Government Grants	569	569
Other Grants	1,659	1,336
Total Other Grants	2,228	1,905
4. Other Income		
Interest Revenue from Financial Assets	651	885
Royalties Received	591	29
Miscellaneous Income	1,434	2,363
Total Other Income	2,676	3,277
5. Expenses from transactions		
5(a) Employee Expenses		
Salaries, Wages and Associated costs*	42,119	39,380
Superannuation	3,586	3,412
Total Employee Expenses	45,705	42,792
5(b) Other Operating Expenses		
Marketing and Promotion	1,273	2,258
Collections Management	142	97
Total Other Operating Expenses	1,415	2,355
* Includes termination payments made of \$1,242k.		
6. Cash and Deposits		
Short term deposits	31,000	39,000
Cash	429	1,789
Total Cash and Deposits	31,429	40,789

	Notes	2017 \$'000	2016 \$'000
7. Receivables			
Contractual			
Debtors		1,865	620
		1,865	620
Interest Receivable		58	34
		1,923	654
Statutory			
GST input tax recoverable		277	397
Total Receivables		2,200	1,051

8. Prepayments

Current			
Prepaid expenses		127	214
Total Prepayments		127	214

9. Non-current Physical Assets

Fair value in the sub-sections below for this note is represented by values at valuation less accumulated depreciation and at cost less accumulated depreciation where applicable under Note 1(g) Non-Current Physical Assets.

9(a) Property, Plant and Equipment

Land at fair value*			
Former ACI Site, including Simcock Avenue Store		10,223	10,223
Scienceworks		4,942	4,942
Royal Exhibition Building		86,100	86,100
Immigration Museum		71,294	71,294
Moreland Store		23,000	23,000
Melbourne Museum (including IMAX)		190,800	190,800
		386,359	386,359
Buildings at Fair Value*			
Former ACI Site, including Simcock Avenue Store		6,510	6,510
Less Accumulated Depreciation		(246)	-
Scienceworks		28,290	28,290
Less Accumulated Depreciation		(2,081)	-
Royal Exhibition Building		84,260	84,260
Less Accumulated Depreciation		(4,284)	-
Immigration Museum		24,580	24,580
Less Accumulated Depreciation		(1,463)	-

Notes to the Financial Statements for the Financial Year Ended 30 June 2017

Notes	2017 \$'000	2016 \$'000
9. Non-current Physical Assets (continued)		
Moreland Store	12,260	12,260
Less Accumulated Depreciation	(836)	–
Melbourne Museum (including IMAX)	357,809	356,560
Less Accumulated Depreciation	(16,772)	–
	488,027	512,460
Work in Progress (WIP)		
Buildings at Cost	7,801	2,261
Total Property	882,187	901,080
*Valued at fair value at 30 June 2016 by the Valuer-General Victoria.		
Plant and Equipment		
Plant and Equipment at Fair Value*	29,589	29,234
Less Accumulated Depreciation	(23,632)	(22,813)
	5,957	6,421
Plant and Equipment under Finance Lease at Cost	718	697
Less Accumulated Depreciation	(340)	(239)
	378	458
Work in Progress (WIP)		
Plant and Equipment at Cost	235	47
Total Plant and Equipment	6,570	6,926
Total Property, Plant and Equipment	888,757	908,005
*A fair value assessment for Plant & Equipment was undertaken by management during the year ended 30 June 2017 in accordance with the FRD 103F Non-Current Physical Assets in order to reconfirm the fair value of Plant & Equipment and Exhibitions.		
9(b) Exhibitions		
Exhibitions at Fair Value**		
Melbourne Museum	66,648	61,094
Less Accumulated Depreciation	(61,116)	(60,059)
Scienceworks	3,713	3,643
Less Accumulated Depreciation	(3,452)	(3,306)
Immigration Museum	5,330	5,328
Less Accumulated Depreciation	(5,328)	(5,327)
	5,795	1,373
Work in Progress (WIP)		
Exhibitions at Cost	927	2,206
Total Exhibitions	6,722	3,580

**A fair value assessment for Exhibitions was undertaken by management during the year ended 30 June 2017 in accordance with the FRD 103F Non-Current Physical Assets in order to reconfirm the fair value of Plant & Equipment and Exhibitions.

Notes	2017 \$'000	2016 \$'000
9(c) Collections		
Indigenous Collections***	167,912	167,912
History and Technology Collections***	92,809	92,809
Natural Science Collections***	439,082	439,082
Library Rare and High Value***	8,519	8,519
Library non-Rare or High Value	4,871	4,871
Less Accumulated Depreciation Library non-Rare or High Value	(99)	-
Additions at Cost	1,757	1,147
Total Collections at fair value	714,851	714,340

***Valued at fair value at 30 June 2016 by Australian Valuation Solutions. The valuation methodology for fair value was based on a statistical sampling approach given the extent and diversity of the Collections, and by reference to market based evidence where available and to replacement cost.

Notes to the Financial Statements for the Financial Year Ended 30 June 2017

9. Non-current Physical Assets (continued)

9(d) Movements in Carrying Amounts of Non-Current Physical Assets

	Collections		Land		Buildings		Plant and equipment		Exhibitions		WIP		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Opening balance	714,340	502,970	386,359	153,982	512,461	323,481	6,878	4,363	1,373	1,922	4,514	2,990	1,625,925	989,708
Additions	630	1,157	-	-	1,248	3,443	793	1,319	3,799	52	6,276	4,499	12,746	10,470
Disposals	(20)	(10)	-	-	-	(165)	(34)	(328)	-	-	-	-	(54)	(503)
Asset revaluation	-	210,326	-	232,377	-	201,361	-	-	-	-	-	-	-	644,064
Transfers	-	-	-	-	-	49	-	2,926	1,827	-	(1,827)	(2,975)	-	-
Depreciation	(99)	(103)	-	-	(25,682)	(15,708)	(1,302)	(1,402)	(1,204)	(601)	-	-	(28,287)	(17,814)
Closing balance	714,851	714,340	386,359	386,359	488,027	512,461	6,335	6,878	5,795	1,373	8,963	4,514	1,610,330	1,625,925

9(e) Fair value measurement hierarchy for assets as at 30 June 2017

	Carrying amount as at 30-Jun-17		Fair value measurement at 30-Jun-17 using:			Carrying amount as at 30-Jun-16		Fair value measurement at 30-Jun-16 using:		
	\$'000	\$'000	Level 1(i)	Level 2(i)	Level 3(i)	\$'000	\$'000	Level 1(i)	Level 2(i)	Level 3(i)
Collections	728,327	-	-	9,071	719,256	714,340	-	-	8,410	705,930
Total Collections at fair value	728,327	-	-	9,071	719,256	714,340	-	-	8,410	705,930
Non-specialised land	23,000	-	-	23,000	-	23,000	-	-	23,000	-
Specialised land	363,359	-	-	-	363,359	363,359	-	-	-	363,359
Total Land at fair value	386,359	-	-	23,000	363,359	386,359	-	-	23,000	363,359
Buildings	495,828	-	-	-	495,828	514,721	-	-	-	514,721
Total Buildings at fair value	495,828	-	-	-	495,828	514,721	-	-	-	514,721
Plant and Equipment and WIP	6,192	-	-	-	6,192	6,467	-	-	-	6,467
Total Plant and Equipment at fair value	6,192	-	-	-	6,192	6,467	-	-	-	6,467
Exhibitions	6,722	-	-	-	6,722	3,580	-	-	-	3,580
Total Exhibitions at fair value	6,722	-	-	-	6,722	3,580	-	-	-	3,580
Total Exhibitions at fair value	6,722	-	-	-	6,722	3,580	-	-	-	3,580

Note (i) Classified in accordance with the fair value hierarchy, see Note 1(d).

9. Non-current Physical Assets (continued)

Collections

Collections items valued under a market approach adopted by the appointed independent valuers are classified as Level 2 fair value measurements. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or items.

Collection items valued under a statistical valuation model adopted by the appointed independent valuers using a statistically verified sampling methodology, estimated recollections costs and additions subsequent to the valuation at cost or valuation are classified as Level 3 fair value measurements.

Land

Non-specialised land – Land is valued under a market approach adopted by the independent valuers. Valuation determined by comparison to recent sales of comparable market transactions and appropriate adjustments for the differences between the valued items and the market transactions.

Specialised land – Land is valued under a market approach, adjusted for the community service obligation (CSO) or any heritage restrictions 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. The range of CSO applied to specialised land is 20%–30%.

Buildings

Specialised buildings are valued under a depreciated replacement cost approach adopted by the independent valuers. As depreciation adjustments adopted by the valuers are considered significant unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

Plant and Equipment

Plant and equipment is valued under depreciated replacement cost approach. As depreciation adjustments are considered as significant, unobservable inputs in nature, plant and equipment are classified as Level 3 fair value measurements. Where plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method.

Exhibitions

Exhibitions are valued under depreciated replacement cost approach. As depreciation adjustments are considered as significant, unobservable inputs in nature, Exhibitions are classified as Level 3 fair value measurements.

There were no changes in valuation techniques throughout the period to 30 June 2017.

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

Notes to the Financial Statements for the Financial Year Ended 30 June 2017

9. Non-current Physical Assets (continued)

9(f) Reconciliation of Level 3 fair value

	Collections	Land	Buildings	Plant and Equipment	Exhibitions
	\$'000	\$'000	\$'000	\$'000	\$'000
2017					
Opening balance	705,930	363,359	514,721	6,467	3,580
Purchases (sales)	610	–	6,789	917	4,346
Transfers in (out) of Level 3	12,815	–	–	–	–
Gains or losses recognised in net result	–	–	–	–	–
Depreciation	(99)	–	(25,682)	(1,192)	(1,204)
Impairment loss	–	–	–	–	–
Subtotal	719,256	363,359	495,828	6,192	6,722
Gains or losses recognised in other economic flows – other comprehensive income	–	–	–	–	–
Revaluation	–	–	–	–	–
Subtotal	–	–	–	–	–
Closing balance	719,256	363,359	495,828	6,192	6,722
2016					
Opening balance	375,432	143,699	323,481	7,021	1,937
Purchases (sales)	1,147	–	5,589	731	2,244
Transfers in (out) of Level 3	168,609	–	–	–	–
Gains or losses recognised in net result	–	–	–	–	–
Depreciation	(103)	–	(15,709)	(1,285)	(601)
Impairment loss	–	–	–	–	–
Subtotal	545,085	143,699	313,361	6,467	3,580
Gains or losses recognised in other economic flows – other comprehensive income	–	–	–	–	–
Revaluation	160,845	219,660	201,360	–	–
Subtotal	160,845	219,660	201,360	–	–
Closing balance	705,930	363,359	514,721	6,467	3,580

9(g) Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs	Valuation technique	Significant unobservable inputs
	30-Jun-17		30-Jun-16	
Collections	Market, Statistical Model, Cost (Cost of re-collection)	Market price, Statistically verified random sample	Market, Statistical Model, Cost (Cost of re-collection)	Market price, Statistically verified random sample
Specialised land	Market/Direct Comparison Approach adjusted for unobservable inputs	Unit of value by comparative basis (\$/m ²), Community Service Obligation (CSO) or heritage adjustment	Market/Direct Comparison Approach adjusted for unobservable inputs	Unit of value by comparative basis (\$/m ²), Community Service Obligation (CSO) or heritage adjustment
Buildings	Cost/Depreciated Replacement Cost	Recognised building cost indicators and or Quantity Surveyors and examples of current costs, assessment of useful life	Cost/Depreciated Replacement Cost	Recognised building cost indicators and or Quantity Surveyors and examples of current costs, assessment of useful life
Plant and Equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment	Depreciated replacement cost	Cost per unit Useful life of plant and equipment
Exhibitions	Depreciated replacement cost	Cost per unit Useful life of exhibition	Depreciated replacement cost	Cost per unit Useful life of exhibition

10. Payables

	Notes	2017 \$'000	2016 \$'000
10(a) Current Payables			
Contractual			
Trade Creditors		1,023	2,224
Car Park Levy		292	567
Advance EMP – DEDJTR		919	6,435
Other Payables		2,000	0
Advance Billings		35	288
Accrued Salaries		1,259	647
Statutory			
Payroll Tax		252	153
		5,780	10,314
10(b) Non-Current Payables			
Advance EMP – DEDJTR		5,515	4,265
		5,515	4,265
Total		11,295	14,579

Notes to the Financial Statements for the Financial Year Ended 30 June 2017

11. Interest Bearing Liabilities

	Notes	2017 \$'000	2016 \$'000
11(a) Current			
Secured			
Lease liabilities		145	185
11(b) Non-current			
Secured			
Lease liabilities		218	272
Total Interest Bearing Liabilities		363	457
11(c) Assets pledged as security			
The carrying amounts of non-current assets pledged as security:			
Finance lease			
Plant and equipment under finance lease	9(a)	378	458
Total Assets pledged as security		378	458

	Minimum future lease payments		Present value of minimum future lease payments	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Finance Leases				
Finance leases are payable as follows:				
Not longer than 1 year	156	199	145	185
Longer than 1 year but not longer than 5 years	226	287	218	272
Minimum lease payments	382	486	363	457
Less future finance charges	(19)	(29)	–	–
Present value of minimum lease payments	363	457	363	457
Representing lease liabilities:				
Current (Note 11(a))	–	–	145	185
Non-current (Note 11(b))	–	–	218	272
Total	–	–	363	457

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

12. Employee Related Provisions

	Notes	2017 \$'000	2016 \$'000
Current Provisions			
Employee Benefits – Annual Leave	12(a)		
Unconditional and expected to be settled within 12 months*		1,547	1,251
Unconditional and expected to be settled after 12 months**		1,190	1,481
Employee Benefits – Long Service Leave	12(a)		
Unconditional and expected to be settled within 12 months*		618	537
Unconditional and expected to be settled after 12 months**		5,535	5,387
Employee Benefits – Staff Partnership Agreement	12(a)		
Staff Partnership Agreement increase effective 1 January 2016		–	360
		8,890	9,016
Provisions related to employee benefit on-costs:	12(a)		
Unconditional and expected to be settled within 12 months*		327	603
Unconditional and expected to be settled after 12 months**		1,069	875
		1,396	1,478
Total Current Provisions		10,286	10,494
Non-Current Provisions			
Employee Benefits (Note 12(a))**	12(a)	817	720
Employee Benefits on-costs**		129	117
Total Non-Current Provisions		946	837
Total Employee Related Provisions		11,232	11,331

* The amounts disclosed are nominal (undiscounted) amounts.

** The amounts disclosed are discounted to present values.

12(a) Employee Benefits and related on-costs			
Current Employee Benefits			
Annual Leave		2,737	2,732
Long Service Leave entitlements		6,153	5,924
Staff Partnership Agreement increase effective 1 January 2016		–	360
Non-Current Employee Benefits			
Long Service Leave entitlements		817	720
Total Employee Benefits		9,707	9,736
Current on-costs		1,396	1,478
Non-current on-costs		129	117
Total on-costs		1,525	1,595
Total Employee Benefits and related on-costs	1(j)	11,232	11,331

Notes to the Financial Statements for the Financial Year Ended 30 June 2017

Notes	2017 \$'000	2016 \$'000
13. Equity		
13(a) Accumulated Deficit		
Balance at beginning of financial year	(150,628)	(141,838)
Net result	(20,577)	(11,943)
Transfers to Reserves:		
Transfer to Contributed Capital	–	–
Transfer (to)/from Trust Funds	(368)	(85)
Transfer (to)/from Externally Funded Special Projects	(2,310)	3,238
Balance at end of financial year	(173,883)	(150,628)
13(b) Reserves		
Trust Funds*		
Balance at beginning of financial year	7,345	7,260
Transfer (to)/from Accumulated Deficit	368	85
Balance at end of financial year	7,713	7,345
Externally Funded Special Projects*		
Balance at beginning of financial year	5,918	9,156
Transfer (to)/from Accumulated Deficit	2,310	(3,238)
Balance at end of financial year	8,228	5,918
Physical Asset Revaluation Surplus		
Balance at beginning of financial year	1,189,952	545,888
Asset revaluation increases	–	644,064
Balance at end of financial year	1,189,952	1,189,952
Foreign Currency Hedging Reserve		
Balance at beginning of financial year	–	–
Changes to Foreign Currency Hedging Reserve	(7)	–
Balance at end of financial year	(7)	–
Total Reserves	1,205,886	1,203,215
13(c) Contributed Capital*		
Balance at beginning of financial year	590,139	586,139
Transfer (to)/from Accumulated Deficit	–	–
Capital Contribution	–	4,000
Balance at end of financial year	590,139	590,139

*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.

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

*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.

Notes	2017 \$'000	2016 \$'000
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14. Contingent Assets and Liabilities

There are no contingent assets in the financial year 2016–17 (2015–16: Nil).

Quantifiable contingent liabilities		
Legal proceedings and disputes**	200	–
Total Contingent liabilities	200	–

** Contingent liabilities consist of two personal injury claims that are currently under legal proceedings which are more likely to eventuate. They are both being defended via Victorian Management Insurance Authority (VMIA) and maximum liability under insurance excess is \$100k for each.

15. Notes to the Cash Flow Statement

15(a) Reconciliation of Cash

For the purposes of the Cash Flow Statement, Museums Victoria considers cash to include cash on hand and in banks. Cash at the end of the reporting period, as shown in the Cash Flow Statement, is reconciled to the related items in the Balance Sheet as follows:

Cash	429	1,789
Short term Deposits	31,000	39,000
Total (refer to Note 6)	31,429	40,789

15(b) Reconciliation of Net Result to Net Cash Flows from Operating Activities

Net result for the year	(20,577)	(11,943)
Loss /(Gain) on Sale of Non-Current Assets	(14)	(145)
Non-cash movements:		
Depreciation	28,287	17,814
Doubtful Debt Expense	–	–
Net cash provided by operating activities before change in assets and liabilities	7,696	5,726
Movement in assets and liabilities:		
Decrease/(Increase) in Receivables	(1,173)	1,555
Decrease/(Increase) in Prepayments	87	1
Decrease/(Increase) in Inventories	162	70
Increase/(Decrease) in Payables	(2,220)	7,770
Increase/(Decrease) in Provisions	(100)	1,241
Net cash provided by operating activities	4,452	16,363

15(c) Non-cash financing and investing activities

Financing Facilities		
Finance Lease Assets		
Acquisitions	65	304
Disposals	(35)	(285)
Total	30	19

Notes to the Financial Statements for the Financial Year Ended 30 June 2017

16. Other Disclosures

16(a) Responsible Persons

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

Responsible Minister – Mr Martin Foley MP
1 July 2016–30 June 2017

Accountable Officer – Ms Lynley Marshall
15 February 17–30 June 2017

Accountable Officer – Dr J Patrick Greene OBE
1 July 16–1 March 2017

Board Members:

Dr Rufus Black (President)
1 July 2016–30 June 2017

Mr Trevor Tappenden (Treasurer)
1 July 2016–30 June 2017

Mr Andrew Butcher
1 July 2016–30 June 2017

Professor Edwina Cornish AO
1 July 2016–30 June 2017

Mr Jim Cousins AO
1 July 2016–30 June 2017

Ms Sylvia Falzon
1 July 2016–30 June 2017

Mr Wilkin Fon
1 July 2016–30 June 2017

Mr Colin Golvan QC
1 July 2016–30 June 2017

Dr Alison Inglis
1 July 2016–30 June 2017

Ms Annette Vickery
1 July 2016–30 June 2017

16(b) Remuneration of Responsible Persons

Members of the Board act in an honorary capacity.

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

The remuneration of the Accountable Officers, who are not Members of the Board, during the reporting period, was in the range of \$450,000–\$460,000 (\$350,000–\$360,000 in 2015–16). The remuneration of the Accountable Officer is not included in note 16(c) below.

16(c) Remuneration of Executive Officers

(includes Key Management Personnel disclosed in Note 16(e))	2017
	\$'000
Short-term employee benefits	1,469
Post-employment benefits	144
Other long-term benefits	20
Termination benefits	444
Total remuneration	2,077
Total number of executives**	10
Total annualised employee equivalent (AEE)***	8

*No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2015–16 reporting period.

**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 16(e)).

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

16(d) 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 2016–30 June 2017
Ms Lynley Marshall	Chief Executive Officer	15 February 2017–30 June 2017
Dr Patrick Greene OBE	Chief Executive Officer	1 July 2016–1 March 2017
Dr Rufus Black	Board Member and President	1 July 2016–30 June 2017
Mr Trevor Tappenden	Board Member and Treasurer	1 July 2016–30 June 2017
Mr Andrew Butcher	Board Member	1 July 2016–30 June 2017
Professor Edwina Cornish AO	Board Member	1 July 2016–30 June 2017
Mr Jim Cousins AO	Board Member	1 July 2016–30 June 2017
Ms Sylvia Falzon	Board Member	1 July 2016–30 June 2017
Mr Wilkin Fon	Board Member	1 July 2016–30 June 2017
Mr Colin Golvan QC	Board Member	1 July 2016–30 June 2017
Dr Alison Inglis	Board Member	1 July 2016–30 June 2017
Ms Annette Vickery	Board Member	1 July 2016–30 June 2017
Mr Mark Toohey	Chief Financial Officer and Director Corporate Services	15 May 2017–30 June 2017
Ms Jodie Bennett	Director Corporate Services – Interim	30 October 2016–30 June 2017
Mr Callum Ingram	Director Corporate Services	1 July 2016–10 October 2016
Mr Timothy Hart	Director Public Engagement	1 July 2016–30 June 2017
Dr Robin Hirst PSM	Director Collections, Research and Exhibitions	1 July 2016–30 June 2017
Ms Padmini Sebastian OAM	Manager Immigration Museum	1 July 2016–30 June 2017
Ms Nurin Veis	Manager Scienceworks	1 July 2016–30 June 2017
Mr Gordon White	Manager Melbourne Museum	1 July 2016–30 June 2017
Mr Rod MacNeil	Manager Communications & Partnerships	1 July 2016–30 June 2017
Ms Sandie Hall	Manager Philanthropy	1 July 2016–30 June 2017

16(e) Remuneration of Key Management Personnel

	2017 \$'000
Short-term employee benefits	1,890
Post-employment benefits	173
Other long-term benefits	23
Termination benefits	444
Share-based payments	–
Total remuneration**	2,530

**Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 16(c)).

Notes to the Financial Statements for the Financial Year Ended 30 June 2017

16. Other Disclosures (continued)

16(f) Related party transactions

Business transactions were 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.

	2017		2016		KMP'S	Relationship	Nature of Transactions
	Revenue \$'000	Expenditure \$'000	Revenue \$'000	Expenditure \$'000			
Victorian Arts Centre Trust	44	-	50	-	Martin Foley MP	Responsible Minister	Admissions Income, Storage Income and ASIA TOPA grant
University Of Melbourne	646	81	229	162	Alison Inglis, Board Member	Employee	Venue Hire & School Programs, Scholarships & Research Projects
Monash University	44	11	38	12	Professor Edwina Cornish AO, Board Member	Provost and Senior Vice president	Research Projects
CSIRO	415	5	378	4	Professor Edwina Cornish AO, Board Member	Board Member	Research Project, Reporting services and Publications
National Gallery of Victoria	44	-	57	1	Dr Alison Inglis, Board Member	Emeritus Trustee	Storage Income
Melbourne Grammar School	4	-	2	-	Jim Cousins AO	Member of Council	Admissions Income
SAI Global	-	-	-	17	Sylvia Falzon	Non-Executive Director	Subscription for risk assessment standards
Canterbury Primary School	5	-	-	-	Gordon White	Volunteer Member of School Council	Admissions Income
Victoria University	1	-	-	-	Dr Rufus Black Board Member/Mark Toohey	Deputy Chancellor/Councillor	Admissions Income
Arts Access Victoria	-	4	-	-	Rod Macneil	Board Member	Training and Other Services
Museums & The Web LLC	-	3	-	-	Timothy Hart	Program Committee Member	Conferences
Museums Australia	13	10	-	-	Timothy Hart	Council Member	Memberships Fees and Conferences
Total	1,216	114	754	196			

16. Other Disclosures (continued)

As at 30 June 2017, below are amounts outstanding to Museums Victoria. There are no amounts outstanding by Museums Victoria to related parties.

Related Party	Owing To \$'000
Victorian Arts Centre Trust	5
Melbourne Grammar School	1
Total Outstanding To Museums Victoria	6

16(g) Significant Transactions with Government Related Entities

Museums Victoria received funding of \$91.5 million in the financial year 2016–17. All transactions were undertaken in the ordinary course of business and were at arm's length and on normal commercial terms.

During the year, Museums Victoria had the following government-related entity transactions:

Government-related Entity	Transactions	Revenue/ (Expenditure) \$'000
Department of Education and Training	Strategic Partnership, Scienceworks Star 6 Funding	810
Department of Economic Development Jobs Transport and Resources	2016–17 Operating Funding & Capital Asset Charge	79,719
Department of Economic Development Jobs Transport and Resources	Exhibition Renewal & CFM Capital grant	6,755
Transport Accident Commission	Road Safety Education Complex Funding	3,161
Creative Victoria Grant	Exhibition Funding & VCN Project	269
Treasury Corporation of Victoria	Interest Income	617
Department of Treasury and Finance	Capital Asset Charge	(38,122)
Various Government Departments	Other Minor Transactions*	139
	Net Funding/ (Payment)	53,348

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

As at 30 June 2017, below are the amounts outstanding to and by government-related entities.

Government-related Entity	Owing To/(By) \$'000
Library Board of Victoria	29
Various Schools	44
Department of Education and Training	151
Treasury Corporation of Victoria	1,059
Total Outstanding To Museums Victoria	1,283
Various Schools	(5)
Treasury Corporation of Victoria	(1,429)
Department of Economic Development Jobs Transport and Resources	(6,434)
Total Outstanding By Museums Victoria	(7,868)
Net Outstanding	(6,585)

16(h) Ex Gratia Expenses

	2017 \$'000	2016 \$'000
Forgiveness or waiver of debt	21	–
Compensation of economic loss	35	–
Compensation for early termination	73	–
Total ex-gratia expenses**	129	–

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

17. Superannuation

Museums Victoria is required to recognise all superannuation payments as expenses in its comprehensive operating statement. The Department of Treasury and Finance shall recognise the aggregate unfunded superannuation liability relating to employing entities in its financial statements of 30 June 2017 as the Victorian Government has assumed responsibility for this liability.

There were no contributions outstanding at the year end. The major employee superannuation funds and contributions paid or payable by Museums Board of Victoria are as follows. The total amount of superannuation excludes amounts paid under salary sacrifice arrangements.

	2017 \$'000	2016 \$'000
State Superannuation Fund (VicSuper Scheme)	2,266	2,146
State Superannuation Fund (Revised Scheme & New)	352	354
Other funds	1,036	886
Total	3,654	3,386

Notes to the Financial Statements for the Financial Year Ended 30 June 2017

18. Leases and Expenditure Commitments

Notes	2017 \$'000	2016 \$'000
Capital Expenditure Commitments		
Non-cancellable capital expenditure contracted:		
Payable:		
Not longer than 1 year	6,585	5,703
Longer than 1 year but not longer than 5 years	10	5,395
Total	6,595	11,098
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not capitalised in the accounts		
Payable:		
Not longer than 1 year	659	790
Longer than 1 year but not longer than 5 years	1,046	747
Total	1,705	1,537
Operating Expenditure Commitments		
Non-cancellable operating expenditure contracted:		
Payable:		
Not longer than 1 year	3,582	2,175
Longer than 1 year but not longer than 5 years	1,476	581
Total	5,058	2,756
Total Commitments	13,358	15,391

Operating leases relates to office equipment leased from Equigroup, Dell and Konica-Minolta, planetarium equipment leased from Allleasing.

19. Financial Instruments

(a) Financial risk management objectives and policies

The significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the entity's financial risks within its policy parameters. The entity's main financial risks include credit risk, liquidity risk and interest rate risk. The entity manages these financial risks in accordance with its financial management policies.

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

(b) Categorisation of financial instruments		\$'000	\$'000	\$'000	\$'000
2017	Notes	Contractual financial assets-designated at fair value through profit/loss	Contractual financial assets-loans and receivables	Contractual financial liabilities at amortised cost	Total
Contractual financial assets					
Cash and deposits	6	-	31,429	-	31,429
Receivables:					
Sale of goods and services	7	-	1,923	-	1,923
Foreign exchange forward contract		1,058	-	-	1,058
Total contractual financial assets		1,058	33,352	-	34,410
Contractual financial liabilities					
Payables**					
Supplies and services	10	-	-	10,751	10,751
Borrowings					
Lease liabilities	11	-	-	363	363
Total contractual financial liabilities		-	-	11,114	11,114
2016					
Contractual financial assets					
Cash and deposits	6	-	40,789	-	40,789
Receivables:					
Sale of goods and services	7	-	654	-	654
Foreign exchange forward contract		-	-	-	-
Total contractual financial assets		-	41,443	-	41,443
Contractual financial liabilities					
Payables**					
Supplies and services	10	-	-	13,859	13,859
Borrowings					
Lease liabilities	11	-	-	457	457
Total contractual financial liabilities		-	-	14,316	14,316

** Payables excludes statutory payables

Notes to the Financial Statements for the Financial Year Ended 30 June 2017

19. Financial Instruments (continued)

(c) Credit Risk

Credit risk arises from the contractual financial assets of the entity, which comprise cash and cash deposits, and trade and other receivables. The entity's exposure to credit risk arises from the potential default of the counter party on their contractual obligations resulting in financial loss to the entity. 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, without taking into account of the value of any collateral obtained. The entity follows a process of reviewing all trade debtors during the year to identify doubtful debts or other possible impairments.

Currently Museums Victoria does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

Ageing analysis of contractual financial assets	\$'000	\$'000	\$'000	\$'000	\$'000
	Carrying amount	Not past due and not impaired	Past due but not impaired		Impaired financial assets
			less than 1 year	1–5 years	
2017					
Cash	429	429	–	–	–
Receivables:					
Sale of goods and services	1,923	–	1,923	–	–
Investments and other contractual financial assets					
Short-term cash investments**	31,000	31,000	–	–	–
Foreign exchange forward contract	1,058	1,058	–	–	–
Total	34,410	32,487	1,923	–	–
2016					
Cash	1,789	1,789	–	–	–
Receivables:					
Sale of goods and services	654	–	654	–	–
Investments and other contractual financial assets					
Short-term cash investments**	39,000	39,000	–	–	–
Foreign exchange forward contract	–	–	–	–	–
Total	41,443	40,789	654	–	–

**Short term cash investments are held either with the Treasury Corporation of Victoria or with financial institutions that are Approved Deposit-taking Institutions.

(d) Liquidity Risk

Liquidity risk arises when the entity is unable to meet its contractual financial obligations as they fall due. The entity operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, makes payments within 30 days from the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

The entity's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from cash and cash equivalent assets.

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

Maturity analysis of contractual financial liabilities	\$'000	\$'000	\$'000	\$'000	\$'000
	Carrying amount	Nominal amount	Maturity dates		
			less than 1 year	1-5 years	5+ years
2017					
Payables:					
Supplies and services	10,751	10,751	10,751	-	-
Borrowings					
Lease liabilities	363	363	145	218	-
Total	11,114	11,114	10,896	218	-
2016					
Payables:					
Supplies and services	14,849	13,859	13,859	-	-
Borrowings					
Lease liabilities	457	457	185	272	-
Total	15,306	14,316	14,044	272	-

(e) Market Risk

The entity's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency and other price risks. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

Foreign currency risk

The entity is normally exposed to insignificant foreign currency risk through its payables relating to purchases of supplies and consumables from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short timeframe between commitment and settlement.

The entity manages its risk through continuous monitoring of movements in exchange rates and ensures availability of funds through rigorous cash flow planning and monitoring.

Where significant foreign currency risk arises as a result of significant commitments to exhibition and equipment suppliers overseas combined with a significant lead time between commitment and settlement, the entity may enter into foreign currency forward contracts to limit the exposure to exchange rate movements.

Interest rate risk

Exposure to interest rate risk arises primarily through the entity's interest bearing cash and cash equivalents assets. Minimisation of risk is achieved by mainly undertaking short-term fixed-rate cash investments.

The impact of a reasonably possible 1% increase or decrease in interest rates is not expected to have a material effect on the entity's net result or equity.

Notes to the Financial Statements for the Financial Year Ended 30 June 2017

19. Financial Instruments (continued)

Museums Victoria's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and liabilities is set out below.

Interest rate exposure of financial instruments		\$'000	\$'000	\$'000	\$'000
2017	Weighted average effective interest rate %	Carrying amount	Interest rate exposure		
			Fixed interest rate	Variable interest rate	Non-interest bearing
Financial Assets					
Cash and deposits	0.70%	429	-	429	-
Receivables:					
Sale of goods and services		1,923	-	-	1,923
Investments and other financial assets:					
Short-term cash investments	1.76%	32,058	31,000	-	1,058
Total financial assets		34,410	31,000	429	2,981
Financial Liabilities					
Payables:					
Trade and other creditors		10,751	-	-	10,751
Interest bearing liabilities:					
Lease liabilities	4.64%	363	-	363	-
Total financial liabilities		11,114	-	363	10,751
2016					
Financial Assets					
Cash and deposits	1.14%	1,789	-	1,789	-
Receivables:					
Sale of goods and services		654	-	-	654
Investments and other financial assets:					
Short-term cash investments	1.86%	39,000	39,000	-	-
Total financial assets		41,443	39,000	1,789	654
Financial Liabilities					
Payables:					
Trade and other creditors		13,859	-	-	13,859
Interest bearing liabilities:					
Lease liabilities	4.75%	457	-	457	-
Total financial liabilities		14,316	-	457	13,859

(f) Fair value

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 market inputs.

The entity considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short term nature of the financial instruments and the expectation that they will be paid in full.

There have been no transfers between levels during the period.

Financial assets measured at fair value	\$'000	\$'000	\$'000	\$'000
2017	Carrying amount as at 30-Jun-17	Fair value measurement at end of reporting period using:		
		Level 1(i)	Level 2(i)	Level 3(i)
Financial assets at fair value through profit/loss:				
Foreign exchange forward contract	1,058	–	1,058	–
Total	1,058	–	1,058	–
2016	Carrying amount as at 30-Jun-16	Fair value measurement at end of reporting period using:		
		Level 1(i)	Level 2(i)	Level 3(i)
Financial assets at fair value through profit/loss:				
Foreign exchange forward contract	–	–	–	–
Total	–	–	–	–

Note (i) Classified in accordance with the fair value hierarchy, see above.

20. Remuneration of Auditors

	2017 \$'000	2016 \$'000
Victorian Auditor-General's Office:		
Audit of financial report	60	55
Total	60	55

21. Subsequent Events

No subsequent events have occurred that require disclosure. (2015–16: Nil).

Auditor-General's Report



Victorian Auditor-General's Office

Independent Auditor's Report

To the Board Members of the Museums Board of Victoria

Opinion	<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">• comprehensive income statement for the financial year then ended• balance sheet as at 30 June 2017• statement of changes in equity for the financial year then ended• cash flow statement for the financial year then ended• notes to the financial statements, including a summary of significant accounting policies• Accountable Officer's and Chief financial and Accounting Officer's Declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2017 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>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described 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 Australia. 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>
Other information	<p>The Board of the entity is responsible for the Other Information, which comprises the information in the entity's annual report for the year ended 30 June 2017, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
Board's responsibilities for the financial report	<p>The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p>

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Board's responsibilities (continued) In preparing the financial report, the Board is responsible for assessing the entity's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.

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.

MELBOURNE
15 September 2017



Anna Higgs
as delegate for the Auditor-General of Victoria

Statutory Reports

Freedom of Information

The *Freedom of Information Act 1982* (Commonwealth) entitles members of the public to obtain information, other than information that is exempt under the Act, held by Museums Victoria. For the 12 months ending 30 June 2017, Museums Victoria received one Freedom of Information request.

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

Contacts

Principal Officer:
Lynley Marshall (Chief Executive Officer)

Freedom of Information Officer:
Manager, Information Services

Address: GPO Box 666, Melbourne VIC 3001
Telephone: (03) 8341 7109
Fax: (03) 8341 7299
Email: foi@museum.vic.gov.au

Categories of Documents

Documents maintained in the possession of Museums Victoria include:

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

Requests for Access to Documents

Access to documents (as defined in section 5 of the Act) may only be obtained through a written request to the Freedom of Information Officer; a fax is sufficient. Each request should be accompanied by a \$27.90 application fee. An applicant may request photocopies of documents or inspection of specific documents at Museums Victoria, or other access arrangements as appropriate to the application.

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

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

Charges Under the Act

Section 22 of the Act outlines the principles for the levy to be paid by an applicant before access to a document is given, and for the waiver of charges. The application fee is \$27.90. Further charges may be levied for photocopying and searching for documents, or for supervising access. Some charges may be waived in certain circumstances.

Availability of Additional Information

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

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers
- details of shares held by a senior officer as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by Museums Victoria about the museum, and the places where publications can be obtained
- details of changes in prices, fees, charges, rates and levies charged by Museums Victoria
- details of any major external reviews carried out on Museums Victoria
- details of major research and development activities undertaken by Museums Victoria
- details of overseas visits undertaken, including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by Museums Victoria to develop community awareness of and engagement with museum venues and the services we provide
- details of assessments and measures undertaken to improve the occupational health and safety of employees
- a general statement on industrial relations within Museums Victoria and details of time lost through industrial accidents and disputes

- a list of major committees sponsored by Museums Victoria, the purpose of each committee and the extent to which its purposes have been achieved
- details of all consultancies and contractors, including those engaged, services provided and expenditure committed to for each engagement.

Disability Action Plan

Projects undertaken during the year include:

- delivery of organisational disability awareness training
- delivery of tailored 'Open Your Eyes' workshops in partnership with Arts Access, focused on raising awareness, capacity and advocacy towards the development of inclusive design exhibition development
- evaluation of the accessibility of public programs through inclusive design workshops as part of the Pauline Gandel Children's Gallery redevelopment
- conducted community consultation with AMAZE, Vicdeaf, Vision Australia, Department of Education, Taralye, Early Education for Hearing Impaired Children, Noah's Ark, Yarra Preschool Field Officer, Brotherhood of St Laurence, and Melbourne City Mission
- a partnership with Vicdeaf developing a co-hosted family event, as well as delivering co-hosted Auslan classes to families to introduce new audiences to Melbourne Museum, and increase access through shared resources and opportunities for staff development
- a community awareness campaign with Visit Victoria and All Ability Program.

A key project for the organisation is the Autism Friendly Museum project. This year's key outcomes include:

- project website pages attracted 14,798 visits across the three venue's sites and 1732 downloads of social stories for families and schools with students on the autism spectrum
- a Museums Victoria facilitated workshop on creating social stories for museums with Te Papa staff, livestreamed from Melbourne Museum in August 2016, and presented at the Victorian Autism conference in September 2016
- a key note speech at the New Zealand Museum Educators Forum, and facilitated workshop on creating social stories for museums for the National Services Te Paerangi, New Zealand in February 2017
- online resources (social stories and sensory maps for three venues) deposited into the National Library of Australia collection in their entirety on their request.

Victorian Government Risk Management Framework

I, Dr Rufus Black, certify that the Museums Board of Victoria has complied with the Ministerial Standing Direction 3.7.1 – Risk Management Framework and Processes. The Museums Board of Victoria verifies this.



Dr Rufus Black

President, Museums Board of Victoria

31 August 2017

National Competition Policy

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

Local Jobs First – Victorian Industry Participation Policy

The *Local Jobs First – Victorian Industry Participation Policy Act 2003* requires public bodies to report on the application of the Victorian Industry Participation Policy (VIPP) to all tenders of more than \$3 million in metropolitan Melbourne and \$1 million in regional Victoria.

There were no contracts commenced or completed during the year to which the *Local Jobs First – VIPP* applies.

Consultancies

In 2016–17, five consultancies attracted total fees payable of \$10,000 or greater. The total expenditure incurred during the year in relation to these five consultancies is \$356,999, as outlined in the table of consultancies below.

Details relating to these consultancies are available on the museum website: museums victoria.com.au.

There were three consultancies during the year with fees of less than \$10,000. The total expenditure incurred during the year in relation to these consultancies was \$15,223.

Consultant	Purpose	Total approved project fee (excl. GST)	Expenditure 2016–17 (excl. GST)	Future expenditure (excl. GST)
Lovell Chen Heritage Consultants	Principle Consultancy Services (Consultancy Team) Royal Exhibition Building Protection and Promotion Project.	\$1,015,622	\$186,009	\$433,975
Arup Pty Ltd	Engineering assessment of glass façade	\$26,290	\$26,290	\$0
Security Consulting Group Pty Ltd	Security framework consultation	\$175,000	\$103,150	\$0
Axento Safety Pty Ltd	Safety assessment	\$26,100	\$26,100	\$0
Direction Management Consulting	Exhibition design services	\$39,520	\$15,450	\$7272

Building and Maintenance Compliance

As at 30 June 2017, 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 2016–17 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

- Roof membrane replacement
- Height safety upgrades
- Café upgrades
- Retail shop upgrade
- Energy management program upgrades

Immigration Museum

- Fire indicator panel and emergency communications system upgrades
- Chiller replacement

Royal Exhibition Building

- Protection and Promotion Project

Moreland Annexe

- Chiller compressor replacement

Building permits, occupancy permits and certificates of final inspection

During 2016–17 the following were issued in relation to buildings owned by Museums Victoria:

Building permits	Occupancy permits	Certificates of final inspection	Emergency orders	Building orders
10	0	9	0	0

Protected Disclosures

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

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

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: www.museumsvictoria.com.au.

Disclosures under the Protected Disclosure Act 2012

There were no disclosures made to Museums Victoria during 2016–17.

	2016–17	2015–16
The number of disclosures made by an individual to Museums Victoria's Protected Disclosures Coordinator and notified to IBAC	0	1
Assessable disclosures	0	0

Public Sector Values and Employment Principles

During 2016–17, 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 health and safety.

Health and Safety Incidents

Visitors

	Visitors	Incidents	Incidents per 100 visitors
2014–15	1,690,425	637	0.0376
2015–16	1,867,536	644	0.0344
2016–17	1,926,704	686	0.0356

Staff

	Staff FTE	Incidents	Incidents per 100 staff members	Lost time standard claims	Lost time standard claims per 100 staff members	Average cost per claim
2014–15	477	183	38.4	2	0.42	\$3547
2015–16	507	255	50.3	5	0.98	\$101,498
2016–17	492	225	45.7	3	0.61	\$36,091

Notes:

Average cost per claim includes payments to 30 June 2017, and an estimate of outstanding claim costs advised by Xchanging, Museums Victoria's insurer.

DataVic Access Policy

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

Museums Victoria makes a significant amount of data freely available on the site *Museums Victoria Collections* and shares data with major national data aggregators, including:

- *Trove*, the National Library of Australia's portal, through which we share humanities collections data, with approximately 83,000 item and image records available
- *Atlas of Living Australia*, through which we share science specimen data, with approximately 826,000 specimen records and 29,200 images available.

Carers Recognition Act 2012

Museums Victoria recognises our 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 for staff who are carers
- review of our Disability Action Plan and Disability Access Policy to ensure the principles of the Act are reflected in our procedures and programs.

Government Advertising Expenditure

Name of campaign	Campaign summary	Advertising expenditure (excl. GST) \$'000	Creative and campaign development expenditure (excl. GST) \$'000	Research and evaluation expenditure (excl. GST) \$'000	Print and collateral expenditure (excl. GST) \$'000	Other campaign costs (excl. GST) \$'000	Total \$'000
The Museum Generation Campaign	To promote the launch of the Pauline Gandel Children's Gallery						
Dec 2016	every child born/	60	30	0	40	15	145
Ongoing	adopted in Victoria in 2017 is given a 6 month membership to our museums						
Bug Lab	To drive visitation to Bug Lab						
March 2017		90	50	0	55	42	237
Ongoing							

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 2016–17 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.

Information and Communication Technology (ICT) Expenditure

For the 2016–17 reporting period, Museums Victoria had a total ICT expenditure of \$4,373,150, with details shown below.

All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
BAU ICT expenditure \$'000	Non-BAU ICT expenditure \$'000	Operational expenditure \$'000	Capital expenditure \$'000
Total	Total A+B	A	B
4,217	156	99	57

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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Asia Pop Courtyard, Asia TOPA 2017 festival;
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Ganbu Yalingbu Ngulu-Bulok, One Day, Many Voices Launch, 2017; Source/Photography by Stewart Donn

Pauline Gandel Children's Gallery;
Photography by Rodney Start

White Night at Carlton Gardens, 2016;
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Asia Pop Courtyard, Asia TOPA 2017 festival;
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'Wild world of animals', Autumn School Holiday Program 2017; Photography by Benjamin Healley

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Ganbu Yalingbu Ngulu-Bulok, One Day, Many Voices Launch, 2017; Source/Photography by Stewart Donn

Pauline Gandel Children's Gallery Opening Day;
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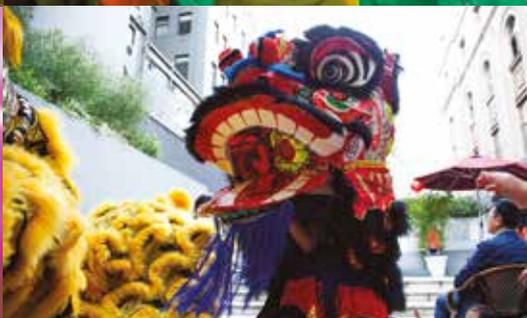
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