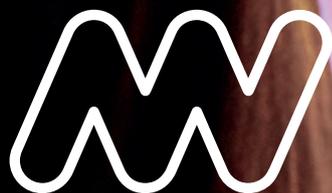


# Annual Report

2017–18  
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 2018.

*Rufus Black*

**Dr Rufus Black**

President

Museums Board of Victoria

30 August 2018

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

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

ISSN 1835 3681

### FRONT COVER

People in the *Beyond Perception* exhibition; Photography by Benjamin Healley

### THIS PAGE (left to right, top to bottom)

*Inside Out* exhibition; Photography by Daniel Mahon

*Ground Up* exhibition; Photography by Fran Parker

Museum Members' Summer Party 2018; Photography by Bree Gaudette

Chinese Lion Dance, Public Programs; Photography by Rodney Start

*Inside Out* exhibition; Photography by Melissa Cowan

*Inside Out* exhibition; Photography by Rodney Start

*Marramb-ik (I Am)*, Koori Comics exhibition, 2018; Photography by Jon Augier

Chinese New Year projections; Photography by Robert Zugaro

*Wild - Amazing Animals in a Changing World*; Photography by Heath Warwick

*Wild - Amazing Animals in a Changing World*; Source/Photography by Cesur Sanli

Outreach Program; Photography by Rodney Start

*British Migrants: Instant Australians?* exhibition during *Summer Courtyard - A Sides*, event; Source/Photography by J Forsyth

*Nocturnal*; Source/Photography by Cesur Sanli

*Little Kids Day In* event, 2018; Photography by Rodney Star



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## First Peoples' Acknowledgement

Museums Victoria would like to acknowledge Melbourne's Traditional Owners, the Woiwurrung and the Boon Wurrung of the Kulin Nation, and pay respect to their Elders, both past and present.

We also acknowledge the ongoing and significant partnership maintained between the Victorian Koorie community and Museums Victoria.

Together we share the stories of over 38 distinct language groups, celebrating the culture and history of Victoria's First Peoples.

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Above image

Artists: Maree Clarke – Yorta Yorta/Mutti Mutti/ Boonwurrung/Wemba Wemba Peoples

Len Tregonning – Gunnai/Kurnai Peoples

Meeytmeet or Lean-now. Kangaroo tooth necklace, 2008

Kangaroo teeth, kangaroo sinew, kangaroo leather, emu oil, ochre, wattle gum. 35 x 35cm

Museums Victoria. First Peoples Collection X 104908

# President's Message

The Museums Board of Victoria is pleased to present the report of our operations, financial results and key achievements for 2017–18.

This year has marked the beginning of an exciting period of transformation and reimagining for Museums Victoria. In September we saw the fruits of a robust and collaborative process involving staff, Board and supporters with the delivery of Museums Victoria's 2017–25 Strategic Plan.

The Plan sets out an ambitious vision for Museums Victoria's future impact as an international destination, leading educator and centre for technological and scientific expertise. The realisation of these strategic goals will see Museums Victoria greatly expand our social and economic impact and play a fundamental role in equipping Victorians for the challenges and opportunities of tomorrow.

This year saw important steps towards these goals; the expansion of our audiences with a range of new programs including the highly successful monthly *Nocturnal* at Melbourne Museum, new initiatives relating to First Peoples and Digital Life, more of the State collection on view in new temporary exhibitions, and significant growth in both the Museum Members program and in our community of donors.

We begin the new financial year with the benefit of an important uplift in our base funding, and I would like to acknowledge here the outstanding support of the Victorian Government and particularly Martin Foley MP, Minister for Creative Industries. Their support, and that of all our corporate partners, philanthropists and supporters, members and visitors, makes possible the increasingly valuable and innovative work delivered by Museums Victoria.

This year the Museums Board farewelled Professor Edwina Cornish AO after more than four years' contribution. Edwina brought her expertise in the higher education sector as Chair of the Research Committee and was instrumental in diversifying Museums Victoria's funding and partnership opportunities, most memorably in the establishment of the Robert Blackwood Partnership with Monash University.

In expressing my sincere thanks to Edwina I'd like to also acknowledge the contributions of all my fellow members of the Museums Board. Their commitment and enthusiasm, and that of the Chief Executive Officer, Executive Leadership Team and, of course, Museums Victoria staff has delivered considerable accomplishments this past year and positioned us well for the year ahead.



**Professor Rufus Black**

President, Museums Board of Victoria

# Chief Executive Officer's Message

This year we built on the foundations of Museums Victoria's proud history for Museums Victoria's future, as a catalyst for innovation, a collaborator in the creative industries and a growing contributor to the tourism and knowledge economies. In an era of rapid change and unprecedented challenges, we see a vital role for our museums that is captured in our new vision of "People enriched by wondrous discovery and trusted knowledge" and "Society compelled to act for a thriving future".

In September we launched our 2017–25 Strategic Plan, with the ambition that Museums Victoria will take its place among the world's top 10 museum organisations by 2025. Highlights from the last year demonstrate the steps we've already taken towards achieving these goals.

Our Strategy is underpinned by three Transformational Themes that include a commitment to placing First Peoples' living cultures, histories and knowledge at the heart of Museums Victoria's practice. This will be guided by Yulendj, the Museum's advisory group of elders and senior leaders from the Koorie community, and will be delivered through a broad range of initiatives including an emphasis on Indigenous recruitment.

Our second Transformational Theme will see our three museums united with a cohesive narrative that explores the wonder of the Universe, the rich diversity of Life as it has evolved, and the Human story. Throughout the year these themes came to life in a broad range of programs and exhibitions across our museums – from the *One Beat, One Love* festival, celebrating Victoria's African communities at the Immigration Museum, to *Women of the Land*, an installation developed in partnership with Her Place Museum, honouring Victorian women with a strong commitment to the land and the communities who rely upon it.

Our third Transformational Theme will significantly increase access to the extraordinary breadth of Museums Victoria's research, collections and programs, through a framework of audience-centred digital experiences. Projects developed by the Digital Life team this year included a spectacular Lunar New Year light projection on the Royal Exhibition Building and Collections Roulette, a motion-activated digital display of objects from the collection. These proof of concept projects targeted after-hours audiences and provided opportunities to trial agile methodologies.

Each of these themes supports our goal to position our museums as unmissable destinations for audiences of all ages from across Victoria, Australia and internationally. This year we achieved impressive growth in young adult audiences at each of our museums with new events that included *Nocturnal* at Melbourne Museum, special late-nights at Scienceworks and an expanded schedule of programs at the Melbourne Planetarium. At year-end

Melbourne Museum had achieved record visitation, exceeding 1.19 million visitors for the first time. A series of new initiatives aimed at engaging local and visiting Chinese audiences also resulted in significant growth, with an increase of more than 100% in Chinese visitors to Melbourne Museum.

Our collections and research featured in a range of exhibitions, from *You Can't Do That*, presented in partnership with the Virgin Australia Melbourne Fashion Festival, to *British Migrants, Instant Australians?*, an intimate and moving exploration of an often over-looked chapter of Australian migration history, and *Inside Out*, a unique and creative showcase of more than 350 objects from the collection. Pop-up exhibitions throughout the year showcased recent discoveries by Museums Victoria's scientists, including new species discovered during research in Papua New Guinea and in the deep-sea off Australia's east coast.

We broadened our audiences and cemented our leadership as a provider of STEM-based learning with two innovative new Museums Victoria developed exhibitions at Scienceworks. *Ground Up: Building Big Ideas, Together* and *Beyond Perception: Seeing the Unseen*, are designed to increase engagement in sciences and foster STEM-related skills during the crucial early-learning and teen development periods. Both exhibitions were made possible through the Victorian State Government's investment in the renewal of our long-term exhibitions. This strategic investment in Victoria's cultural infrastructure ensures Museums Victoria's experiences remain relevant, accessible and at the leading-edge of education and experience design.

The breadth of what has been achieved in 2017–18 is testament to the exceptional skill and dedication of our staff and volunteers, and to these people – our greatest asset – I extend my sincere thanks for the successes of the last year. These achievements would not have been possible without the support of our Board, led by President Rufus Black, Creative Victoria and the Minister for Creative Industries, Martin Foley MP. I thank them and all our supporters for their commitment and enthusiasm during this exciting period of renewal and growth.



**Lynley Marshall**  
Chief Executive Officer

## The Year in Numbers

# 2,869,820

## Visitors

**1,191,862**

Melbourne Museum

**481,037**

Scienceworks + Planetarium

**117,757**

Immigration Museum

**261,495**

IMAX

**635,218**

Royal Exhibition Building

**182,451**

Outreach program

## Audience snapshot

**255,725**

Education visits

**96%**

Visitor satisfaction

**122,563**

International visitors

**100%**

of Victorian Local Government  
Areas reached

**29,216**

Memberships

**5,192,921**

Website

---

## Collections and research snapshot

**101**

Research publications

**180**

Collection items loaned  
to other institutions

**17,000,000 +**

Items in the State collection

# About Museums Victoria

Museums Victoria is Australia's largest public museum organisation. We have been creating knowledge, entertaining visitors and building the State Collection since 1854. The rich collection is an invaluable record of Victoria's environmental and cultural history, and has been inspiring a sense of wonder and awe in visitors for generations.

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## VISION

People enriched by wondrous discovery and trusted knowledge

Society compelled to act for a thriving future

## MISSION

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

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

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

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

## VALUES

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

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

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

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

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

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

# Strategic Framework

## TRANSFORMATIONAL THEMES

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

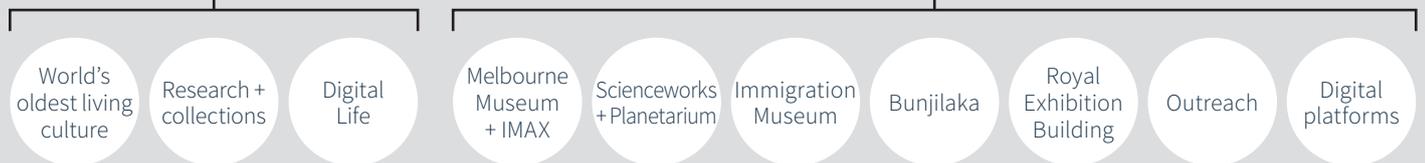
## STRATEGIC OBJECTIVES

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

## BACKBONE FOR DELIVERY

### Knowledge

### Spaces



## ENABLERS



# Strategic Initiatives

---

## Strategic Objective 1:

### Museums Victoria provides unmissable experiences for all audiences

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

## Strategic Objective 2:

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

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

## Strategic Objective 3:

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

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

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

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

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

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



Facsimile editions of George Shaw's *Zoology of New Holland* (1794) and Albertus Seba's *Locupletissimi rerum naturalium thesauri accurata descriptio* (1734). First editions of each work are held in Museums Victoria's Library, and have been digitised as part of the Biodiversity Heritage Library (BHL) digitisation project.  
Photography by Cesur Sanli

## 2017–18 Highlights and Achievements

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

#### **Celebrating First Peoples' living cultures at Bunjilaka**

Bunjilaka is Australia's leading Aboriginal Cultural Centre and the custodian of one of the most significant Aboriginal cultures collections in the world. In 2017–18 Bunjilaka continued to be the focus for Museums Victoria to walk in partnership with our First Peoples, placing the richness, wisdom and depth of these histories and living cultures at the core of our experiences.

Bunjilaka is an important resource for the Koorie community, local visitors, students and tourists alike. In 2017–18 we presented a series of exhibitions and programs in collaboration with the Victorian Aboriginal community, honouring individuals and showcasing the diversity of First Peoples' cultures.

A new exhibition, **Marramb-ik** – a Kulin nation phrase meaning "I am" – celebrated the tradition of First Peoples' storytelling through themes of creation and social politics. Featuring the works of Victorian Aboriginal artists Lin Onus, Jade Kennedy, Heidi Brooks and Cienan Muir, **Marramb-ik** gave a voice and a stage to Aboriginal comic superheroes created by and for Aboriginal people. In partnership with The Koorie Youth Council, the exhibition featured contemporary stories of the Victorian Koorie community through comic pop culture incorporating First Peoples' identity, heroes and language.

**Bush Mechanics: The Exhibition**, based on the popular Australian television series, showcased the ingenuity of outback mechanics, whose clever resourcefulness can turn branches, spinifex and sand into tools and spare parts to get cars back on the road.

Developed by the National Motor Museum, in close collaboration with the Warlpiri community and PAW Media, the exhibition was a light-hearted exploration of the importance of the car to life in the outback. **Bush Mechanics: The Exhibition** drew on images, objects and footage from the much-loved Bush Mechanics television series to explore Indigenous knowledge and ingenuity, the importance of cars to remote communities, bush life and the humour of the outback.

**Black Day, Sun Rises, Blood Runs**, a multimedia installation investigating the rarely-acknowledged history of violence and massacres of Aboriginal people on Australia's frontier, was added to the permanent *First Peoples* exhibition at Melbourne Museum.

Developed with guidance from Museums Victoria's Yulendj community reference group, the installation tells the stories of frontier violence, massacre and resistance with authenticity and sensitivity, to enable all Victorians to move forward in recognition and understanding of the truth of past tragedy.

#### **Turning the Museum *Inside Out***

**Inside Out**, a unique and ground-breaking exhibition of more than 350 collection objects, launched at Melbourne Museum in December 2017. **Inside Out** was a unique creative and fundamentally different museum experience that saw a number of collection objects on public display for the first time – such as the first Black Box flight recorder prototype, the beautiful H.L. White collection of Australian bird's eggs, and a new taxidermy of a lioness. These objects were coupled with popular favourites such as internet meme sensation, Sad Otter.

**Inside Out** connected visitors with the wonder and relevance of the State collection to successfully engage a new, young-adult audience. A deliberate departure from existing approaches to exhibition development, the exhibition marked an important step in Museums Victoria's organisational renewal and cultural transformation. Fundamentally, the exhibition project demonstrated the exceptional skill and creative talent within the Museums Victoria team.

#### **Discovering the world of *Vikings: Beyond the Legend***

**Vikings: Beyond the Legend**, a new international exhibition from the Swedish History Museum, opened at Melbourne Museum. Combining the latest archaeological findings and more than 450 artefacts from the Swedish History Museum in Stockholm, **Vikings: Beyond the Legend** challenged stereotypes and revealed Vikings and their rich, often-misunderstood culture in a fascinating, new light.

Visitors to the exhibition discovered a nuanced portrait of the Vikings as farmers, merchants, artisans and explorers. Exploring six key themes, the exhibition shared insights into Viking people and their domestic life, religion, death rituals and craftsmanship, as well as their raiding and trading culture.

Visitors were invited to further immerse themselves in Viking culture through a schedule of programs including a Viking encampment on the Museum's north terrace and a Viking Long Table Feast, co-presented with Melbourne Food and Wine Festival.

### Challenging the status quo in *You Can't Do That*

The bold, celebratory fashion exhibition *You Can't Do That* at Melbourne Museum celebrated fashion designers who challenged the establishment, garments that rocked new markets and models who smashed the mould.

Deepening our relationship with Virgin Australia Melbourne Fashion Festival (VAMFF), the co-presented exhibition showcased the stories of influential Australian models and designers Stella Dare, Prue Acton, Lois Briggs, Jenny Bannister, Christopher Graf and Andreja Pejić, and showed how, by defying convention, these fashion figures became the industry's movers and shakers of their time.

### Inspiring tomorrow's innovation leaders at *Ground Up: Building Big Ideas, Together*

A brand new permanent exhibition at Scienceworks, *Ground Up: Building Big Ideas, Together* is an experience for babies to five-year-olds where curiosity is rewarded, and surprising and intriguing sights, sounds and touch sensations are around each bend.

The exhibition engages future aeronautical engineers to design and construct flying contraptions; little sparks make patterns and pictures on a giant wall of colourful light switches; pint-sized problem solvers experiment and construct colourful three-dimensional puzzles and for all the littlies who love to touch and experiment there is a giant, colourful carwash to be engineered into action.

Building on the early childhood 'learn through play' standard set by the Pauline Gandel Children's Gallery at Melbourne Museum, *Ground Up* is a complementary exhibition to Scienceworks' young adult STEM experience *Beyond Perception*.<sup>1</sup>

### Sharing Koorie culture at Scienceworks

Scienceworks presented a First Peoples'-themed Little Kids Day In, celebrating National Aboriginal and Islander Children's Day, along with a new Indigenous astronomy evening program for adults. Partnering with SNAICC<sup>2</sup>—National Voice for our Children, Scienceworks celebrated with a special day dedicated to Koorie people, knowledge, stories and culture. As part of the *Discover Night Sky* Series, Uncle Larry Walsh, Yulendj member, and Dr Duane Hamacher co-presented star stories from the Taungurung and Gamilaroi peoples.

### Fascinating new audiences at Melbourne Museum's *Nocturnal*

*Nocturnal*, a live music event initiated in 2017–18 attracted 17,455 people, predominantly young adults, to 13 events at Melbourne Museum. *Nocturnal* couples emerging musicians with museum experiences — tours, curator talks, and touch tables — to create a distinct style of event that was recognised as Best New Experience in Concrete Playground's 2017 annual awards.

The initiative has strengthened relationships with partners including Music Victoria and the City of Melbourne, and is aligned to contemporary music initiatives such as the Victorian government's MusicCities conference, held in April.

### Connecting audiences to deepen their experience at IMAX and *Bug Lab*

In partnership with the Melbourne Museum's *Bug Lab: Little Creatures, Super Powers* touring exhibition, IMAX Melbourne screened *Bugs: Mighty Micro Monsters 3D*, adding another exciting and immersive element to the total Museums Victoria visitor experience. The combined exhibition and film package attracted more than 20,000 shared visitors from June to October in 2017.

### Creating great education experiences

Museums Victoria's major strategic education partnership with the Department of Education and Training, to support the creation of engaging and accessible K-12 learning programs for Victorian students, was renewed until December 2020. These education experiences reach more than 54% of registered primary and secondary schools, and schools from every local government area in Victoria visit one of our three museums on excursions.

Our innovative WeSTEM education outreach program with the Catholic Education Commission of Victoria was also renewed in 2018. This unique Scienceworks program combines teacher professional development, tailored support for participating schools and exciting problem-solving student projects. In the inaugural two year pilot, over 75% of the schools supported were classed as being of low socio-economic status.

<sup>1</sup> Beyond Perception is a new exhibition experience at Scienceworks and a leading contributor to Strategic Objective 4: (page 22).

<sup>2</sup> Secretariat of National Aboriginal and Islander Child Care

### **Revealing insights into Mahatma Gandhi's life**

Mahatma Gandhi's influence on India's rich history is known around the world. As the home to more people of Indian descent than any other state in Australia, his migrant story is particularly significant in Victoria. The exhibition ***Mahatma Gandhi: An Immigrant*** at the Immigration Museum explored key events that served as turning points in Gandhi's life, and which awakened him to the fight against social injustice. Behind this fight was a complex man whose time in South Africa was a period of particular personal transformation.

The exhibition comprised more than 1,000 photographs, rarely seen archival footage, inspiring voice recordings of speeches and other objects on loan from the Mahatma Gandhi Digital Museum, enhanced further by objects from Museums Victoria's collection. Featured events in conjunction with the exhibition included the visit of Ela Gandhi, renowned peace activist and granddaughter of Mahatma Gandhi.

***Mahatma Gandhi: An Immigrant*** was proudly supported by the Victorian Government through Creative Victoria, as part of their *India Strategy: Our Shared Future*, and Deakin University, which made history in 1996 as the first international university to open an office in India.

### **Fusing science and art at *LightTime***

***LightTime***, the 2017 winter exhibition at Scienceworks, merged science with art to unveil some of the fascinating intricacies of light, sound and optics and show the connections between the beauty we experience and the science that enables it.

***LightTime*** featured artists including Kit Webster, creator of Axiom which wowed audiences at White Night; MindBuffer, animator of a massive laser display, and Skunk Control, a group of engineers and scientists from Victoria University who communicate science through art.

### **Bringing digital to life**

Digital is often the first touchpoint with our museums and collections and we have an enormous opportunity to reach, impact and grow audiences online, onsite and offsite using digital channels.

The development of a strategic audience-centred digital life has been identified as one of the key transformational themes for Museums Victoria. Initiated through the establishment of a new leadership role and realignment of resources, the Digital Life department was formed in the second half of 2017-18.

The newly formed Digital Life department delivered a number of proof of concept digital-only experiences and trialled agile approaches to working, whilst undertaking the development of Museums Victoria's Digital Life strategy. With the goal of reaching audiences beyond our walls, the establishment of a digital storytelling team will be the first initiative implemented under the strategy. In 2018-19, the digital storytelling initiative will equip Museums Victoria with the skills, tools and resources to create and distribute story-based content for existing and new digital audiences.

### **Challenging stereotypes at *British Migrants: Instant Australians?***

Seduced by promises of sun, surf and abundance — and cheap fares — almost 1.5 million Brits migrated to Australia in the decades following World War II with hopes for a dream life. With all the supposed advantages of a shared language, culture and history, newcomers from Britain were expected to easily assimilate. The reality of migration is never that simple.

***The British Migrants: Instant Australians?*** exhibition at the Immigration Museum explored the personal stories, social history and contemporary impacts of this cohort of British migrants — whose backgrounds and experiences were more diverse than is often assumed — on Australian society.

The British who arrived in Australia between 1947 and 1981 were the largest migrant wave from any one place in Australian history. But with their sheer number and seeming absence of a separate ethnicity, British migrants were simultaneously visible and invisible, all-pervasive yet rarely identified. The exhibition's narrative flipped stories and histories to show that the experience of British migrants, and the resulting impact on Australian identity, is far more complicated than people might imagine.

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

### Strengthening University Partnerships through the McCoy Project and Robert Blackwood Partnership

Strategic research partnerships with both the University of Melbourne (through the McCoy Project, now into its fifth year) and Monash University (with the Robert Blackwood Partnership, in its second year) saw external funding provided for projects and postgraduate scholarships based on the Museums Victoria collections.

### Sustaining discovery with Australian Research Council Linkage Projects

Museums Victoria participated in nine Australian Research Council – Linkage Projects run through major Australian universities: University of Melbourne, Monash University, Deakin University, University of Adelaide, and University of Queensland.

One of these Linkage Projects, *Invisible Farmer*, a collaboration between Museums Victoria, the University of Melbourne and other key partners that recognises the role of women in agriculture, was listed by social media network AgriEducate on their top-ten-list of Australian advancements and achievements in the agricultural space in 2017.

### Demonstrating our commitment to First Peoples history and collections

Museums Victoria remains heavily committed to the Indigenous Repatriation Program, with the return of three ancestors to the Narrandera Local Aboriginal Land Council (NSW) in April 2018, and transfer of 26 secret-sacred objects to the Strehlow Research Centre, Museum of Central Australia (NT) in July 2017.

The Aborigines Advancement League's Hearse, held by Museums Victoria, was used in the repatriation of 104 ancestors to Lake Mungo (NSW) in November 2017. The Aboriginal Advisory Committee to Willandra Lakes Region World Heritage Area and the NSW Office of Environment and Heritage requested use of the Aborigines Advancement League's Hearse – a 1972 Chrysler Valiant station wagon, acquired by Museums Victoria in 1989 – to repatriate so-called "Mungo Man" (dated to 42,000 years) and 103 other ancestral remains from Canberra-based institutions back to Lake Mungo in south-western NSW. Museums Victoria staff restored the Hearse to road-worthy certification, and provided a Museum-staffed road crew to support the transportation. The Ancestral Remains were moved from Canberra to Lake Mungo, accompanied by Traditional Owners, and repatriation ceremonies took place to mark their return home.

Key changes under the *Aboriginal Heritage Act (Vic.)* have seen the Victorian Aboriginal Heritage Council become responsible for the management, return and protection of Aboriginal Ancestral Remains held within Victoria. Museums Victoria worked during the year to transfer responsibility for all Victorian and non-Victorian Ancestral Remains to the Council. Ancestral Remains will continue to be held safely at Museums Victoria until they can be repatriated to country or stored elsewhere.

Museums Victoria completed a digital repatriation project involving 2,015 photographic images relating to anthropologist Donald Thomson's work with Yolngu people in Arnhem Land in the 1930s to 1940s. Copies of the photographs (on long-term loan to Museums Victoria from the Thomson Family) were presented to the Mulka Project (Yirrkala, NT) to enable the Yolngu people to access their cultural heritage.

### Opening up the landscape of Australia with digital field guides

Museums Victoria and the Gunditj Mirring Traditional Owners Aboriginal Corporation launched the *Field Guide to the Budj Bim Cultural Landscape*, a free smartphone and tablet app which presents 250 animal species found in the Budj Bim Cultural Heritage Landscape, a unique area of country in south-western Victoria. The names of over two-thirds of the species featured are given in the Dhauwurd Wurrung language and their significance to the Gunditjmarra people explained.

### Collections inspiring research

Research inspired by Museums Victoria's collection ranging across Indigenous cultures, sciences, and history and technology led to 101 publications during the year by staff and associates. Among these studies, researchers sequenced the genome of the long-extinct Tasmanian tiger (*Thylacinus cynocephalus*) using DNA from one of the world's best-preserved thylacine specimens in the Museums Victoria collection. Another study identified the strange "faceless fish" from collections made during a deep-sea expedition off eastern Australia led by Museums Victoria researchers aboard the RV 'Investigator' (Australia's National Science Facility ship). Both stories received widespread media coverage.

Museums Victoria researchers were authors on three new specialist book titles: *Australian Echinoderms* (CSIRO Publishing, 2017); *Australian Bryozoa, Volume 1, Biology, Ecology and Natural History* (CSIRO Publishing, 2018); and *Field Guide to the Freshwater Fishes of the Kimberley* (Museum and Art Gallery of the Northern Territory, 2018). These specialist publications served to showcase our expertise and improve our understanding of Australian biodiversity.

### **Interim collection storage**

Museums Victoria received additional funding from the State Government through Creative Victoria to assist with critical interim collection storage issues and priority collection registration. The funding provided over three years will help to protect, preserve and provide access to collections. Museums Victoria continued to work with Creative Victoria to develop a long-term plan for new collection preservation and access facilities based on a sustainable collections strategy.

### **Revealing our innovation history with the Great Melbourne Telescope and CSIRAC**

Support for research and collections activity was received through several philanthropic organisations, including the Ian Potter Foundation, Myer Foundation and Copland Foundation for the development of a new optical system — the next stage of the Great Melbourne Telescope restoration project.

CSIRAC (Commonwealth Scientific and Industrial Research Organisation Automatic Computer), the only surviving first generation computer in the world, was placed on exhibition at Scienceworks with an interpretive display to put it in the context of Australia's significant history of computer innovation.

### **Sharing wonder through collection loans**

In a major outward loan, fifteen parrying shields and broad shields from south-eastern Australia, held in Museums Victoria's collection, were included in a proud massing of 19th century Aboriginal shields at the entrance to the *Colony: Australia 1770–1861* exhibition at the National Gallery of Victoria.

### **Excelling in collection preservation**

Museums Victoria's Collection Risk Assessment and Management Initiative was highly commended in the sustainability category at the 2018 Museums and Galleries National Awards (MAGNA) organised by Museums Galleries Australia. The award recognises the successful completion of a five-year plan to provide Museums Victoria with a powerful, strategic planning, investment and measurement tool to best preserve the collections.

### **Keeping up with the *Curious?***

*Curious?*, a new centre for visitors to engage more deeply with Museums Victoria's collections, research and expertise, was launched in December 2017. Located near the entrance of Melbourne Museum, *Curious?* offers collection items, digital tools, reading material, hands-on experiences and access to expert staff for all visitors. In 2017–18 more than 8,377 enquires from the general public were received by the Public Information team, including 620 insect identification requests, 419 offers to donate items to the collection and 335 requests to see collection items not currently on display.

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

### Connecting communities at the Immigration Museum

The Immigration Museum plays a critically important role in the cultural and social life of Victoria. The need for a museum that explores, enhances and illuminates our shared humanity has arguably never been greater.

During the year the Immigration Museum presented exhibitions, events and experiences exploring the stories of Melbourne's diverse communities, including the **Indonesian Film Festival**, **Winter Solstice Courtyard**, and the exhibition **From Robes to Chinese Fortunes**.

Two notable events were features of our co-programming with the African diaspora community. The **One Beat One Love** festival was the closing event for Cultural Diversity Week. The festival, a contemporary expression of culture from across the African continent, welcomed more than 1,100 visitors to the community showcase that was developed in partnership with the City of Melbourne, OZ Africa TV and the Victorian Multicultural Commission.

The **#AfricanGangs: Beyond Politics and Media Headlines** forum sought to address stereotypes and negative perceptions of immigrants in Australia. The day-long seminar included leaders from the African community, Monash University, Victoria Police, Scanlon Foundation, Victorian Multicultural Commission and the Centre for Multicultural Youth.

In partnership with Benevolence Australia and the Victorian Multicultural Commission, the Immigration Museum hosted the first of what is anticipated to be an annual collaboration for Ramadan, inviting members of the public to learn more about this holy month. The installation **Spirit of Ramadan** featured weekly talks by Benevolence Australia founder Sister Saara Sabbagh, and the public were invited to be a part of an inaugural Iftar dinner featuring food by Chef Hana Assafari of Moroccan Soup Bar.

**Save the Date**, a portrait exhibition featuring individuals, couples, families and groups who identify as LGBTQIA+, was presented at the Immigration Museum in celebration of the endorsement of changing the Marriage Act to include same-sex couples. The exhibition was the second part of a two-part exploration of marriage equality, the first looking at the history of the debate.

Complementing the exhibition **From Robe to Chinese Fortunes** and part of the Melbourne Food and Wine Festival, **The Dim Sim Chronicles** invited visitors to discover the stories behind this iconic Australian snack. Renowned chef Elisabeth Chong, daughter Angie Chong and granddaughter Teresa Duddy Chong led discussions, tastings and demonstrations in homage to this much-loved morsel and the lasting legacy of Chinese migration to the Australian culinary landscape.

**The Summer Courtyard A-Sides and B-Sides** evening events, in conjunction with the *British Migrants* exhibition, welcomed many first-time visitors to enjoy live music while exploring the vinyl record offerings of the Melbourne Record Club.

### Ringling in the Lunar New Year across Melbourne

Museums Victoria celebrated the Lunar New Year across Melbourne Museum, Royal Exhibition Building and Immigration Museum throughout February 2018. The program featured captivating projection art, a canine fashion show, Feng Shui workshop and fortune telling, culminating in a parade by Sun Loong – the longest imperial dragon of its kind in the world, on loan from the Golden Dragon Museum in Bendigo.

The Sun Loong parade on the plaza of Melbourne Museum on 11 February attracted more than 4,000 people, and by the end of the day well over 4,500 visitors had visited Melbourne Museum. The subsequent installation of the Sun Loong imperial dragon along the entire length of the first-floor balcony of Melbourne Museum saw an influx of visitors, including a noticeable increase in Chinese tourists for the two-week period.

Commemorating the Year of the Dog, the much-loved Australian Kelpie took centre stage at the Royal Exhibition Building with projected custom-designed animations by local filmmakers Tim Stone and Aya Hatano (Gatherer Media), while the Immigration Museum welcomed four legged doggy friends for a festival of food and culture.

### Creating music and community with the Federation Handbells

Regional and outer metropolitan Victorians now have regular and convenient access to the Federation Handbells thanks to the development of hubs in Whittlesea, Frankston, Bendigo and Wangaratta. The development of these partnerships with local libraries now offers opportunities for Victorians to easily access these historic musical instruments. Creative workshops are also offered as part of the Hub program to inspire local communities to create their own musical experiences.

### Showcasing the cultures of sport in **Game Changers: Diversity in Football**

Sport's effectiveness at breaking down barriers and creating change was celebrated with the **Game Changers: Diversity in Football** display at Melbourne's Immigration Museum. **Game Changers** explored the way in which cultural and gender diversity are changing the world of football and how the game has changed the lives of players. Presented in partnership with the Western Bulldogs Football Club, the starting point of the exhibition was the stories of two Western Bulldogs players: Lin Jong, the first Australian of East Timorese and Taiwanese descent to play in the AFL, and South African-born Jason Johannisen.

In addition to the powerful stories of these individual players, memorabilia from the 2016 and 2017 AFL Indigenous and Multicultural Rounds and the inaugural Women's Competition was displayed.

### Extending our impact with Outreach

Museums Victoria's Outreach Program engaged with over 180,000 people across outer metropolitan and regional Victoria, providing access to the museum's collections for people who may find it difficult to visit the venues for reasons that include age and geographical distance. The Museum in a Van program includes four presentations incorporating natural science themes for kindergarten audiences, one immigration and social history program for primary students, and six presentations based on natural sciences and reminiscing experiences for aged care audiences. These presentations provide access to museum objects through facilitated workshops, and engaged with 26,888 people. The Kit Loans program comprises nine learning kits and ten reminiscing kits, which are loaned out to education and community audiences, providing the opportunity for hands-on self-guided engagement with museum objects for 17,570 people.

Our partnership with the Department of Education Early Years STEM unit provided the opportunity for early years educators to attend 16 STEM professional development sessions throughout regional Victoria and outer-metropolitan Melbourne. Locations included Shepparton, Stawell, Torquay, Knox, Hoppers Crossing and Mernda.

### Partnering to increase our reach

Over the course of the past year a large number of diverse programming opportunities were developed to further strengthen Museums Victoria's commitment to the communities of Melbourne and Victoria. **White Night Melbourne** again attracted enormous attendances – estimated to be in excess of 120,000 on the Melbourne Museum Plaza and a year-on-year increase of visitors to the museum of more than 30%.

Museums Spaces worked with external providers to deliver **Brickman: Awesome** during March and April 2018 and **Real Madrid World of Football** on the Melbourne Museum Plaza in June.

**The Virgin Australia Melbourne Fashion Festival (VAMFF)** at the Royal Exhibition Building and Melbourne Museum Plaza in early March was again a great success with strong attendances and extremely positive media coverage. The collaboration with VAMFF was strengthened with events and programming supporting the exhibition **You Can't Do That**, and a series of events at Immigration Museum including an International Women's Day forum, *An Evening With: Women In Media*, and the Ideas Program Business Seminar.

A partnership with the Melbourne Food and Wine Festival featured **Hiakai Hangi**, a traditionally prepared hangi feast event with culturally diverse chefs, and the **Viking Long Table Dinner** in conjunction with the **Vikings: Beyond the Legend** exhibition.

### Welcoming diverse audiences

In 2017–18, Melbourne Museum extended our partnership with the deaf community and Vicdeaf by offering free Auslan classes for families, co-hosting a family day with interpreted activities, puppets, performances and further Auslan classes, and for the first time, working with Auslan interpreters to provide Auslan tours of the **Inside Out** exhibition over summer.

Our work with the autism community and partnership with AMAZE continued with Museums Victoria's Autism Friendly Museum program. The program provides navigation, interpretation and information tools – including sensory maps and social stories – to assist parents and carers of children on the autism spectrum prepare for a museum visit.

Since launching in 2015, 34,402 people have accessed general tools and information offered by the program, and 4,850 have downloaded social stories.

Collaborating with AMAZE and drawing from evaluation and feedback from families, the program was extended this year to include the writing of the social story for the Pauline Gandel Children's Gallery, and the publication of the social story for the Outreach program.

The impact and influence of this sector-leading accessibility program was recognised with the programs tools added to the collection of the National Museum of Australia; and the Victorian Government National Arts and Disability Strategy and the Department for Health and Human Services Autism Plan included case studies of Museums Victoria's program as good practice examples.

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

### Inspiring the STEM generation at *Beyond Perception*

The ground-breaking *Beyond Perception: Seeing the Unseen* at Scienceworks, is a permanent exhibition co-created by teens, for teens. From gravitational waves to invisible light, and turbulence to synchrotrons, this exhibition was developed in consultation with acoustic engineers, scientists and teenagers. *Beyond Perception* also explores the invisible waveforms in science and engineering.

Filled with large-scale immersive experiences, *Beyond Perception: Seeing the Unseen* aims to inspire and intrigue teens to engage with science, technology, engineering and maths (STEM) by taking them to its most fascinating and imperceptible corners.

*Beyond Perception* plays a key role in our aim to engage with and prepare the next generation for a future in which an increasing number of jobs will rely on STEM skills of problem solving, hypothesising, experimenting and investigating.

### Building robots for the next generation

As part of a Department of Education partnership, Museums Victoria created the exciting new initiative *Future Innovators STEM for the Early Years*. This new initiative included the development of a Coding and Robotics learning kit, as well as professional development workshops. The Outreach workshops targeted early childhood educators and concentrated on regional communities such as Stawell and the Wimmera region, as well as outer urban areas such as Melton and Mernda.

### Continuing the tradition of innovation at Royal Exhibition Building

The Royal Exhibition Building has been a site for the use of new technology and innovation since the 1880 Melbourne International Exhibition. In March 2018, Museums Victoria partnered with American not-for-profit CyArk to digitise the Royal Exhibition Building using LiDAR, photogrammetry and drone photography. The 3D model of the building created from this data will assist Museums Victoria with our proactive management and conservation of this UNESCO World Heritage listed site. It also opens up a range of exciting opportunities for interpretation both onsite and online.

### Transforming Scienceworks for the Future

A new vision for the transformation of Scienceworks into the *Museum for the Future* has been developed into a preliminary business case with an accompanying concept masterplan. *The Museum for the Future* will be an incubator and facilitator for creative thinking and innovative practice, working in collaboration with individuals and groups from diverse sectors and industries.

In partnership with John Wardle Architects, the concept master plan incorporates an architectural vision for the site across three scales of impact: building, campus and precinct. Advocacy for the Museum for the Future has commenced with key government, local government, education, tertiary and science sector stakeholders.

### Illuminating the sky at Scienceworks

The *Dark Lab* series continues to be a major drawcard for adult audiences at Scienceworks. The series has included *Night Light*, an opportunity for adults to explore the *LightTime* exhibition and *Listening to the Universe*, presented in partnership with ABC Radio National, which brought Western and Indigenous astronomy together to explore new ways of perceiving the cosmos.

*In Conversation with Astronauts* allowed guests to meet former NASA astronaut Dominic Antonelli and cosmonaut Dumitru Prunariu as they shared their stories of living in space, and *Midnight Moon*, welcomed 250 people to share the wonder of watching the lunar eclipse accompanied by live Moon-inspired music from jazz identity Steve Sedergreen.

Other events included the always popular *Discover the Night Sky* series, now in its tenth year, and the Grand Finale of NASA's successful Cassini mission to Saturn. For the eighth year running, Melbourne Planetarium took part in the *Melbourne International Film Festival* with sell-out sessions showcasing planetarium films from Japan, Canada and Germany. In addition, the annual *AstroLight Festival* saw 1700 people enjoy an all-ages festival celebrating astronomy and light, and featuring performances, stargazing, and talks by astronomers and scientists.

*Planetarium Nights*, a new initiative that turns the Planetarium into an adults-only zone on Friday evenings, launched in late 2017. The sell-out sessions have introduced a new audience to Melbourne Planetarium's locally produced astronomy shows and showcased the best of planetarium art films from around the world.

### Inspiring innovation with the Facett hearing aid

Museums Victoria staff collaborated with Leah Heiss (School of Design, and School of Architecture and Urban Design, RMIT University) and Australian hearing aid company Blamey Saunders hears, to develop 'Facett', the world's first modular hearing aid. The design of the device, including the colour, texture and form, was inspired by Museums Victoria's mineralogy collection, and prototype elements from the design process have been acquired into the State Collection as examples of Victorian innovation.

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

### Development

The Museums Victoria's Annual Appeal program continues to grow with more than 1,000 donations contributing to a wide variety of projects across our Museums. A highlight was the successful Summer Appeal that enabled the commissioning of a third Outreach Van for the Museums Victoria fleet. The van will allow us to significantly increase our engagement with Victorians in rural, regional and outer metro areas.

Our Patrons Circle members made significant and invaluable contributions to developments at Scienceworks, the restoration of the **Great Melbourne Telescope**, the continuation of the **Invisible Farmer Project** and our **'I want to go to the Museum'** Access Program.

The Annual Supporters Thank You Event was held at the Moreland Collection Storage Facility in February, to recognise and acknowledge the vital on-going support of our donors, grantors, supporters and partners. The engagement and support of our community enables our successes and will be vital as we continue to implement the Museums Victoria's Strategic Plan 2017–25.

### Building business links with **MV Business+**

**MV Business+**, Museums Victoria's new corporate member program, launched in March 2018. The program provides business leaders with access to unique, museum-inspired networking events and offers employees of member organisations free general entry at Melbourne Museum, the Immigration Museum and Scienceworks.

### Engaging Museum Members

In 2017–18 Museums Victoria achieved the largest number of members in the program's history, with more than 99,000 participating members enjoying unlimited free general entry at Melbourne Museum, Scienceworks and Immigration Museum, plus select discounts. The Museum Generation program, giving every baby born, fostered or adopted in Victoria a free six-month Museums Victoria family membership, continued its success, with 12,328 Museum Generation members activating their six-month membership in 2017–18.

### Valuing our volunteers

Volunteers are vital in supporting Museums Victoria's vision. A pool of over 525 volunteers continue to donate over 40,000 hours annually to the organisation. The invaluable contribution of volunteers from the **Sampling the Abyss** research voyage was recognised with the presentation of the 2017 Victorian Premier's Volunteer Champions Awards in the category of teamwork, for their contribution to furthering marine research and helping to discover new species.

### Expanding our research capacity

Museums Victoria's honorary appointments - 12 Curators Emeritus and 120 Honorary Associates - continue to provide specialist advice in research and collections areas. Two of our honoraries - Aunty Esther Kirby and Mr Philip Bock - received Medals of the Order of Australia in the General Division (OAM) for outstanding services, including their valuable contributions to Museums Victoria.

### Adding value through partnerships

The year saw us welcome Powershop, Australia's greenest power company (Greenpeace Electricity Guide 2015, 2016 and 2018), as a partner. A membership sales promotion ran throughout the year and in March, 130 Museum Members were treated to an excursion to the Mt Mercer Wind Farm to learn about renewable energy.

As part of their local community programs in the West, Level Crossing Removal Authority and ExxonMobil both supported the Easter school holiday program at Scienceworks, which included talks by engineers for visitors.

Rio Tinto continued its generous support of the Dynamic Earth exhibit at Melbourne Museum and Sanbot Australia came on board as the presenting partner of Robotica 2017 at Scienceworks.



Toddler interacting with a Customer Service Officer in the Pauline Gandel Children's Gallery  
Photography by Benjamin Healley

# Future Priorities

As the Initiation phase of the Strategic Plan 2017–25 evolves into the Transform phase, Museums Victoria’s priorities will focus on pursuit of initiatives linked to audience and revenue growth, and organisational sustainability.

In 2018–19 Museums Victoria will deliver vital plans for Transformational Themes and key business areas to develop capacity, ensure relevance, and expand our audiences, including:

**First Peoples:** A consultation framework will be finalised to embed inclusive, community-led consultation and collaboration with local Koorie and Pacific First Peoples communities across Museums Victoria. The importance of First Peoples history and living cultures will be further enhanced through the rollout of an Interpretation Framework to ensure the forward program of exhibitions, programs and experiences incorporates First Peoples’ content and interpretation.

**Foundation Narratives:** Museums Victoria’s first translation of the exploration of the three Foundation Narratives, Stories of the Universe, Life and Humans, will be developed as an experience for Melbourne Museum.

**Digital Life:** Digital Life’s major initiatives – Digital Life Strategy 2018–21, and creation of a Digital Storytelling unit - will launch in 2018–19. The Digital Life Strategy will outline the roadmap to Museums Victoria becoming a renowned digital innovator and sector leader. The Digital Storytelling Unit will initiate the transformation, by creating, producing and delivering high-quality, audience-focused digital content and narratives that strategically enhance and maximise audience experiences, engagement and visitation.

**Research and Collections:** A sustainable Research and Collections Strategy 2018–23 will guide activities and establish clear objectives, performance criteria and timeframes. This will be complimented by an aligned First Peoples Research and Collections Strategy, supporting a culturally respectful and appropriate approach to our research and collections. The new strategies will launch in 2018–19.

**Immigration Museum Transformation:** November 2018 will mark 20 years since the establishment of the Immigration Museum. The forthcoming anniversary has acted as a catalyst to reflect on the role the Immigration Museum plays in the cultural and social life of Victoria, and develop opportunities to transform the museum into a contemporary exploration of our shared humanity. A re-envisioned Immigration Museum is scheduled to be launched in the latter part of 2018–19.

**Museum for the Future:** The transformation of Scienceworks into a Museum for the Future will create a precinct where visitors can learn scientific, entrepreneurial and STEM-related skills and equip themselves to confidently face the future. Immediate focus is on generation of a full business case and continued advocacy to build support for this centre for technological and scientific expertise.

**Exhibitions:** To support our objective of providing unmissable experiences for all audiences in 2018–19, Museums Victoria will deliver an expansive calendar of audience activations and experiences. Museums Victoria developed and curated exhibitions will include:

- **Myer Christmas Windows**, in collaboration with Myer and Stage One at Melbourne Museum
- **Love**, in collaboration with Heide Museum of Modern Art, at Immigration Museum
- **Kahlil Gibran: The Garden of the Prophet**, in collaboration with Gibran National Museum, at Immigration Museum.

Collaborative and touring exhibition highlights will also include:

- **Mandela My Life: The Exhibition**; the international launch of a Museums Victoria co-created touring exhibition at Melbourne Museum
- **Uncle Jim Berg** in Bunjilaka at Melbourne Museum
- **Museum of the Moon**, an artwork installation at Scienceworks, incorporating story-telling and programming about the moon in the 50th anniversary year of the Apollo moon landing.

# Purpose, Functions and Corporate Governance

## Museums Board of Victoria

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

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

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

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

Number of meetings during the financial year: 6

Board member	No. of meetings attended
Professor Rufus Black (President)	5
Mr Andrew Butcher	6
Professor Edwina Cornish AO (to 1 December 2017)	0 (of 2)
Mr Wilkin Fon	6
Mr Colin Golvan AM QC	4
Dr Alison Inglis	6
Ms Linda Bardo Nicholls AO (from 1 August 2017)	5
Mr Peter Tullin (from 1 August 2017)	4
Ms Annette Vickery	4

## Committees

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

### Aboriginal Cultural Heritage Advisory Committee

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

Number of meetings during the financial year: 3

Committee member	No. of meetings attended
Ms Annette Vickery (Chair)	1
Ms Julie Andrews	3
Professor Henry Atkinson	3
Ms Carolyn Briggs	3
Mr Colin Golvan AM QC	2
Ms Gail Harradine	1
Ms Diane Kerr	0
Mr Ricky Mullett	1

### Audit and Risk Committee

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

Number of meetings during the financial year: 4

Committee member	No. of meetings attended
Ms Linda Bardo Nicholls AO (Chair)	4
Mr Colin Golvan AM QC	2
Mr Wilkin Fon	4

### Development Committee

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

Number of meetings during the financial year: 4

Committee member	No. of meetings attended
Mr Andrew Butcher (Chair)	3 (of 3)
Mr Colin Golvan AM QC	1 (of 1)
Dr Alison Inglis	4
Mr Peter Tullin	3 (of 3)

### Infrastructure Committee

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

Number of meetings during the financial year: 4

Committee member	No. of meetings attended
Mr Jim Cousins AO (Chair) (external member co-opted by the Board)	4
Ms Linda Bardo Nicholls AO	2
Mr Peter Tullin	4

### Nominations, Remuneration and Governance Committee

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

Number of meetings during the financial year: 3

Committee member	No. of meetings attended
Professor Rufus Black (Chair)	3
Mr Colin Golvan AM QC	3
Ms Annette Vickery (from 1 November 2017)	0 (of 2)

### Research Committee

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

Number of meetings during the financial year: 2

Committee member	No. of meetings attended
Professor Edwina Cornish AO (Chair) (to 1 December 2017)	1 (of 1)
Professor Graeme Davison AO (to 1 May 2018)	1 (of 2)
Dr Alison Inglis (Acting Chair from 1 January 2018)	2
Professor David Karoly (to 1 December 2017)	1 (of 1)
Professor Lynette Russell	2
Professor Alistair Thomson	2

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

### Donald Thomson Collection Administration Committee

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

# Our Workplace

## Organisation Structure and Functions

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

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

**People and Culture:** People and Culture is responsible for all Human Resources and Occupational Health and Safety functions and support, including Recruitment; Engagement & Retention strategies; Payroll; Workforce Planning; Learning and Development as well as ensuring Museums Victoria complies with all relevant Occupational Health and Safety (OHS) legislation, Compliance Codes, Codes of Practice, and relevant standards.

**Melbourne Museum, Scienceworks and Immigration Museum:** General Managers at each of our museum locations are responsible for ensuring and enabling the successful operation of each of our venues in order to provide a quality and engaging experience for all visitors, including oversight of Customer Service operations. The General Manager Melbourne Museum also has responsibility for leading our Commercial activities, incorporating Museums Spaces, Retail Services, Car Park and IMAX.

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

**First Peoples:** Provides strategic leadership to position First Peoples' living cultures, histories and knowledge at the core of Museums Victoria's practice. The First Peoples' department manages, develops and promotes Museums Victoria's Indigenous Collections through strategic oversight of Bunjilaka, Australia's leading Aboriginal Cultural Centre, Australian First Peoples Curatorial, International First Nations Curatorial including Indonesia, Micronesia and Polynesia, and collection management.

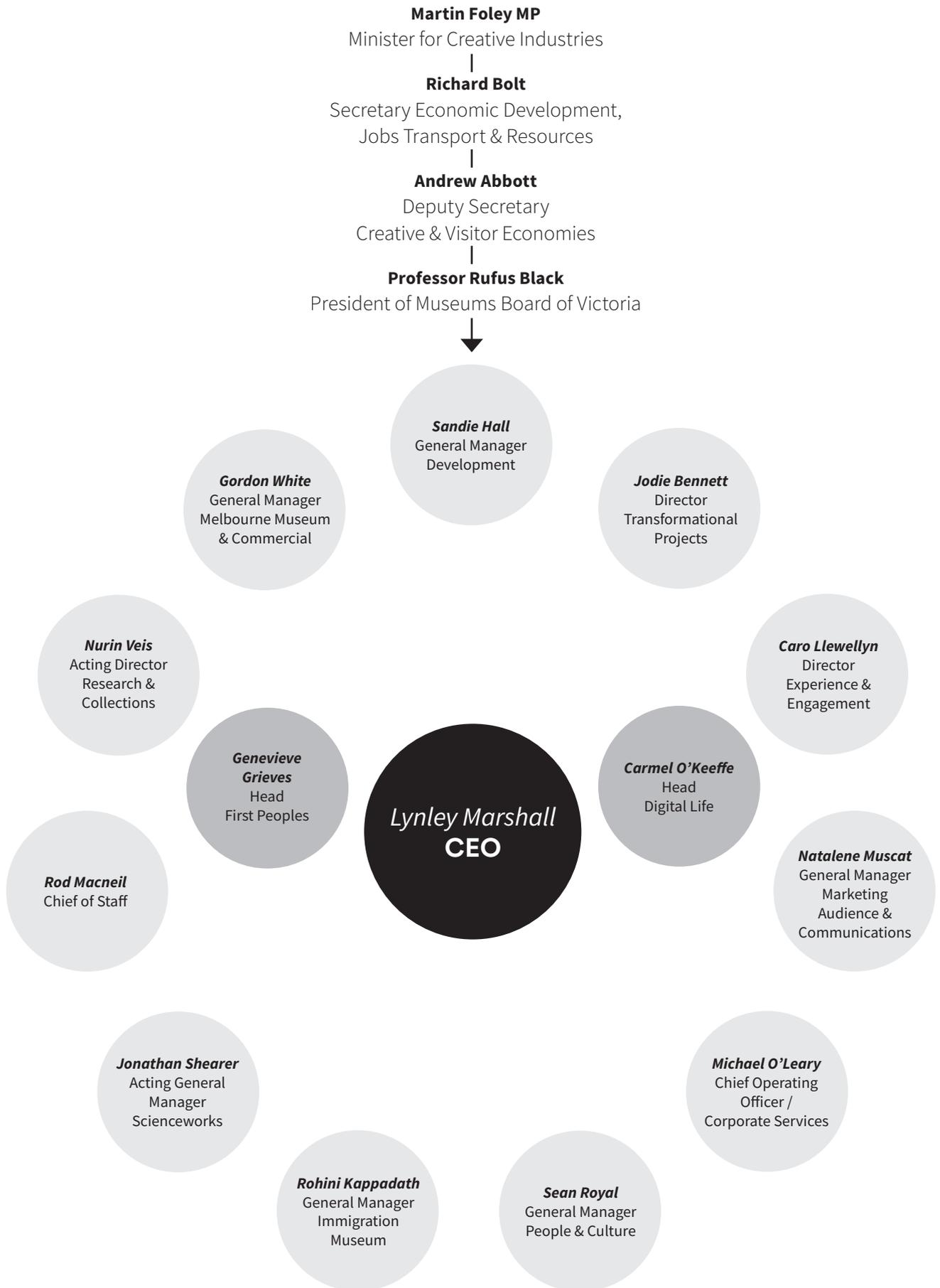
**Experience and Engagement:** The Experience and Engagement Division is responsible for leading the museums' engagement with communities and individuals online, onsite and offsite. Functions include exhibition and experience development at Melbourne Museum, Scienceworks, Immigration Museum and Royal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

**Digital Life:** who are responsible for multichannel online distribution and delivering experiences and content virtually and digitally beyond our walls. Digital Life connects people to Museums Victoria on their digital platforms and ours. Digital Life utilises established and emerging digital technology and behaviours to open up our places and spaces; share our knowledge, research and collections; and reveal links to the past, the present and the future.

**Development:** The Development department focuses on growing and nurturing Philanthropic and Corporate Partnerships, Museum Memberships, and Fundraising income from individuals and the community to build a healthy financial future for Museums Victoria.

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

# Organisation Structure<sup>1</sup>



<sup>1</sup> As at 30th June 2018

## Staff Profile

Museums Victoria commenced 2017–18 with 492 full-time equivalent employees (FTE) and ended the period with 521.

	Ongoing Employees			Fixed-term & Casual		Total FTE*
	Employees (Headcount)	Full-time (Headcount)	Part-time (Headcount)	FTE	FTE	FTE
June 2018	427	285	142	375	146	521
June 2017	422	268	154	360	132	492
	2017–18			2016–17		
	Ongoing		Fixed-term & Casual	Ongoing		Fixed-term & Casual
	Employees (Headcount)	FTE	FTE	Employees (Headcount)	FTE	FTE
<b>Gender</b>						
Female	262	224	86	256	211	83
Male	166	149	49	166	149	49
Self-described**	0	0	0	NA	NA	NA
<b>Total</b>	<b>427</b>	<b>375</b>	<b>146</b>	<b>422</b>	<b>360</b>	<b>132</b>
<b>Age</b>						
Under 25	0	0	21	1	1	12
25-34	97	84	60	81	66	58
35-44	123	109	33	119	102	36
45-54	111	96	20	116	99	16
55-64	70	64	11	80	71	9
Over 64	26	22	1	25	21	1
<b>Total</b>	<b>427</b>	<b>375</b>	<b>146</b>	<b>422</b>	<b>360</b>	<b>132</b>
<b>Classification</b>						
VPS 1	0	0	0	0	0	0
VPS 2	157	121	84	165	118	64
VPS 3	103	96	23	102	94	23
VPS 4	87	79	23	77	72	27
VPS 5	62	61	7	63	61	9
VPS 6	17	17	4	15	15	4
VPS 7	1	1	0	0	0	0
Executive Officers	0	0	5	0	0	5
<b>Total</b>	<b>427</b>	<b>375</b>	<b>146</b>	<b>422</b>	<b>360</b>	<b>132</b>

\*FTE = Full-time equivalent

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

\*\*Data was not collected for this category in 2016-17. In 2017-18 existing staff were invited to verify their details in the personal details section of Museums Victoria's Employee Self Service (ESS) portal and the on-boarding processes for new employees allowed for capture of gender descriptor preferences.

Total number of Executive Officers, broken down by gender

	<b>All</b>	<b>Male</b>	<b>Female</b>	<b>Self-described*</b>
<b>Classification</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>
Executive Officer 1	0	0	0	0
Executive Officer 2	1	0	1	0
Executive Officer 3	4	1	3	0
<b>Total</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>0</b>

\*Existing staff will be invited to verify their details in the personal details section of Museums Victoria's Employee Self Service (ESS) portal and the on-boarding processes for new employees will allow for capture of gender descriptor preferences.

Reconciliation of executive movements throughout the year

<b>Classification</b>	<b>2018</b>	<b>2017</b>
Executives*	7	5
Accountable Officer (CEO)	1	2
Less Separations	3	2
<b>Total executive numbers at 30 June**</b>	<b>5</b>	<b>5</b>

\* Executives excluding Chief Executive Officer (CEO)

\*\* Executives including CEO – Includes transitional outgoing and incoming Chief Executive Officer and Chief Operations Officer

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

The following table discloses the annualised total salary for senior employees at 30 June 2017, categorised by classification. The salary amount is reported as the full-time annualised salary.

<b>Income band (salary)</b>	<b>Executives</b>	<b>Senior Technical Specialist</b>
>\$160,000	0	0
\$160,000 - \$179,999	1	1
\$180,000 - \$199,999	0	0
\$200,000 - \$219,999	1	0
\$220,000 - \$239,999	0	0
\$240,000 - \$259,999	1	0
\$260,000 - \$279,999	1	0
\$280,000 - \$299,999	0	0
\$300,000 - \$319,999	0	0
\$320,000 - \$339,999	0	0
\$340,000 - \$359,999	0	0
\$360,000 - \$379,999	0	0
\$380,000 - \$399,999	1	0
<b>Total Headcount</b>	<b>5</b>	<b>1</b>

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

## Staff Development

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

In 2017–18, the corporate learning and development program provided a diverse selection of classroom sessions, e-learning modules and workshops. This enabled a variety of learning preferences to be supported through face-to-face interactive sessions and online learning programs.

E-learning compliance modules continue to inform and educate the Museum workforce, whilst enabling consistent behaviours that are underpinned by respect, equal opportunity, and inclusivity. The e-learning modules assist in defining clear behavioural expectations in keeping with our values, in addition to promoting a positive and engaged work environment.

In total, Museums Victoria offered 85 corporate learning and development sessions, representing 22 individual training programs. Additionally, 19 e-learning modules were completed (including the compliance e-learning project, which was completed by more than 72% of all employees to date).

The majority of participants continue to rate their level of satisfaction of learning programs offered at Museums Victoria as 'high' to 'very high'.

During 2017–18, Museums Victoria once again hosted a successful International Women's day. Indigenous women representing the First Peoples communities were celebrated across the organisation as an inspiration for all women. This was further supported through another successful initiative focused on Women in Leadership.

A range of workshops and briefings were also held across departments centring on performance development, leadership capability, building a constructive culture and enhancing positive work relationships. Further, a number of employees had the opportunity to attend both local and/or international seminars and conferences, undertake temporary assignments, and participate in mentoring programs and cross-divisional project opportunities.

## Employee Relations

Museums Victoria continues to maintain an excellent working relationship with staff and with the primary representative, the Community and Public Sector Union (CPSU). Regular CPSU Consultative Committee meetings were held, as were constructive discussions regarding Museums Victoria's most recent organisational realignment.

## People Matter Survey

In early May 2018, Museums Victoria participated in the People Matter Survey, designed for the Victorian Public Sector and run by the Victorian Public Sector Commission.

A reasonable percentage (42%) of People Matter Surveys were returned for Museums Victoria, compared with a 56% result in 2016, and a 34% response rate for the Victorian Public Sector in that year.

Most of the results were received in June 2018 and were shared with the appropriate Department Managers and the Executive Team for discussion and action with staff.

Museums Victoria fared well, on a comparison basis, with respect to Human Rights, Responsiveness and Impartiality values which were noted at 80%, 91% and 74% respectively. The organisation also scored well with respect to attitudes towards diversity, with staff rating the organisation well for its culture, especially to Aboriginal and Torres Strait Islander, disabled and LGBTI employees.

Areas that the Survey identified for further action and review included bullying, avenues of redress and merit. A program to eliminate bullying, including education, is already in place; addressing the newly emerged areas of concern has been given top priority by the Executive Team and Department Managers.

## Public Sector Values

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

# The Year in Brief

## Key Indicators

	2017-18	2016-17	2015-16	2014-15	2013-14
Collection stored to industry standard	74%	74%	75%	75%	77%
Visitors satisfied with visit overall	96%	98%	99%	92%	94%
Students participating in education programs	255,725	272,731	287,460	281,095	276,111
Volunteer hours	40,012	41,692	37,685	44,124	50,565
Memberships	29,216	20,307	16,295	16,368	17,496

Notes:

The Members Program surpassed all expectations due to the popularity of the Pauline Gandel Children's Gallery and Members joining via the Museum Generation initiative, which offered 6 months of free Membership to any family who welcomed a child into their family in the 2017 calendar year.

There has been a reduction in back-of-house volunteer hours due to staff and departmental changes arising from the organisational realignment.

These Key Performance Indicator results are part of the Victorian Government Budget Paper 3 (BP3) Measures.

## Financial Summary

	2017-18 \$'000	2016-17 \$'000	2015-16 \$'000	2014-15 \$'000	2013-14 \$'000
Revenue from government	85,799	86,474	84,152	84,377	85,848
Total income from transactions	137,009	125,047	123,472	114,971	123,129
Total expenses from transactions	(133,753)	(117,696)	(117,297)	(110,475)	(116,940)
Net result from transactions before depreciation	3,256	7,351	6,175	4,496	6,189
Net result from transactions after depreciation	(26,126)	(20,936)	(11,369)	(13,448)	(12,715)
<b>Net result for the period</b>	<b>(26,044)</b>	<b>(20,577)</b>	<b>(11,943)</b>	<b>(13,510)</b>	<b>(12,688)</b>
Net cash flow from operating activities	12,414	4,469 <sup>1</sup>	16,363	6,572	6,139
Total assets	1,719,362	1,646,097	1,669,093	1,023,949	1,035,227
Total liabilities	30,798	23,955	26,367	17,344	15,112

Notes to Financial Summary:

Revenue received from government was lower in comparison to the previous financial year, mainly from a decrease 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 total income increased due to a project income grant received from the Transport Accident Commission (TAC) for the Road Safety Education Complex, which offset a reduction in Exhibition Renewal Funding and science and research grants. Self-generated income increased mainly from the Vikings Touring Hall admissions and program/activity income generated from Nocturnal and Plano Nights. Total Expenditure includes increased salary costs due to the Staff Partnership Agreement (SPA), increase in FTE compared to the previous year and increased expenditure on the Road Safety Complex project. Net cash flow is significantly higher due to timing of government receipts and self-generated income.

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 future 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.

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

## Visitation

	2017-18	2016-17	2015-16	2014-15	2013-14
Immigration Museum	117,757	122,574	116,024	122,662	123,877
Scienceworks	481,037	433,472	502,109	486,938	474,823
Melbourne Museum	1,191,862	1,140,618	991,132	828,379	955,838
IMAX	261,495	230,040	258,271	252,446	279,758
<b>Total ticketed visitation</b>	<b>2,052,151</b>	<b>1,926,704</b>	<b>1,867,536</b>	<b>1,690,425</b>	<b>1,834,296</b>
Outreach Program	182,451	134,318	440,450	135,881	112,049
Website	5,192,921	5,327,403	5,897,515	5,624,812	5,481,307
<b>Total offsite visitation</b>	<b>5,375,372</b>	<b>5,461,721</b>	<b>6,337,965</b>	<b>5,760,693</b>	<b>5,593,356</b>
Royal Exhibition Building	635,218	567,136	541,404	660,962	646,982
<b>Total visitation</b>	<b>8,062,741</b>	<b>7,955,561</b>	<b>8,746,905</b>	<b>8,112,080</b>	<b>8,074,634</b>

### Notes:

Museums Victoria exceeded its annual target by 11% (agreed target of 1,843,025 visitors), underpinned by the particularly strong performance of Melbourne Museum. This offset overall shortfalls against target across visitation categories and other sites.

Melbourne Museum delivered a record result in terms of its General Admissions performance (excluding the Touring Hall) for 2017-18, exceeding 1 million visitors. The *White Night* all-night arts festival in February 2018 delivered record attendance for Melbourne Museum, with more than 38,000 people attending against a forecast of 20,000. The Touring Hall also hosted three exhibitions contributing to overall visitation: *Bugs Lab*, *Inside Out* and *Vikings: Beyond the Legend*.

Scienceworks achieved its annual visitation target for 2017-18, though with notable variances throughout the year. The closure of the ongoing family exhibition *Nitty Gritty Super City*, from July to November had a stronger negative impact in visitation than forecast, however, the shortfall was offset by heightened visitation to *Ground Up* once opened, which continued across the Summer and Autumn school holidays. *Ground Up* also had a discernible impact on Members audiences, with overall 2017-18 attendance exceeding target by 57%. The Planetarium Late Night series event, running since August 2017, continued to sell out for the majority of events with an average of 300 additional visitors per week (roughly 13,000 additional visitors over the remainder of the year since opening).

The Immigration Museum's full year result of -12%, is largely due to a reduced Education offering, resulting from closure and refitting of long room.

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

Total Ticketed Visitation results are part of the Victorian Government Budget Paper 3 (BP3) Measures.

## Environmental Performance

	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Energy</b>					
Total energy consumption (gigajoules)	61,728	100,100	130,181	151,747	141,774
Greenhouse emissions associated with energy use (tonnes – CO <sub>2</sub> )	16,196	19,195	21,698	25,107	21,167
<b>Waste</b>					
Percentage of total waste recycled	45%	51%	55%	53%	44%
<b>Water</b>					
Water consumption (kilolitres)	77,588	67,924	93,130	79,852	77,284

### 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. In Phase 1 of the Energy Management Program, Museums Victoria replaced the Chiller at Immigration Museum, installed new air-conditioning control systems at Immigration Museum and Melbourne Museum, optimised the existing mechanical plant and installed over 6,000 high efficiency LED fittings, which has led to a 38% reduction in energy consumption.

# Statutory Reports

## Accessibility Action Plan

In 2017–18, Museums Victoria extended its partnership with the deaf community and Vicdeaf by:

- continuing to offer free Auslan classes for families at Melbourne Museum and Scienceworks
- co-hosting a family day with interpreted activities, puppets, performances and further Auslan classes at Melbourne Museum
- working with deaf Auslan interpreters to provide Auslan tours of the *Inside Out* exhibition at Melbourne Museum over summer
- consulting with Vicdeaf around accessibility for both the *Ground Up* and *Beyond Perception* Exhibitions.

Work with the autism community and partnership with AMAZE extended this year to include:

- 15,541 visitors accessed general tools and information offered by the program website, and 4,850 social stories were downloaded
- the writing of the social story for the Pauline Gandel Children’s Gallery informed by evaluation and feedback from families
- online publication of the social story for the Outreach program
- two state government departments invited Museums Victoria to write case studies for use towards their publications – The Victorian Government National Arts and Disability Strategy and the Department for Health and Human Services Autism Plan
- museum staff worked with post-graduate students at RMIT and Macleay University to provide an understanding of the Autism Friendly Museum Project in action in museums.

The Disability Awareness course continued this year, with 44 staff members completing the course in 2017–18.

## Building and Maintenance Compliance

As at 30 June 2018, 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 2017–18 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
- Energy management program upgrades

#### Scienceworks

- Installation of new lift in main exhibition gallery
- Installation of new toilets and baby change facilities in main exhibition gallery

#### Immigration Museum

- Refurbishment of Coat of Arms on the Flinders Street building facade

#### Royal Exhibition Building

- Protection and Promotion Project

#### Moreland Annexe

- Goods hoist installation in basement store

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

During 2017–18 the following were issued in relation to buildings owned by Museums Victoria:

<b>Building permits</b>	12
<b>Occupancy permits</b>	0
<b>Certificates of final inspection</b>	15
<b>Emergency orders</b>	0
<b>Building orders</b>	0

## 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.

## Compliance with the Standing Directions of the Minister for Finance (2016)

I, Professor Rufus Black, on behalf of the Museums Board of Victoria, certify that the Museums Board of Victoria has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions except for the following Material Compliance Deficiencies:

- Direction 4.2.3, Asset Management Accountability Framework
  1. Create and Maintain Current Asset Register
  2. Asset Information Management System

These two deficiencies are interlinked, as Museums Victoria does not have an enterprise-wide fully functional Asset Information Management System. Addressing these deficiencies has high priority status in the remedial action plan, with work commencing in August 2018.



### Dr Rufus Black

President, Museums Board of Victoria

30 August 2018

## DataVic Access Policy

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

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

- *Trove*, the National Library of Australia's portal, through which we share humanities collections data, with approximately 89,000 item and image records available
- *Atlas of Living Australia*, through which we share science specimen data, with approximately 834,000 specimen records of which 16,330 of which have one or more images, with a total of 25,870 images supplied.

## 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 2018, Museums Victoria received four Freedom of Information requests.

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

### Contacts

Principal Officer:  
Lynley Marshall (Chief Executive Officer)

Freedom of Information Officer:  
Manager, Strategic Information and Risk

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

### Categories of Documents

Documents maintained in the possession of Museums Victoria include:

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

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

Access to documents (as defined in section 5 of the Act) may only be obtained through a written request to the Freedom of Information Officer; a fax is sufficient. Each request should be accompanied by a \$28.90 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 \$28.90. 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.

## Consultancies

In 2017–18, ten consultancies attracted total fees payable of \$10,000 or greater. The total expenditure incurred during the year in relation to these consultancies is \$775,064 as outlined in the table of consultancies below.

There were no consultancies during the year with fees of less than \$10,000.

Consultant	Purpose	Total approved project fee (excl. GST)	Expenditure 2017–18 (excl. GST)	Future expenditure (excl. GST)
Aalto Pty Ltd	Facilities Management Plan and Operational Funding Review	\$42,480	\$42,480	\$0
Aalto Pty Ltd	Asset Management Framework Part 2A Development	\$16,500	\$16,500	\$0
James Hampton	Architectural Design Service	\$17,700	\$17,700	\$0
John Wardle Pty Ltd	Museum for the Future Master Concept Plan Development	\$150,000	\$150,000	\$0
May Consulting Pty Ltd trading as The Maytrix Group	Scienceworks and Immigration Museum Catering Tender Advice	\$29,606	\$29,606	\$0
Nous Group Pty Ltd	Strategic Plan Development 2017	\$86,692	\$86,692	\$0
Nous Group Pty Ltd	Corporate and Business Plan Development 2017	\$59,257	\$59,257	\$0
SGS Economics and Planning Pty Ltd	Museum for the Future Business Case	\$39,188	\$37,620	\$1,568
SGS Economics and Planning Pty Ltd	Audience Market Analysis Project 2018	\$110,757	\$39,057	\$71,700
Lovell Chen Heritage Consultants	Principal Consultancy Services (Consultancy Team) Royal Exhibition Building Protection and Promotion Project	\$1,552,699	\$296,152	\$616,736

## Disclosure of major contracts

In 2017–18, there were two major contractors that were of \$10,000,000 or greater.

Party	Project Name	Purpose	Total Value \$ (excl. GST) \$'000
Traffic and Accident Commission	Transport Accident Commission - Road Safety Education Project Arrangements 2017 to 2028	Exhibition Hosting Agreement	14,925
MSS Security	Security Services 2018 to 2028	Services Agreement	18,000

## 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
<b>Bug Lab</b>	To drive visitation to Melbourne						
June 2017 to October 2017	Museum's touring exhibition <i>Bug Lab</i>	283	0	5	24	36	348
<b>Vikings: Beyond the Legend</b>	To drive visitation to Melbourne						
March 2018 Ongoing	Museum's touring exhibition <i>Vikings: Beyond the Legend</i>	151	40	5	65	66	327

### 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 2017–18 expenditure.

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

## Health and Safety Incidents

### Visitors

	Visitors	Incidents	Incidents per 100 visitors
2015–16	1,867,536	644	0.0344
2016–17	1,926,704	686	0.0356
2017–18	2,052,151	609	0.0296

### Staff

	Staff FTE	Incidents	Incidents per 100 staff members	Lost time standard claims	Lost time standard claims per 100 staff members	Average cost per claim
2015–16	507	255	50.3	5	0.98	\$101,498
2016–17	492	225	45.7	3	0.61	\$36,091
2017–18	521	82	15.7	4	0.77	\$29,194

### Notes:

Average cost per claim includes payments to 30 June 2018, and an estimate of outstanding claim costs advised by Xchanging, Museums Victoria's insurer.

The 2017–18 financial year saw a significant increase in resourcing for Museums Victoria's OHS team from 1 to 2.5 FTE and implementation of a more accurate incident reporting and data mining tool, as endorsed by the Board. The significant decreases in reported staff-related incidents during this period compared to prior years can be attributed to greater accuracy in defining incidents driven by the parameters of the incident reporting tool. The more robust level of resourcing in the OHS team has also enabled a stronger, more proactive prevention approach compared to prior years.

## Information and Communication Technology Expenditure

For the 2017–18 reporting period, Museums Victoria had a total ICT expenditure of \$4,526,079, with details shown below.

All operational ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
Business As Usual (BAU) ICT expenditure \$'000 <i>Total</i>	Non-BAU ICT expenditure \$'000 <i>Total A+B</i>	Operational expenditure \$'000 <i>A</i>	Capital expenditure \$'000 <i>B</i>
4,510	16	16	0

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

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 \$1million in regional Victoria.

There was one contract commenced or completed during the year to which the *Local Jobs First - VIPP* applies.

Details of contracts commenced during the year the VIPP applies to:

- One contract totalling \$8 million in value (excluding GST), in metropolitan Melbourne.

The outcomes reported from the implementation of the policy where information was provided, were as follows:

- an average of 85.33 % of local content outcome was recorded
- a total of 111 positions were created and 9 existing positions retained
- 11 new apprenticeships/traineeships were created and 4 existing apprenticeships/traineeships retained.

## National Competition Policy

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

## Protected Disclosures

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

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

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

## Disclosures under the Protected Disclosure Act 2012

There were no disclosures made to Museums Victoria during 2017–18.

	2017-18	2016-17
The number of disclosures made by an individual to Museums Victoria's Protected Disclosures Coordinator and notified to IBAC	0	0
Assessable disclosures	0	0

## Public Sector Values and Employment Principles

During 2017–18, 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 workplace bullying.

*Ground Up* exhibition in Scienceworks  
Photography by Fran Parker





# Financial Overview of Operations

## Financial Overview of Operations

The net result from transactions before depreciation was a surplus of \$3.3 million for the year ended 30 June 2018.

The net result was a deficit of \$26.0 million, which comprises:

- Depreciation expense of \$29.4 million; and
- Other economic inflows included in the result of \$0.1 million.

## General Operations

The decrease in net result from transactions before depreciation from \$7.4 million in 2016–17 to \$3.3 million in 2017–18 was due to an increase in income of \$12.0 million, offset by an increase in expenses of \$17.1 million.

## Income

Self-generated increased following the recognition of revenue from Transport Accident Corporation (TAC) for the Road Safety Education complex. There was also an increase of \$2.6 million in self-generated income mainly from i) sponsorship which included in-kind marketing income as part of Museums Victoria's sponsorship agreements; ii) increased admissions revenue (Touring Hall exhibitions) and programs/activities income (Nocturnal, Plano Nights etc); and iii) increased catering income.

## Expenses

There was an increase in employee expenses of \$3.4 million from 2016–17. This increase was a result of i) progression payments to the majority of staff, ii) pay rises as part of the Staff Partnership Agreement and iii) an increase in FTE employed.

Museums Victoria's operating expenses increased by \$12.7m, primarily due to:

- Higher contractor and exhibition expenses from i) construction costs incurred for Road to Safety Complex on behalf of TAC ii) higher film royalties for Dunkirk and Star Wars, and iii) higher contractor costs relating to the implementation of Museums Victoria's Strategic Plan. Offsetting these increases were (i) lower 2017–18 Touring Hall exhibition expenses compared to the higher costs in 2016-17's Jurassic World exhibition Touring Hall exhibition costs, (ii) higher marketing and promotion costs from in-kind reciprocal marketing arrangements and (iii) general increases in Touring Hall marketing costs.

Depreciation increased by \$1.1 million mainly due to the completion of Buildings driven by Phase 1 of Museums Victoria's Energy Management Program.

# Financial Statements Museums Board of Victoria

## Declaration in the Financial Statements

We certify that the attached financial statements for the Museums Board of Victoria have been prepared in accordance with Standing Direction 5.2 of the 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 2018 and financial position of the Museums Board of Victoria as at 30 June 2018.

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 30 August 2018.



.....  
**Ms Linda Bardo Nicholls AO**  
Treasurer, Museums Board of Victoria



.....  
**Ms Lynley Marshall**  
Chief Executive Officer



.....  
**Mr Michael O'Leary**  
Chief Financial Officer

30 August 2018

.....  
Dated

# Financial Statements Table Of Contents for the Financial Year Ended 30 June 2018

Museums Board of Victoria (Museums Victoria) has presented its audited general purpose financial statements for the financial year ended 30 June 2018 in the following structure to provide users with the information about Museums Victoria's stewardship of resources entrusted to it.

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# Financial Statements

## Comprehensive Operating Statement for the financial year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
<b>Continuing Operations</b>			
<b>Income from transactions</b>			
Grants	2.2	89,119	89,890
Self-Generated Income	2.3	45,117	32,021
Other Income	2.4	2,773	3,136
<b>Total income from transactions</b>		<b>137,009</b>	<b>125,047</b>
<b>Expenses from transactions</b>			
Employee benefit expenses	3.2	(49,086)	(45,705)
Capital asset charge	3.3	(38,122)	(38,122)
Operating expenses	3.4	(46,545)	(33,869)
Depreciation	4.2	(29,382)	(28,287)
<b>Total expenses from transactions</b>		<b>(163,135)</b>	<b>(145,983)</b>
<b>Net deficit from transactions</b>		<b>(26,126)</b>	<b>(20,936)</b>
<b>Other economic flows included in net result</b>			
Net gain/(loss) on disposal of property, plant and equipment		60	14
Net gain/(loss) arising from revaluation of long service liability*		22	345
<b>Total other economic flows included in net result</b>		<b>82</b>	<b>359</b>
<b>Net result</b>		<b>(26,044)</b>	<b>(20,577)</b>
<b>Other economic flows – other comprehensive income/expenditure</b>			
<b>Items that will not be reclassified to Net result</b>			
Changes in Physical Asset Revaluation Surplus		88,159	-
Changes in Fair Value of Foreign Currency Hedging Contracts	8.2.2	7	(7)
<b>Comprehensive result</b>		<b>62,122</b>	<b>(20,584)</b>

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

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

## Balance Sheet as at 30 June 2018

	Notes	2018 \$'000	2017 \$'000
<b>Financial Assets</b>			
Cash and deposits	6.1	36,524	31,429
Receivables	5.1	1,573	2,200
Foreign exchange forward contracts used for hedging	7.1.4	-	1,058
<b>Total Financial Assets</b>		<b>38,097</b>	<b>34,687</b>
<b>Non-Financial Assets</b>			
Property, plant, equipment, exhibitions and collections	4.1	1,679,763	1,610,330
Other non-financial assets	5.4	1,502	1,080
<b>Total Non-Financial Assets</b>		<b>1,681,265</b>	<b>1,611,410</b>
<b>Total Assets</b>		<b>1,719,362</b>	<b>1,646,097</b>
<b>Liabilities</b>			
Payables	5.2	13,349	4,861
Advance from Creative Victoria	5.3	5,515	6,434
Finance leases liabilities	6.2.1	271	363
Employee related provisions	3.2.2	11,663	11,232
Foreign exchange forward contract payable	7.1.4	-	1,065
<b>Total Liabilities</b>		<b>30,798</b>	<b>23,955</b>
<b>Net Assets</b>		<b>1,688,564</b>	<b>1,622,142</b>
<b>Equity</b>			
Accumulated deficit	8.2.1	(200,225)	(173,883)
Reserves	8.2.2	1,294,350	1,205,886
Contributed capital	8.2.3	594,439	590,139
<b>Net Worth</b>		<b>1,688,564</b>	<b>1,622,142</b>

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

## Cash Flow Statement for the financial year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Receipts from government		50,997	51,768
Receipts from self-generated income		42,020	29,032
Receipts from other entities		9,783	7,257
Interest received		565	628
Goods and Services Tax Recovered from the ATO		273	1,329
<b>Total Receipts</b>		<b>103,638</b>	<b>90,014</b>
<b>Payments</b>			
Payments to suppliers and employees		(91,224)	(85,545)
<b>Total Payments</b>		<b>(91,224)</b>	<b>(85,545)</b>
<b>Net Cash Flows Provided by Operating Activities</b>	6.1.1	<b>12,414</b>	<b>4,469</b>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sale of non-financial assets		227	14
Purchases of non-financial assets		(10,823)	(13,732)
<b>Net Cash Flows Used in Investing Activities</b>		<b>(10,596)</b>	<b>(13,718)</b>
<b>Cash Flows from Financing Activities</b>			
Finance costs		(11)	(17)
Proceeds from finance leases		84	65
Repayments of advance from Creative Victoria and finance leases		(1,096)	(159)
Capital Contribution Received		4,300	-
<b>Net Cash Flows Used in Financing Activities</b>		<b>3,277</b>	<b>(111)</b>
<b>Net Increase/(Decrease) in Cash Held</b>			
		<b>5,095</b>	<b>(9,360)</b>
Cash and Deposits at the Beginning of the Financial Year		31,429	40,789
<b>Cash and Deposits at the End of the Financial Year</b>	6.1	<b>36,524</b>	<b>31,429</b>

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

## Statement of Changes in Equity for the financial year ended 30 June 2018

	Notes	Accumulated Deficit	Board Reserves	Trust Funds	Externally Funded Special Projects	Physical Asset Revaluation Surplus	Foreign Currency Hedging Reserve	Contributions by Owner	Total
	8.2.1	8.2.2	8.2.2	8.2.2	8.2.2	8.2.2	8.2.2	8.2.3	\$'000
<b>Balance at 1 July 2016</b>		<b>(150,628)</b>	-	<b>7,345</b>	<b>5,918</b>	<b>1,189,952</b>	-	<b>590,139</b>	<b>1,642,726</b>
Net result for the year		(20,577)	-	-	-	-	-	-	(20,577)
Other Comprehensive income for the year		-	-	-	-	-	(7)	-	(7)
Transfer (to)/from Accumulated Deficit		(2,678)	-	368	2,310	-	-	-	-
Transfer (to)/from Reserves		-	-	-	-	-	-	-	-
<b>Balance at 30 June 2017</b>		<b>(173,883)</b>	-	<b>7,713</b>	<b>8,228</b>	<b>1,189,952</b>	<b>(7)</b>	<b>590,139</b>	<b>1,622,142</b>
Net result for the year		(26,044)	-	-	-	-	-	-	(26,044)
Other Comprehensive income for the year		-	-	-	-	88,159	7	-	88,166
Transfer (to)/from Accumulated Deficit		8,038	(4,931)	17	(3,124)	-	-	-	-
Transfer (to)/from Reserves		(8,336)	6,136	(5,149)	7,349	-	-	-	-
Capital contributions		-	-	-	-	-	-	4,300	4,300
<b>Balance at 30 June 2018</b>		<b>(200,225)</b>	<b>1,205</b>	<b>2,581</b>	<b>12,453</b>	<b>1,278,111</b>	-	<b>594,439</b>	<b>1,688,564</b>

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

Reserve Balances and Accumulated Deficit have been realigned to provide better clarity. The changes include:

- Board Reserves being separated from Trust Funds
- Correction of Externally Funded Special Project balances to include exhibition renewal projects
- Accumulated Deficit to exclude Board Reserves

# Notes to the Financial Statements

## 1. ABOUT THIS REPORT

Museums Board of Victoria (Museums Victoria) is a Victorian Government statutory authority of Creative Victoria, a division of the Department of Economic Development, Jobs, Transport and Resources.

Its principal address is:

Museums Victoria  
11 Nicholson Street  
Carlton 3053  
Victoria, Australia

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

### Basis of Accounting Preparation And Measurement

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

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

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

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

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

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

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

### Compliance information

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

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

## 2. FUNDING DELIVERY OF OUR SERVICES

### Introduction

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

Museums Victoria meets its objectives from grants funding, self-generating income and fundraising activities. The grants comprised of Victorian government appropriation, capital funding, research and education grants.

### Structure

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

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

	Notes	2018 \$'000	2017 \$'000
Grants	2.2	89,119	89,890
Self-Generated income	2.3	45,117	32,021
Other income	2.4	2,773	3,136
<b>Total income from transactions</b>		<b>137,009</b>	<b>125,047</b>

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

#### 2.2 Grants

	Notes	2018 \$'000	2017 \$'000
Victorian government grants	2.2.1	88,317	87,662
Commonwealth government grants		58	569
Other grants		744	1,659
<b>Total grants</b>		<b>89,119</b>	<b>89,890</b>

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

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

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

### 2.2.1 Victorian government grants

Museums Victoria received the following grants from the Victorian Government.

Notes	2018 \$'000	2017 \$'000
<b>Recurrent grant</b>		
Applied to operations	42,186	41,597
Capital Asset Charge	38,122	38,122
<b>Total recurrent grant</b>	<b>80,308</b>	<b>79,719</b>
Capital Funding	5,491	6,755
Other Grants from Victorian Government Entities *	2,518	1,188
<b>Total Victorian Government Grants</b>	<b>88,317</b>	<b>87,662</b>

\* - Income from TAC has been re-instated from Other Grants from Victorian Government Entities for financial year 2016-17. This adjustment is also reflected in the Cash Flow Statement.

### 2.3 Self-Generated income

Notes	2018 \$'000	2017 \$'000
Fees and Charges	21,076	19,741
Sales of Goods and Services	3,658	3,221
Rent Revenue	4,339	4,350
Sponsorship	1,640	126
Memberships	969	1,422
Income TAC - Road to Safety Education Complex	13,435	3,161
<b>Total self-generated income</b>	<b>45,117</b>	<b>32,021</b>

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

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

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

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

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

Income from TAC is recognised when received and includes capital funding for base build and fit-out of the new complex as well as allowing for relocation of existing Museum facilities.

## 2.4 Other income

	Notes	2018 \$'000	2017 \$'000
Donations income		134	135
Donated cultural assets at fair value		862	325
Interest from Financial Assets		609	651
Royalties Received		20	591
Miscellaneous Income		1,148	1,434
<b>Total other income</b>		<b>2,773</b>	<b>3,136</b>

Donations income are recognised on receipt.

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

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

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

### 3. THE COST OF DELIVERING SERVICES

#### Introduction

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

#### Structure

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

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

	Notes	2018 \$'000	2017 \$'000
Employee expenses	3.2	49,086	45,705
Capital asset charge	3.3	38,122	38,122
Operating expenses	3.4	46,545	33,869
<b>Total expenses from transactions</b>		<b>133,753</b>	<b>117,696</b>

#### 3.2 Employee expenses

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

	Notes	2018 \$'000	2017 \$'000
Salaries and wages, annual leave and long service leave		44,160	40,877
Defined contribution superannuation expense		3,522	3,234
Defined benefit superannuation expense		340	352
Termination benefits		1,064	1,242
<b>Total employee expenses</b>		<b>49,086</b>	<b>45,705</b>

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

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

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

### 3.2.2 Employee benefits in the balance sheet

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

	Notes	2018 \$'000	2017 \$'000
<b>Current provisions:</b>			
<b>Annual leave</b>			
Unconditional and expected to be settled within 12 months*		1,495	1,547
Unconditional and expected to be settled after 12 months**		1,330	1,190
<b>Long service leave</b>			
Unconditional and expected to be settled within 12 months*		459	618
Unconditional and expected to be settled after 12 months**		6,200	5,535
<b>Provisions related to employee benefit on-costs</b>			
Unconditional and expected to be settled within 12 months*		321	327
Unconditional and expected to be settled after 12 months**		1,197	1,069
<b>Total current provisions for employee benefits</b>		<b>11,002</b>	<b>10,286</b>
<b>Non-current provisions:</b>			
Employee benefits**		571	817
Employee benefits on-costs**		90	129
<b>Total non-current provisions for employee benefits</b>		<b>661</b>	<b>946</b>
<b>Total provisions for employee benefits</b>		<b>11,663</b>	<b>11,232</b>

\* The amounts disclosed are nominal (undiscounted) amounts.

\*\* The amounts disclosed are discounted to present values.

### Reconciliation of movement in on-cost provisions

	Notes	2018 \$'000	2017 \$'000
<b>Opening balance</b>			
		1,525	1,595
Additional provisions recognised		86	
Reductions arising from payments		-	(23)
Unwind of discount and effect of changes in the discount rate		(3)	(47)
<b>Closing balance</b>		<b>1,608</b>	<b>1,525</b>
Current		1,518	1,396
Non-current		90	129
<b>Total on-cost</b>		<b>1,608</b>	<b>1,525</b>

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

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

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

The components of annual leave liability are measured at:

- undiscounted value – if Museums Victoria expects to wholly settle within 12 months; or
- present value – if Museums Victoria does not expect to wholly settle within 12 months.

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

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

The components of this current LSL liability are measured at:

- undiscounted value – if Museums Victoria expects to wholly settle within 12 months; or
- present value – if Museums Victoria does not expect to wholly settle within 12 months.

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

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

### 3.2.3 Superannuation contributions

Museums Victoria is required to recognise all superannuation payments as expenses in its comprehensive operating statement. The Department of Treasury and Finance shall recognise the aggregate unfunded superannuation liability relating to employing entities in its financial statements of 30 June 2018 as the Victorian Government has assumed responsibility for this liability.

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

	Paid contribution for the		Contribution Outstanding at	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
State Superannuation Fund (VicSuper Scheme)	2,300	2,266	-	-
State Superannuation Fund (Revised Scheme & New)	340	352	-	-
Other funds	1,222	968	-	-
<b>Total</b>	<b>3,862</b>	<b>3,586</b>	<b>-</b>	<b>-</b>

### 3.3 Capital asset charge

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

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

### 3.4 Operating expenses

	Notes	2018 \$'000	2017 \$'000
Cost of Goods Sold		1,891	1,566
Finance Costs		11	17
Facilities Expenses		12,925	12,550
Consumables and Corporate Expenses		9,028	9,254
Contractors and Exhibitions		19,359	9,067
Marketing and Promotion		3,205	1,273
Collections Management		126	142
<b>Total operating expenses</b>		<b>46,545</b>	<b>33,869</b>

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

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

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

Marketing and promotion is expenditure incurred on advertising, public relations and market research. In financial year 2018, there was increase in both in-kind marketing and general marketing spend.

## 4. KEY ASSETS AVAILABLE TO SUPPORT SERVICE DELIVERY

### Introduction

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

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

### Structure

- 4.1 Total property, plant, equipment, exhibitions and collections
- 4.2 Depreciation

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

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land at fair value	474,518	386,359	-	-	474,518	386,359
Buildings at fair value	521,378	513,709	(51,887)	(25,682)	469,491	488,027
Plant, equipment and vehicles at fair value	30,762	30,307	(24,777)	(23,972)	5,985	6,335
Exhibitions at fair value	79,661	75,691	(71,600)	(69,896)	8,061	5,795
Work in progress at cost	4,835	8,963	-	-	4,835	8,963
Collections at fair value*	717,071	714,950	(198)	(99)	716,873	714,851
<b>Net carrying amount</b>	<b>1,828,225</b>	<b>1,729,979</b>	<b>(148,462)</b>	<b>(119,649)</b>	<b>1,679,763</b>	<b>1,610,330</b>

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

### Initial recognition

All non-current physical assets are recognised initially at cost and subsequently measured at fair value less accumulated depreciation and impairment. Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

### Subsequent measurement

Property, plant, equipment, exhibitions and collections are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset).

### Non-specialised land

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

### Specialised land

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

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

### Buildings

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

### Plant, equipment and exhibitions

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

### Collections

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

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

	Land	Buildings	Plant, Equipment & Vehicles	Exhibitions	WIP	Collections	Total
2018	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>	<b>386,359</b>	<b>488,027</b>	<b>6,335</b>	<b>5,795</b>	<b>8,963</b>	<b>714,851</b>	<b>1,610,330</b>
Additions	-	1,063	789	190	6,564	2,217	10,823
Disposals	-	-	(71)	-	-	(96)	(167)
Asset revaluation*	88,159	-	-	-	-	-	88,159
Transfers	-	6,607	47	4,038	(10,692)	-	-
Depreciation	-	(26,206)	(1,115)	(1,962)	-	(99)	(29,382)
<b>Closing balance</b>	<b>474,518</b>	<b>469,491</b>	<b>5,985</b>	<b>8,061</b>	<b>4,835</b>	<b>716,873</b>	<b>1,679,763</b>

\* - Land revaluation increase is due to a Managerial adjustment. This adjustment is required as the compounded land value (22.8%) increased from 2016 independent valuation which is higher than the 10% level required under FRD 103.

	Land	Buildings	Plant, Equipment & Vehicles	Exhibitions	WIP	Collections	Total
2017	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>	<b>386,359</b>	<b>512,461</b>	<b>6,878</b>	<b>1,373</b>	<b>4,514</b>	<b>714,340</b>	<b>1,625,925</b>
Additions	-	1,248	793	3,799	6,276	630	12,746
Disposals	-	-	(34)	-	-	(20)	(54)
Asset revaluation	-	-	-	-	-	-	-
Transfers	-	-	-	1,827	(1,827)	-	-
Depreciation	-	(25,682)	(1,302)	(1,204)	-	(99)	(28,287)
<b>Closing balance</b>	<b>386,359</b>	<b>488,027</b>	<b>6,335</b>	<b>5,795</b>	<b>8,963</b>	<b>714,851</b>	<b>1,610,330</b>

## 4.2 Depreciation

### Charge for the period

	Notes	2018 \$'000	2017 \$'000
Buildings		26,206	25,682
Plant, Equipment & Motor Vehicles		1,115	1,302
Exhibitions		1,962	1,204
Collections-Library (non-Rare)		99	99
<b>Total depreciation</b>		<b>29,382</b>	<b>28,287</b>

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

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period and adjustments are made where appropriate. There was no change to the useful life and depreciation methods during the financial year 2017-18 except for Buildings. The useful life for Buildings has been revised from 20 to 5 years due to the Energy Management Program phase 1 works completed. The items capitalised included full replacement of existing lighting with an LED system for all sites which carry a useful life of 5-10 years.

**Indefinite life assets:** Land and Collections including library rare and high value books which are considered to have an indefinite life are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

**Impairment:** Property, plant and equipment are assessed annually for indications of impairment.

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

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

## 5. OTHER ASSETS AND LIABILITIES

### Introduction

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

### Structure

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

### 5.1 Receivables

	2018 \$'000	2017 \$'000
<b>Contractual</b>		
Debtors	1,335	1,865
Provision for Doubtful Debts	(25)	-
Interest receivable	101	58
<b>Statutory</b>		
GST input tax recoverable	162	277
<b>Total receivables</b>	<b>1,573</b>	<b>2,200</b>
<b>Represented by</b>		
Current receivables	1,573	2,200

**Contractual receivables** are classified as financial instruments and categorised as 'loans and receivables'. They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

**Statutory receivables** do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments.

**Doubtful debts:** Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 Impairment of Assets.

A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. The increase in the provision for the year is recognised in the net result.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, but included in the provision for doubtful debts, are classified as other economic flows in the net result.

## Ageing analysis of contractual receivables

	Carrying amount \$'000	Not past due and not impaired \$'000	Less than 1 Month \$'000	Past Due but not impaired		
				1-3 Months \$'000	3 Months - 1 Year \$'000	1-5 Years \$'000
<b>2018</b>						
Debtors	1,310	827	424	53	6	-
Interest Receivable	101	101	-	-	-	-
<b>Total</b>	<b>1,411</b>	<b>928</b>	<b>424</b>	<b>53</b>	<b>6</b>	<b>-</b>
<b>2017</b>						
Debtors	1,865	1,668	151	6	40	-
Interest Receivable	58	58	-	-	-	-
<b>Total</b>	<b>1,923</b>	<b>1,726</b>	<b>151</b>	<b>6</b>	<b>40</b>	<b>-</b>

The average credit period for sales of goods/services and for other receivables is 11 days (2016: 10 days). There are no material financial assets that are individually determined to be impaired.

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.

## 5.2 Payables

	Notes	2018 \$'000	2017 \$'000
<b>Contractual</b>			
Trade Creditors		1,792	1,023
Other Payables		8,476	2,035
Unearned Income		1,125	-
Accrued Salaries		1,377	1,259
<b>Statutory</b>			
Payroll Tax		281	252
Car Park Levy		298	292
<b>Total payables</b>		<b>13,349</b>	<b>4,861</b>
<b>Represented by:</b>			
Current payables		13,349	4,861

Payables consist of:-

Contractual payables, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to Museums Victoria prior to the end of the financial year and which are unpaid. Contractual payables consist of trade creditors, unearned income, accrued salaries and payables. Other payables include unused income from Road Safety Education Complex to be returned to Transport Accident Commission. Unearned income is made up of Royal Exhibition Building events income and the deferral of membership income. These amounts are unsecured and usually paid within 30 days following the month of recognition.

Statutory payables, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

### Maturity analysis Of Contractual Payables

	Carrying amount \$'000	Not past due and not impaired \$'000	Past Due			
			Less than 1 Month \$'000	1-3 Months \$'000	3 Months - 1 Year \$'000	1-5 Years \$'000
<b>2018</b>						
Trade Creditors	1,792	1,776	5	10	1	-
Other Payables	8,476	8,476	-	-	-	-
Unearned Income	1,125	1,125	-	-	-	-
Accrued Salaries	1,377	1,377	-	-	-	-
<b>Total</b>	<b>12,770</b>	<b>12,754</b>	<b>5</b>	<b>10</b>	<b>1</b>	<b>-</b>
<b>2017</b>						
Trade Creditors	1,023	907	94	10	9	3
Other Payables	2,035	2,035	-	-	-	-
Accrued Salaries	1,259	1,259	-	-	-	-
<b>Total</b>	<b>4,317</b>	<b>4,201</b>	<b>94</b>	<b>10</b>	<b>9</b>	<b>3</b>

### 5.3 Advance from Creative Victoria

	Notes	2018 \$'000	2017 \$'000
<b>Advance from Creative Victoria *</b>		<b>5,515</b>	<b>6,434</b>
Represented by			
Current advance		919	919
Non-current advance		4,596	5,515

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

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

### 5.4 Other non-financial assets

	Notes	2018 \$'000	2017 \$'000
<b>Current other assets</b>			
Inventories		984	953
Prepayments		518	127
<b>Total other non-financial assets</b>		<b>1,502</b>	<b>1,080</b>

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

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

## 6. HOW WE FINANCED OUR OPERATIONS

### Introduction

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

### Structure

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

#### 6.1 Cash and deposits

	Notes	2018 \$'000	2017 \$'000
Short term deposits		35,000	31,000
Cash		1,524	429
<b>Total cash and deposits</b>		<b>36,524</b>	<b>31,429</b>

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

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

	Notes	2018 \$'000	2017 \$'000
<b>Net result for the year</b>		(26,044)	(20,577)
<b>Non-cash movements:</b>			
Loss /(Gain) on Sale of Non Financial Assets		(60)	(14)
Depreciation expense		29,382	28,287
<b>Movements included in financing activities</b>			
Finance costs		11	17
<b>Movement in assets and liabilities:</b>			
Decrease/(Increase) in Receivables		627	(1,173)
Decrease/(Increase) in Other Non-Financial Asset		(422)	249
Increase/(Decrease) in Payables		8,489	(2,220)
Increase/(Decrease) in Provisions		431	(100)
<b>Net cash provided by operating activities</b>		<b>12,414</b>	<b>4,469</b>

## 6.2 Leases

### 6.2.1 Finance leases liabilities

	Minimum future lease payments		Present value of minimum future lease payments	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Finance Leases</b>				
Finance leases are payable as follows:				
Not longer than 1 year	135	156	128	145
Longer than 1 year but not longer than 5 years	148	226	143	218
<b>Minimum lease payments</b>	<b>283</b>	<b>382</b>	<b>271</b>	<b>363</b>
Less future finance charges	(12)	(19)	-	-
<b>Present value of minimum lease payments</b>	<b>271</b>	<b>363</b>	<b>271</b>	<b>363</b>
Represented by:				
Current finance lease liabilities			128	145
Non-current finance lease liabilities			143	218
<b>Total Finance Lease Liabilities</b>			<b>271</b>	<b>363</b>

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

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

### 6.2.2 Operating leases liabilities

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

### 6.3 Commitments for expenditure

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

#### 6.3.1 Total commitments payable

	Less than 1 year	1 – 5 years	5+ years	Total
Nominal amounts 2018	\$'000	\$'000	\$'000	\$'000
Capital expenditure commitments	1,831	-	-	1,831
Operating lease commitments	815	1,137	-	1,952
Operating expenditure commitments	4,028	2,066	-	6,094
<b>Total commitments (inclusive of GST)</b>	<b>6,674</b>	<b>3,203</b>	<b>-</b>	<b>9,877</b>
Less GST recoverable				897
<b>Total commitments (exclusive of GST)</b>				<b>8,980</b>

	Less than 1 year	1 – 5 years	5+ years	Total
Nominal amounts 2017	\$'000	\$'000	\$'000	\$'000
Capital expenditure commitments	6,585	10	-	6,595
Operating lease commitments	659	1,046	-	1,705
Operating expenditure commitments	3,582	1,476	-	5,058
<b>Total commitments (inclusive of GST)</b>	<b>10,826</b>	<b>2,532</b>	<b>-</b>	<b>13,358</b>
Less GST recoverable				1,214
<b>Total commitments (exclusive of GST)</b>				<b>12,144</b>

2018 capital expenditure commitments relate mainly to architecture and consultancy services for Royal Exhibition Building protection and promotion and Road Safety Education Complex. The 2017 capital expenditure commitments relates mainly to Energy Management Program to reduce utility costs and carbon emissions.

## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

### Introduction

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

### Structure

7.1	Financial risk management disclosures
7.2	Contingent assets and contingent liabilities
7.3	Fair value determination and impairment

### 7.1 Financial risk management disclosures

#### 7.1.1 Financial risk management objectives and policies

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

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

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

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

## 7.1.2 Financial instruments: Categorisation

\$ '000

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

	Contractual financial assets/liabilities - designated at fair value through other comprehensive income	Contractual financial assets-loans and receivables	Contractual financial liabilities at amortised cost	Total
<b>2017</b>				
<b>Contractual financial assets</b>				
Cash and deposits	-	31,429	-	31,429
Receivables**:				
Sale of goods and services	-	1,923	-	1,923
Foreign exchange forward contract used for hedging	1,058	-	-	1,058
<b>Total contractual financial assets</b>	<b>1,058</b>	<b>33,352</b>	-	<b>34,410</b>
<b>Contractual financial liabilities</b>				
Payables**				
Supplies and services	-	-	4,317	4,317
Advance from Creative Victoria	-	-	6,434	6,434
Finance leases liabilities	-	-	363	363
Foreign exchange forward contract payable	1,065	-	-	1,065
<b>Total contractual financial liabilities</b>	<b>1,065</b>	-	<b>11,114</b>	<b>12,179</b>

\*\* Receivables & Payables excludes statutory receivables & payables.

### 7.1.3 Financial Risk: Credit risk

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

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

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

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Museums Victoria's maximum exposure to credit risk. There has been no material change to Museums Victoria's credit risk profile in 2017-18.

**Credit quality of contractual financial assets that are neither past due nor impaired** \$ '000

	Government agencies (A-1+ credit ratings)	Financial institution (A-1+ credit ratings)	Not rated	Total
<b>2018</b>				
<b>Contractual financial assets</b>				
Cash and deposits	33,000	3,451	73	36,524
Receivables**:				
Sale of goods and services	-	-	1,411	1,411
<b>Total contractual financial assets</b>	<b>33,000</b>	<b>3,451</b>	<b>1,484</b>	<b>37,935</b>

	Government agencies (A-1+ credit ratings)	Financial institution (A-1+ credit ratings)	Not rated	Total
<b>2017</b>				
<b>Contractual financial assets</b>				
Cash and deposits	30,500	856	73	31,429
Receivables**:				
Sale of goods and services	-	-	1,923	1,923
Foreign exchange forward contract used for hedging	1,058	-	-	1,058
<b>Total contractual financial assets</b>	<b>31,558</b>	<b>856</b>	<b>1,996</b>	<b>34,410</b>

\*\* Receivables & Payables excludes statutory receivables & payables.

**Ageing analysis of contractual financial assets** \$ '000

	Carrying amount	Not past due and not impaired	Past due but not impaired		Impaired financial assets
			less than 1 year	1 - 5 years	
<b>2018</b>					
Cash	1,524	1,524	-	-	-
<b>Receivables*:</b>					
Sale of goods and services	1,411	928	483	-	-
<b>Investments and other contractual financial assets</b>					
Short-term deposits **	35,000	35,000	-	-	-
<b>Total</b>	<b>37,935</b>	<b>37,452</b>	<b>483</b>	<b>-</b>	<b>-</b>

	Carrying amount	Not past due and not impaired	Past due but not impaired		Impaired financial assets
			less than 1 year	1 - 5 years	
<b>2017</b>					
Cash	429	429	-	-	-
<b>Receivables*:</b>					
Sale of goods and services	1,923	1,726	197	-	-
<b>Investments and other contractual financial assets</b>					
Short-term deposits **	31,000	31,000	-	-	-
Foreign exchange forward contract used for hedging	1,058	1,058	-	-	-
<b>Total</b>	<b>34,410</b>	<b>34,213</b>	<b>197</b>	<b>-</b>	<b>-</b>

\* Receivables & Payables excludes statutory receivables & payables.

\*\* Short term deposits are held with the Treasury Corporation of Victoria a financial institution with A-1+ credit rating and \$2 million with the Commonwealth Bank which has A-1+ credit rating.

#### 7.1.4 Financial Risk: Market risk

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

##### Foreign currency risk

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

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

Where goods and services purchased from overseas suppliers are in excess of the equivalent of \$AUD 100,000 arise as a result of significant commitments to exhibition or equipment suppliers overseas, Museums Victoria will enter into foreign exchange forward contracts to hedge exposure to exchange rate movements. All hedging is contracted with Treasury Corporation of Victoria (TCV).

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

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

<b>Foreign exchange risk sensitivity</b>		\$ '000			
		<b>Carrying amount</b>	<b>-15%</b>		<b>15%</b>
	<b>Net result</b>		<b>Hedging Currency Reserve</b>	<b>Net result</b>	<b>Hedging Currency Reserve</b>
<b>2018</b>					
<b>Financial Assets</b>					
Foreign exchange forward contract used for hedging	-	-	-	-	-
<b>Total financial assets</b>		-	-	-	-
<b>Financial Liabilities</b>					
Foreign exchange forward contract	-	-	-	-	-
<b>Total financial liabilities</b>		-	-	-	-
<b>2017</b>					
<b>Financial Assets</b>					
Foreign exchange forward contract used for hedging	1,058	-	187	-	(138)
<b>Total financial assets</b>		-	<b>187</b>	-	<b>(138)</b>
<b>Financial Liabilities</b>					
Foreign exchange forward contract	1,065	-	-	-	-
<b>Total financial liabilities</b>		-	-	-	-

## 7.2 Contingent assets and contingent liabilities

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

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

### Contingent assets

Museums Victoria is not aware of any quantifiable or non-quantifiable contingent assets in financial year 2017-18 (2016/2017: Nil).

### Contingent liabilities

	<b>Notes</b>	<b>2018*</b>	<b>2017**</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Quantifiable contingent liabilities</b>			
Legal proceedings and disputes		100	200
<b>Total Contingent liabilities</b>		<b>100</b>	<b>200</b>

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

\*\* 2017 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 \$100,000 for each.

### 7.3 Fair value determination and impairment

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

The following assets and liabilities are carried at fair value:

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

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

#### Fair value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements,

these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

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

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

#### How this section is structured

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

7.3.1 Fair value determination of financial assets and liabilities; and

7.3.2 Fair value determination of non-financial physical assets.

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

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

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

Museums Victoria currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are at fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2017-18 reporting period.

These financial instruments include:

#### Financial assets

Cash and deposits  
Receivables  
Foreign exchange forward contract used for hedging

#### Financial liabilities

Payables  
Advance from Creative Victoria  
Finance leases  
Foreign exchange forward contract payable

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

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

	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)
<b>2017</b>				
Financial assets at fair value through Other economic flows – Foreign Currency Hedging Reserve:				
Foreign exchange forward contract used for hedging	1,058	-	1,058	-
Financial liabilities at fair value through Other economic flows – Foreign Currency Hedging Reserve:				
Foreign exchange forward contract payable	(1,065)	-	(1,065)	-
<b>Total</b>	<b>(7)</b>	<b>-</b>	<b>(7)</b>	<b>-</b>

There have been no transfers between levels during the period.

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

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

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

Fair value measurement hierarchy		\$'000		
	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)
<b>2017</b>				
Non-specialised land	23,000	-	23,000	-
Specialised land	363,359	-	-	363,359
<b>Total Land at fair value</b>	<b>386,359</b>	<b>-</b>	<b>23,000</b>	<b>363,359</b>
Buildings	488,027	-	-	488,027
<b>Total Buildings at fair value</b>	<b>488,027</b>	<b>-</b>	<b>-</b>	<b>488,027</b>
Plant, Equipment & Vehicles	6,335	-	-	6,335
<b>Total Plant, Equipment &amp; Vehicles at fair value</b>	<b>6,335</b>	<b>-</b>	<b>-</b>	<b>6,335</b>
Exhibitions	5,795	-	-	5,795
<b>Total Exhibitions at fair value</b>	<b>5,795</b>	<b>-</b>	<b>-</b>	<b>5,795</b>
Collections	714,851	-	8,410	706,441
<b>Total Collections at fair value</b>	<b>714,851</b>	<b>-</b>	<b>8,410</b>	<b>706,441</b>

Note:

(i) In 2017 financial statements, the Fair Value measurement hierarchy included work at progress at cost and excluded carrying value of motor vehicles. The 2017-18 financial statements have been amended to reconcile with the values in property, plant, equipment, exhibitions and collections table in Note 4.1.1 above.

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

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

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

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

To the extent that non-specialised land do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market approach.

Since the last independent valuation in the 2016 financial year, Museums Victoria has performed annual fair value assessments on land in accordance with Financial policy and disclosure FRD103 issued by the Minister for Finance. In financial year 2018, the compounded land value increased since the 2016 independent valuation was 22.8%. As the increase was significant (greater than 10%), a managerial revaluation adjustment was required. The revaluation increase was recognised in 'other economic flows - other comprehensive income' and reserves under physical asset revaluation surplus

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

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

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

Since the last independent valuation in the 2016 financial year, Museums Victoria has performed annual fair value assessments on land in accordance with Financial policy and disclosure FRD103 issued by the Minister for Finance. In financial year 2018, the compounded land value increased since the 2016 independent valuation was 22.8%. As the increase was significant (greater than 10%), a managerial revaluation adjustment was required. The revaluation increase was recognised in 'other economic flows - other comprehensive income' and reserves under physical asset revaluation surplus

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

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

Since the last independent valuation in the 2016 financial year, Museums Victoria has performed annual fair value assessments on buildings in accordance with Financial policy and disclosure FRD103 issued by the Minister for Finance. In financial year 2018, the compounded building value increased since the 2016 independent valuation was 7.1%. As the increase was not material (greater than 10%), an adjustment to the fair value was not required.

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

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

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

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

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

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

Collection items that were valued under market approach by the independent valuer were classified as Level 2 fair value measurements under the fair value hierarchy. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable items. Items classified as Level 2 consist of high value geological items, meteorites and tektites. The collection items that were valued on a statistical approach were classified as Level 3 fair value measurements.

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

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

The fair value review assessment of Museums Victoria's Collection indicated a 4.30% (2017: 2.04%) increase in value between the 2016 comprehensive valuation and 2018 fair value assessment. This was not considered to be material movement in value.

There were no changes in valuation techniques throughout the period to 30 June 2018.

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

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

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

			<b>Plant and</b>		
<b>2017</b>	<b>Land</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Exhibitions</b>	<b>Collections</b>
<b>Opening balance</b>	<b>363,359</b>	<b>512,461</b>	<b>6,878</b>	<b>1,373</b>	<b>705,930</b>
Purchases (sales)	-	1,248	759	5,626	610
Depreciation	-	(25,682)	(1,302)	(1,204)	(99)
<b>Closing balance</b>	<b>363,359</b>	<b>488,027</b>	<b>6,335</b>	<b>5,795</b>	<b>706,441</b>

Note (i) In 2017 financial statements, the Reconciliation of Level 3 fair value included Work at Progress at cost and excluded carrying value of motor vehicle. The 2017-18 financial statements has been amended to reconcile with the values in the Fair Value measurement hierarchy table in Note 7.3.2 above.

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

<b>2018 and 2017</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>
Specialised land	Market approach	Community service obligation (CSO) adjustment (20% - 30%)
Specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful life of specialised buildings
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 plant and equipment
Collections	Market approach	Fair value of high value items (collection items > \$50,000, Library items > \$4,000) Statistical calculation based on extrapolation of sample valuations

Significant unobservable inputs have remained unchanged since June 2016.

## 8. OTHER DISCLOSURES

### Introduction

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

### Structure

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

### 8.1 Ex-gratia expenses

	2018 \$'000	2017 \$'000
Forgiveness or waiver of debt	-	21
Compensation of economic loss	-	35
Compensation for early termination	125	73
<b>Total ex-gratia expenses*</b>	<b>125</b>	<b>129</b>

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

### 8.2 Reserves

#### 8.2.1 Accumulated Deficit

	2018 \$'000	2017 \$'000
Balance at beginning of financial year	(173,883)	(150,628)
Net result	(26,044)	(20,577)
<b>Transfers to Reserves:</b>		
Transfer (to)/from Board Reserves	(1,205)	-
Transfer (to)/from Trust Funds	5,132	(368)
Transfer (to)/from Externally Funded Special Projects	(4,225)	(2,310)
<b>Balance at end of financial year</b>	<b>(200,225)</b>	<b>(173,883)</b>

## 8.2.2 Reserves

	2018 \$'000	2017 \$'000
<b>Board Reserves*</b>		
Balance at beginning of financial year	-	-
Net result	-	-
Transfer (to)/from Accumulated Deficit	(4,931)	-
Transfer (to)/from Reserves	6,136	-
<b>Balance at end of financial year</b>	<b>1,205</b>	<b>-</b>
* Board Reserves consist of working capital reserve, acquisition reserve and internally funded projects reserve.		
<b>Trust Funds*</b>		
Balance at beginning of financial year	7,713	7,345
Net result	-	-
Transfer (to)/from Accumulated Deficit	17	368
Transfer (to)/from Reserves	(5,149)	-
<b>Balance at end of financial year</b>	<b>2,581</b>	<b>7,713</b>
* Trust Funds consist of those funds which may be used by the Museums Board of Victoria for Museum purposes defined by the relevant Trust deed or will.		
<b>Externally Funded Special Projects**</b>		
Balance at beginning of financial year	8,228	5,918
Net result	-	-
Transfer (to)/from Accumulated Deficit	(3,124)	2,310
Transfer (to)/from Reserves	7,349	-
<b>Balance at end of financial year</b>	<b>12,453</b>	<b>8,228</b>
** Externally Funded Special Projects consists of unexpended Government and other grants tied to a specific purpose.		
<b>Physical Asset Revaluation Surplus</b>		
Balance at beginning of financial year	1,189,952	1,189,952
Asset revaluation increases	88,159	-
<b>Balance at end of financial year</b>	<b>1,278,111</b>	<b>1,189,952</b>
<b>Foreign Currency Hedging Reserve</b>		
Balance at beginning of financial year	(7)	-
Changes in Fair Value of Foreign Currency Hedging Contracts	7	(7)
<b>Balance at end of financial year</b>	<b>-</b>	<b>(7)</b>
<b>Total Reserves</b>	<b>1,294,350</b>	<b>1,205,886</b>

### Board Reserves

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

### Trust Funds

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

### Externally Funded Special Projects

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

### 8.2.3 Contributed Capital\*\*\*

	2018	2017
	\$'000	\$'000
Balance at beginning of financial year	590,139	590,139
Capital Contribution	4,300	-
<b>Balance at end of financial year</b>	<b>594,439</b>	<b>590,139</b>

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

### Contribution by owners

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

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

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

### 8.3 Responsible persons

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

Responsible Minister – Mr Martin Foley MP	1 July 2017 – 30 June 2018
Accountable Officer – Ms Lynley Marshall	1 July 2017 – 30 June 2018
Board Members:	
Professor Rufus Black (President)	1 July 2017 – 30 June 2018
Mr Andrew Butcher	1 July 2017 – 30 June 2018
Professor Edwina Cornish AO	1 August 2017 – 1 December 2017
Mr Wilkin Fon	1 July 2017 – 30 June 2018
Mr Colin Golvan AM QC	1 August 2017 – 30 June 2018
Dr Alison Inglis	1 July 2017 – 30 June 2018
Ms Annette Vickery	1 July 2017 – 30 June 2018
Ms Linda Nicholls AO	1 August 2017 – 30 June 2018
Mr Peter Tullin	1 August 2017 – 30 June 2018

## 8.4 Remuneration of executives

Members of the Board act in an honorary capacity.

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

The remuneration of the Accountable Officers, who are not Members of the Board, during the reporting period, was in the range of \$350,000 - \$360,000 (\$450,000 - \$460,000 in 2016/2017). The remuneration of the Accountable Officer is not included in note 8.4.1 below.

### 8.4.1 Remuneration of Executive Officers

<b>(includes Key Management Personal disclosed in Note 8.5.1)</b>	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term employee benefits	1,804	1,469
Post-employment benefits	165	144
Other long-term benefits	43	20
Termination benefits	-	444
<b>Total remuneration</b>	<b>2,012</b>	<b>2,077</b>
<b>Total number of executives**</b>	<b>17</b>	<b>10</b>
<b>Total annualised employee equivalent (AEE)***</b>	<b>11</b>	<b>8</b>

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

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

## 8.5 Related parties

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

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

Key Management Personnel	Position Title	Period
Hon Martin Foley MP	Minister for Creative Industries	1 July 2017 – 30 June 2018
Ms Lynley Marshall	Chief Executive Officer	1 July 2017 – 30 June 2018
Professor Rufus Black	Board Member and President	1 July 2017 – 30 June 2018
Mr Andrew Butcher	Board Member	1 July 2017 – 30 June 2018
Professor Edwina Cornish AO	Board Member	1 August 2017 – 1 December 2017
Mr Wilkin Fon	Board Member	1 July 2017 – 30 June 2018
Mr Colin Golvan AM QC	Board Member	1 August 2017 – 30 June 2018
Dr Alison Inglis	Board Member	1 July 2017 – 30 June 2018
Ms Annette Vickery	Board Member	1 July 2017 – 30 June 2018
Ms Linda Nicholls AO	Board Member	1 August 2017 – 30 June 2018
Mr Peter Tullin	Board Member	1 August 2017 – 30 June 2018
Mr Michael O'Leary	Chief Operating Officer	8 January 2018 – 30 June 2018
Ms Jodie Bennett	Director Transformational Project	3 August 2017 – 30 June 2018
Ms Rohini Kappadath	General Manager Immigration Museum	1 November 2017 – 30 June 2018
Ms Nurin Veis	General Manager Scienceworks	1 July 2017 – 16 April 2018
Ms Nurin Veis	Acting Director, Collections and Research	17 April 2018 – 30 June 2018
Mr Gordon White	General Manager Melbourne Museum	1 July 2017 – 30 June 2018
Mr Rod MacNeil	Chief of Staff	1 July 2017 – 30 June 2018
Ms Sandie Hall	General Manager Development	1 July 2017 – 30 June 2018
Ms Caroline Llewellyn	Director Experience and Engagement	10 July 2017 – 30 June 2018
Mr Sean Royal	General Manager People and Culture	1 July 2017 – 30 June 2018
Ms Natalene Muscat	General Manager Marketing and Publicity	2 October 2017 – 30 June 2018
Ms Genevieve Grieves	Manager First Peoples	9 March 2018 – 30 June 2018
Mr Jonathon Shearer	Acting General Manager Scienceworks	17 April – 30 June 2018
Ms Carmel O'Keffe	Head Digital Life	9 March – 30 June 2018
Ms Carol Benson	Acting Chief Operating Officer	22 September 2017 - 7 January 2018
Ms Soo Taylor	Acting General Manager Immigration Museum	10 July 2017 – 31 October 2017
Ms Maryanne McCubbin	Acting Director Research and Collections	01 July 2017 - 29 October 2017

### 8.5.1 Remuneration of Key Management Personnel

	2018 \$'000	2017 \$'000
Short-term employee benefits	2,122	1,890
Post-employment benefits	197	173
Other long-term benefits	51	23
Termination benefits	-	444
<b>Total remuneration**</b>	<b>2,370</b>	<b>2,530</b>

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

### 8.5.2 Related party transactions

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

	2018		2017		KMP	Relationship	Nature of Transactions
	Revenue \$'000	Expenditure \$'000	Revenue \$'000	Expenditure \$'000			
Victorian Arts Centre Trust	37	-	44	-	Martin Foley MP	Responsible Minister	Storage Income, Long Service Leave entitlement, ASIA TOPA grant
National Gallery of Victoria	112	-	44	-	Martin Foley MP	Responsible Minister	Storage Income, Program Partner Fee
Victoria University	-	63	1	-	Professor Rufus Black Board Member	Deputy Chancellor/Councillor	Admissions and Outreach Income, Art Work for Exhibition
Monash University	-	-	44	11	Professor Edwina Cornish AO, Board Member	Provost and Senior Vice president	Research Projects
CSIRO	-	-	415	5	Professor Edwina Cornish AO, Board Member	Board Member	Research Project, Reporting services and Publications
University Of Melbourne	-	-	646	81	Alison Inglis, Board Member	Master/Employee	Venue Hire and School Programs, Scholarships & Research Projects
Fairfax Media	66	4	-	-	Ms Linda Nicholls AO	Non Executive Director/Shareholder	Event rental income, Copyright & Advertising
Remix Summits	2	5	-	-	Peter Tullin	Co-Founder and Managing Partner	Venue Hire, Conference costs
Canterbury Primary School	-	-	5	-	Gordon White	Volunteer Member of School Council	Admissions Income
Arts Access Victoria	-	-	-	4	Rod MacNeil	Board Member	Training and Other Services
<b>TOTAL</b>	<b>217</b>	<b>72</b>	<b>1,199</b>	<b>101</b>			

As at 30 June 18, there were no amounts outstanding to Museums Victoria with related parties (2017: \$6,000).

### 8.5.3 Significant Transactions with Government Related Entities

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

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

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

<b>Government-related Entity</b>	<b>Transactions</b>	<b>2017 (\$'000)</b>
Department of Education and Early Childhood Development	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 & Capital grant	6,755
Transport Accident Commission	Road Safety Education Complex Funding	3,161
Arts Victoria Grant	Exhibition Funding	269
Treasury Corporation of Victoria	Interest Income	617
Victorian Managed Insurance Authority	General & Specialised Insurance	(659)
Department of Treasury and Finance	Capital Asset Charge	(38,122)
Various Government Departments	Other Minor Transactions*	139

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

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

	Outstanding To/(By)	
	2018 (\$'000)	2017 (\$'000)
<b>Government-related Entity</b>		
Department of Education and Early Childhood Development	100	151
Treasury Corporation of Victoria	-	1,059
Department of Economic Development Jobs Transport and Resources	409	-
Owing to Other Government-related entity	60	73
<b>Total Outstanding To Museums Victoria</b>	<b>569</b>	<b>1,283</b>
Treasury Corporation of Victoria	-	(1,066)
Department of Treasury and Finance	(271)	(363)
Department of Economic Development Jobs Transport and Resources	(5,515)	(6,434)
Transport Accident Commission	(5,216)	-
Owing by Other Government-related entity	-	(5)
<b>Total Outstanding By Museums Victoria</b>	<b>(11,002)</b>	<b>(7,868)</b>
<b>Net Outstanding</b>	<b>(10,433)</b>	<b>(6,585)</b>

#### 8.6 Remuneration of auditors

	2018	2017
	\$'000	\$'000
<b>Victorian Auditor-General's Office</b>		
Audit of the financial statement	62	60
<b>Total remuneration of auditors</b>	<b>62</b>	<b>60</b>

#### 8.7 Subsequent events

Museums Victoria is not aware of any material events after the reporting date which would affect these financial statements (2016–17: Nil).

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

Certain new accounting standards have been published that are not mandatory for the 30 June 2018 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises Museums Victoria of their applicability and early adoption where applicable.

The following table outlines the accounting pronouncements that have been issued but are not effective for 2017–18, which may result in potential impacts on public sector reporting for future reporting periods.

<b>Standard/ Interpretation</b>	<b>Summary</b>	<b>Applicable for annual reporting periods beginning on</b>	<b>Impact on Museums Victoria's financial statements</b>
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1-Jan-18	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals.
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2016-7 Amendments to Australian Accounting Standards–Deferral of AASB 15 for Not-for-Profit Entities has deferred the effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1-Jan-19	AASB 15 will affect the timing of revenue recognition. Exhibition grant revenue will be deferred and recognised at the opening of the exhibition. Capital project grant will be deferred and recognised upon the completion of the project.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are current not recognised) on balance sheet.	1-Jan-19	Operating leases approach will be restricted to leases with a term no more than 12 months or the value of the underlying asset is below \$5,000. High value leases (assets \$5,000 and above) longer than 12 months currently classified as operating leases will require the recognition of the right-of-use asset and lease liability upfront.
AASB 1058 Income of Not-for-Profit Entities	This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.	1-Jan-19	Income recognition for donation or grant should be deferred until the satisfaction of the obligations to acquire/construct the asset. Volunteer services received measured at fair value have to be recognised. Volunteer services consumed when the services are acquired will be expensed immediately. Volunteer services contributed for the development of an asset and will be included in the carrying amount of that asset.

# Auditor-General's Report



## Independent Auditor's Report

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

<b>Opinion</b>	<p>I have audited the financial report of the Museums Board of Victoria (the entity) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2018</li><li>• comprehensive operating statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• cash flow statement for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• declaration in the financial statements.</li></ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**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  
3 September 2018



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

# Disclosure Index

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

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*Ground Up* exhibition; Photography by Fran Parker

*Little Kids Day In* event, 2018; Photography by Rodney Start

*Inside Out* exhibition; Source/Photography by Cesur Sanli

*Inside Out* signage, Melbourne Museum; Source/Photography by Melissa Cowan

*Nocturnal*; Source/Photography by Cesur Sanli

Marriage Equality 'Yes' campaign; Photography by Catherine Devery

*You Can't Do That* exhibition, launch; Photography by Benjamin Healley

*Marramb-ik (I Am)*, *Koori Comics* exhibition; Photography by Jon Augier

*Beyond Perception* launch; Source/Photography by Ryan Wheatley

*Nocturnal*; Source/Photography by Cesur Sanli

*Nocturnal*; Source/Photography by Cesur Sanli

*Nocturnal*; Source/Photography by Cesur Sanli

*Ground Up* exhibition; Photography by Fran Parker

*Nocturnal*; Source/Photography by Cesur Sanli

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