



# South Australian Museum Board

## 2016-17 Annual Report

South Australian Museum Board

South Australian Museum, North Terrace, Adelaide SA 500

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**Date presented to Minister:** 28 September 2017

To:  
The Hon. Jay Weatherill MP  
Minister for the Arts

This annual report is presented to Parliament to meet the statutory reporting requirements of *South Australian Museum Act 1976* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the South Australian Museum Board by:

The Hon. Dr Jane Lomax-Smith AM  
Chair, South Australian Museum Board



Signature

28 September 2017

Date

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## Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987*

### Agency purpose or role

The South Australian Museum is dedicated to the conservation, study and appreciation of nature and culture for the benefit and enjoyment of current and future generations. The Museum's exhibitions, collections, programs and science research activities contribute to global understanding of human cultures and the natural world as well as supporting life-long learning in the community.

### Objectives

The four focus areas of the Museum's Strategic Plan are:

- A visitor focused modern museum.
- Excellence in our collections research and science.
- Security in a long term financial future through strategic partnerships, impactful philanthropy and innovative commercial opportunities.
- Delivering vibrant and engaging programmes by linking with our collections and research.

### Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
Transform the Museum's built infrastructure.	Adelaide, the Heart of the VIBRANT State: Broaden availability of cultural activities in the city;  DESTINATION of Choice: Develop a reputation for service excellence and unique visitor experiences.
Transform the Museum's use of technology.	Our Ideas: T97 (State Strategic Plan)
Maximise visitor satisfaction.	Adelaide, the Heart of the VIBRANT State: Broaden availability of cultural activities in the city;  DESTINATION of Choice: Develop a reputation for service excellence and unique visitor experiences.

Key strategy	SA Government objective
Maximise collections to generate new knowledge.	<p>Our Growth Through INNOVATION: Research &amp; Development Expenditure;</p> <p>KNOWLEDGE is Our Future: Industry funding &amp; collaboration with research sector</p> <p>KNOWLEDGE is Our Future: Increase number of STEM students;</p> <p>Unlocking our potential RESOURCES: Position SA to become a leading mining and energy services hub (through mineral research).</p>
Ensure the economic sustainability of the South Australian Museum.	Our Prosperity: T38 (State Strategic Plan)
Develop our public programmes and engagement capabilities.	<p>Adelaide, the Heart of the VIBRANT State: Broaden availability of cultural activities in the city;</p> <p>DESTINATION of Choice: Increase value of our tourism sector;</p> <p>DESTINATION of Choice: Increase tourism expenditure in regional areas.</p>
Develop our strategic partnerships.	<p>Our Growth Through INNOVATION: Research &amp; Development Expenditure;</p> <p>KNOWLEDGE is Our Future: Industry Funding &amp; Collaboration with Research Sector</p>
Ensure that the Museum operates as a modern, effective and efficient organisation.	DESTINATION of Choice: Develop a reputation for service excellence and unique visitor experiences.

**Agency programs and initiatives and their effectiveness and efficiency**

Program name	Indicators of performance/effectiveness/efficiency	Comments
Museum Visitation	Visitation to the South Australian Museum totalled 772,705 for 2016/17. This represents a 5.8% increase on the visitation total of the previous year. The galleries and exhibitions of the main Museum building attracted the highest number of visitors in seven years.	Greater number of South Australian's visited the South Australian Museum this period compared to the year prior, increasing the public's exposure to cultural and natural heritage subject matters through the Museum's galleries, exhibitions and programs.
Exhibitions: Onsite	<p>The Museum presented twelve exhibitions to the public, with ten of these drawn wholly or substantially from the Museum's research and collections. This year, 280,291 people engaged with Museum exhibitions, an increase of 20% on last year and 55% above the rolling five-year average.</p> <p>Attendance at special exhibitions increased from the previous period (41,300 compared to 40,565) and attendance at free exhibitions was significantly higher (207,563 compared to 142,103).</p>	<p>The number of people who engaged with a Museum exhibition grew more than the overall rate of visitation. Subsequently a larger portion of the Museum's visitors had an experience with exhibitions than the preceding years.</p>
Exhibitions: Touring and Offsite	The Museum presented five exhibitions/displays off-site this year; 3 nationally, 1 within South Australia and 1 international venue. Touring and offsite activity was an increase from the previous year (6 compared to 5), however, due to fewer venues in Western Australia, overall touring attendance was lower than the previous year (31,428 compared to 50,121). The <i>Opals</i> exhibition in Qatar was the first time in over a decade the Museum toured one of its exhibitions to an international venue.	The Museum's in-house developed touring exhibitions were first shown at the South Australian Museum where they were visited by South Australian audiences. The touring program of these exhibitions also provided the Museum with an important source of income.

Program name	Indicators of performance/effectiveness/efficiency	Comments
Community Programs	In the 2016-17 year, over 155,000 people engaged with the Museum through our 107 onsite and offsite Community Programs. This represents a 23% increase in participation and a 60% increase in the number of programs on offer. The increase in programs and overall participation aligns with the Museum's goal to deeply engage audiences through small group experiences where possible.	A greater number of people participated in a greater number of programed activities compared to the prior year.
Inspiring South Australia	<p>4 new initiatives targeted at increasing science literacy were launched in 2017:</p> <p>2017 SA Regional Science-Arts Collaboration Grant Program;</p> <p>Completed regional training for delivery of the <i>Little Bang Discovery Club</i>, science for 3-5 year olds, for librarians across the state;</p> <p>Partnership with <i>Premier's Reading Challenge</i> to encourage the reading of science books by offering book prizes to schools that increase student reading of science-related fiction and non-fiction during the period of the challenge;</p> <p>Added a new regional Science Hub, – Kangaroo Island, to ensure regional engagement across the state.</p>	The program increased opportunities for South Australians, particularly young South Australians, to engage with Science through the stated deliverables.
Development: Philanthropy & Membership	The Museum's Development Department yielded a record fundraising result of over \$1,500,000 during the year. This represents a continued annual growth in philanthropic support of the Museum. The number of Museum Members grew from 821 (June 2016) to 1,859 (June 2017)	Through a suite of offerings the Museum continued to increase its self-generation of income, in this instance, through philanthropic and commercial means. A wider range of programs are delivered as a result of this support.

Program name	Indicators of performance/effectiveness/efficiency	Comments
Collections: Acquisitions	The Museum added 21,465 object/specimens valued at \$1,171,000 to its collections. The number of additions represents an 8% increase on the five year average of annual additions to the Museum's collection. The highly effective acquisition program is demonstrated by the Museum's receipt of the almost 1kg <i>Fire of Australia Opal</i> regarded as the finest piece of unpolished opal in existence.	The Museum's continued commitment to add to its collections enabled greater opportunities for the generation of new knowledge for both current, and future, generations.
Collections: Access	During the year the Museum processed 108 collection loans, representing 1,615 objects or specimens, to over 60 institutions across 13 countries. Additionally the Museum has 495,645 records on the Atlas of Living Australia database, an increase of 13,464 records compared to the previous year.	The State collection, under the custodianship of the Museum, continued to be accessed, and recognised as being significant, on a global scale.
Research: Academic Engagement	Museum personnel supervised 49 higher education students (including 34 at PhD level). This equated to an average of 4 students supervised per Museum researcher. Museum personnel delivered a total of 1,556 hours of academic teaching or an average of 111 hours per Museum researcher.	In addition to securing research grants, conducting research and publishing findings, Museum researchers were highly active in leading the next generation of South Australian's into careers in science.
Research: Grant Funding	The Museum successfully attracted \$6,503,799 in competitive research grant funding. This was a 24.8% improvement on the rolling five-year average.	Attracting research funding to the Museum generated employment and study opportunities in the state.
Research: Collaborations	Museum researchers maintained a total of 146 research collaborations, 82 of which were internationally based, and 64 were within Australia. Additionally, 55% of all research collaborations were with universities, 25% with government agencies, 8% with private entities, 7% with other Museums and 5% with Art/Culture organisations.	The Museum successfully maintained its ability to represent South Australia's scientific and academic strengths through its vast collaborations spanning many sectors nationally and internationally.

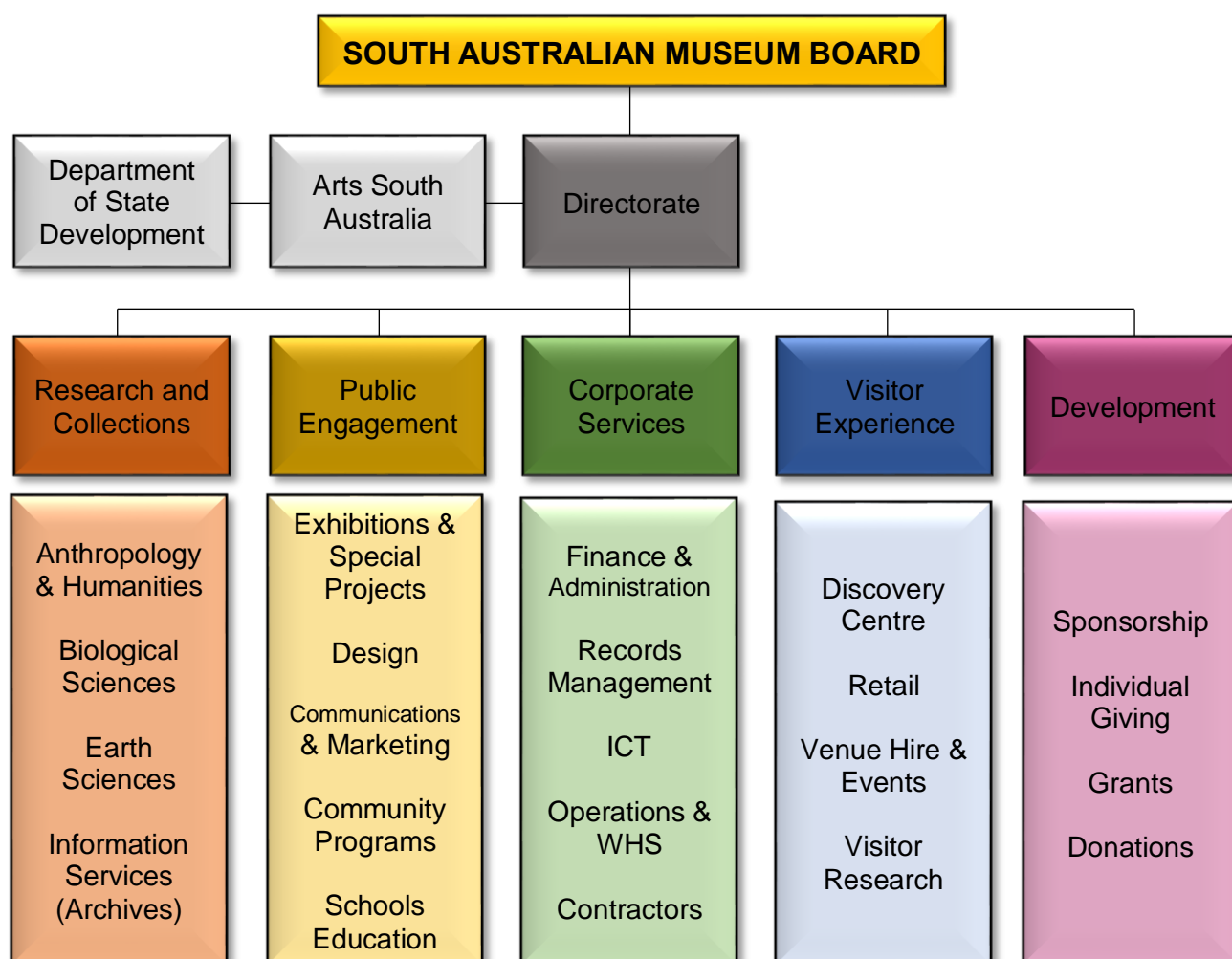


Program name	Indicators of performance/effectiveness/efficiency	Comments
Research: Publications	Museum personnel published a total of: 182 peer reviewed scholarly journals; 4 books/monographs; 7 chapters in books; 14 other publications and delivered 45 conference papers. This output has maintained a publication per researcher output consistent with the Museum's rolling 5 year average (both peer reviewed scholarly journal publications and the number of research personnel is 91% if the rolling 5 year average).	This output is the result of continued research activity and the generation of new knowledge. Research publications contribute to the State's understanding of its cultural and natural heritage and, in doing so, offer scientific study and employment opportunities.

### Legislation administered by the agency

*Nil*

### Organisation of the agency



## Other agencies related to this agency (within the Minister's area/s of responsibility)

Nil

## Employment opportunity programs

Program name	Result of the program
Museum Pathways, Skills and Training Development at the South Australian Museum.	The employment of an Early Career Researcher, an Aboriginal graduate, to work directly with the Australian Aboriginal Material Culture Collection and the employment of 4 Aboriginal cadetships in Australian Aboriginal Material Culture Collection, over 2 years. In addition to the successful engagement of these 3 young Aboriginal women, the Museum's prioritization of Aboriginal skills and training development has also resulted in additional philanthropic support for long-term employment. Through the private funding of passionate philanthropist Dr Marg Davy, AM, on 5 September 2016 the South Australian Museum proudly announced the appointment of Mr Glenn Iseger-Pilkington to the newly established role of <i>The William and Margaret Geary Curator of Aboriginal and Torres Strait Islander Art and Material Culture</i> .

## Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
The Department of State Development's, 'Performance Development Planning' program was in place throughout the year.	The Museum's Performance Development Plan performance data is reported through the Office of the Public Sector. <a href="https://publicsector.sa.gov.au/about/office-for-the-public-sector/dashboard/">https://publicsector.sa.gov.au/about/office-for-the-public-sector/dashboard/</a>

## Occupational health, safety and rehabilitation programs of the agency and their effectiveness

Occupational health, safety and rehabilitation programs	Effectiveness
E3 Learning: The Department of State Development's online Learning Management System.	Highly effective completion rate (93.3% of staff), resulted in a uniformed level of WHS literacy across the organisation. This was the basis of minimal training required, additional training specific to work requirements was added as appropriate.

<b>Occupational health, safety and rehabilitation programs</b>	<b>Effectiveness</b>
Other special and detailed training programs held: WHS Officer training	14 personnel identified as 'Officers', including the Museum Board, participated in WHS Officer training. The WHS obligations of these were reaffirmed to these key decision making personnel.
First aid training	8 Museum personnel participated in first aid training. This represents 10.5% of the Museum's FTE (76 FTE) participating in first aid training during the 2016/17 period.
Defensive driver awareness and 4 wheel drive training	12 personnel participated in defensive driver awareness training and 1 person participated in 4 wheel drive training.
Manual Handling training	14 Museum personnel underwent manual handling training and 19 personnel participated in highly specific 'whale retrieval manual handling training'. The bespoke training for the safe retrieval of whales is a highly effective in ensuring complex activities are completed by personnel with training specific to that activity.
Museum WHS refresher training	70 personnel participated in WHS refresher training. This represents 92% of Museum's FTE participating in this training resulting in a consistent level of Museum specific WHS policy and process knowledge.
Warden Training	Warden training was conducted for 8 personnel during the 2016/17 period.

### Fraud detected in the agency

<b>Category/nature of fraud</b>	<b>Number of instances</b>
No fraud was detected by the agency	0

### Strategies implemented to control and prevent fraud

The Museum has maintained a comprehensive system of checks and balances to control and prevent fraud, under the advice of the Auditor-General's Department. During the 2016-17 period, no suspected or actual instances of fraud were detected. The Museum Board's Finance, Audit and Risk Committee has established a work program to review the Museum's processes, this is in addition to the Museum's established Financial Management Compliance Program.

Data for the past five years is available at <https://statedevelopment.sa.gov.au/datasa-fraud>

## Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistle-blowers' Protection Act 1993* 0

Data for the past five years is available at: <https://statedevelopment.sa.gov.au/datasawhistle-blowers>

## Executive employment in the agency

Executive classification	Number of executives
SAES1	2

Further information is available at: <https://statedevelopment.sa.gov.au/datasawexecutive-employment>

## Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Consultants	Purpose	Value
All consultancies below \$10,000 each	Combination of 14 vendors for various activities.	\$28,658.73
<b>Consultancies above \$10,000 each</b>		
Ikuko Tomo	Monitoring of little penguin and small cetacean mortalities in Gulf St Vincent	\$15,000.00
<b>Total all consultancies</b>		<b>\$43,658.73</b>

Data for the past five years is available at: <https://statedevelopment.sa.gov.au/datasawconsultants>

See also <https://www.tenders.sa.gov.au/tenders/index.do> for a list of all external consultancies, including nature of work and value. See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

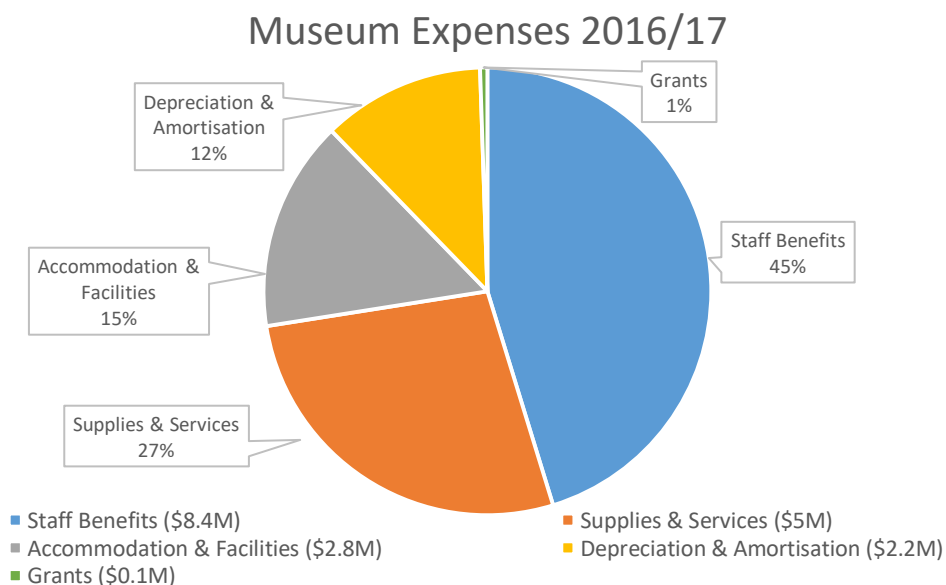
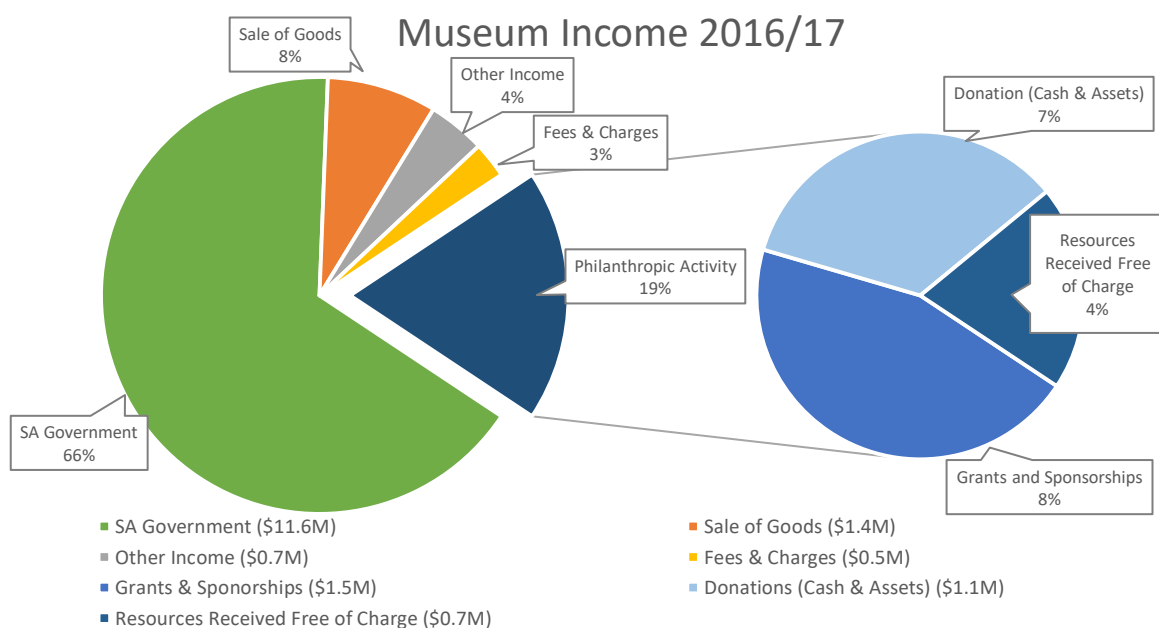
## Financial performance of the agency

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2016-17 are attached to this report.

### Financial Position:

The Board's net equity position at 30 June 2017 was \$333.982 million. The Board's total assets of \$337.896 million comprised of \$4.457 million of current assets and \$333.439 million non-current assets. The largest asset line item was Heritage Collections, valued at \$293.627 million. Liabilities totalled \$3.914 million with \$1.889 million being current liabilities and \$2.025 being non-current liabilities. The non-current liability of Staff Benefits totalling \$1.676 million was the largest contributor to the liabilities balance.

### Financial Performance:



**Other financial information**

Nil to report.

**Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions**

Nil to report.

## Section B: Reporting of public complaints as requested by the Ombudsman

### Summary of complaints by subject

Public complaints received by South Australian Museum	
Category of complaints by subject	Number of instances
Personnel	3
Product/Service	4
Safety	2

### Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
Personnel	Museum staff with customer/visitor interactions underwent specific customer service training during the year.
Product/Service	The Museum acknowledged these complaints and reported them to the relevant areas of operation. Issues were considered and/or addressed as a result.
Safety	The Museum formally wrote to the Adelaide City Council (land owners) with regard to identified safety concerns associated with skateboarding on the North Terrace boulevard (in front of the Museum).

## **Appendix: Audited financial statements 2016-17**





Our ref: A17/136

21 September 2017

Dr J Lomax-Smith  
Chair  
Museum Board  
DX 464 ADELAIDE

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Dear Ms Lomax-Smith

### **Audit of the Museum Board for the year to 30 June 2017**

We have completed the audit of your accounts for the year ended 30 June 2017. Three key outcomes from the audit are the:

- 1** Independent Auditor's Report on your agency's financial report
- 2** opinion on your financial controls
- 3** audit management letter recommending you address identified weaknesses.

#### **1 Independent Auditor's Report**

We are returning the financial statements for the Museum Board, with the Independent Auditor's Report. This report is unmodified.

My annual report to Parliament indicates that we have issued an unmodified Independent Auditor's Report on your financial statements.

#### **2 Opinion on financial controls**

In my opinion, the controls exercised by the Museum Board in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, except for matters communicated in management letters, are sufficient to provide reasonable assurance that the financial transactions of the Museum Board have been conducted properly and in accordance with law.

#### **3 Audit management letter**

During the year, we sent the agency an audit management letter detailing the weaknesses we noted and improvements we considered you need to make.

We have received responses to these matters and we will follow these up in the 2017-18 audit.

## **For official use only**

I have also included summary comments about these matters in my annual report. These identify areas we assessed as not meeting a sufficient standard of financial management, accounting and control.

### **What the audit covered**

Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions. Some notable areas were:

- legal compliance
- compliance with Treasurer's Instructions
- revenue
- expenditure
- payroll
- property, plant and equipment
- heritage collections
- cash and investments
- general ledger.

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely



Andrew Richardson  
**Auditor-General**

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# INDEPENDENT AUDITOR'S REPORT



Government of South Australia  
Auditor-General's Department

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## To the Chair Museum Board

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 16(3) of the *South Australian Museum Act 1976*, I have audited the financial report of the Museum Board for the financial year ended 30 June 2017.

## Opinion

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Museum Board as at 30 June 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2017
- a Statement of Financial Position as at 30 June 2017
- a Statement of Changes in Equity for the year ended 30 June 2017
- a Statement of Cash Flows for the year ended 30 June 2017
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, Museum Board and the Director, Museum Board.

## Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Museum Board. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

## **Responsibilities of the Director and the Museum Board for the financial report**

The Director is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The Museum Board are responsible for overseeing the entity's financial reporting process.

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

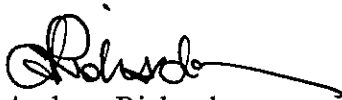
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director
- 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.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Director and the Museum 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 the audit.

A handwritten signature in black ink, appearing to read 'A. Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

**Auditor-General**

21 September 2017

**Museum Board**

# **Financial Statements**

For the year ended 30 June 2017

**Museum Board**  
**CERTIFICATION OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2017*

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We certify that the attached general purpose financial statements for the Museum Board:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the Museum Board
- present a true and fair view of the financial position of the Museum Board as at 30 June 2017 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Museum Board for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



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Brian Oldman  
Director  
Museum Board  
15 September 2017



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Dr Jane Lomax-Smith  
Chair  
Museum Board  
15 September 2017

**Museum Board**  
**Statement of Comprehensive Income**  
*for the year ended 30 June 2017*

	Note	2017 \$'000	2016 \$'000
<b>Expenses</b>			
Staff benefits	4	8 353	8 379
Supplies and services	5	5 030	4 738
Accommodation and facilities	6	2 810	2 806
Depreciation and amortisation	7	2 167	2 087
Net loss from disposal of non-current assets	8	-	12
Grants		97	151
<b>Total expenses</b>		<b>18 457</b>	<b>18 173</b>
<b>Income</b>			
Grants	9	1 167	1 005
Fees and charges	10	468	551
Donations and bequests		571	875
Donations of heritage assets		558	2 881
Sponsorships	11	311	284
Interest and investment income	12	137	155
Resources received free of charge	13	663	619
Recoveries		30	133
Net gain from the disposal of non-current assets	8	6	-
Sale of goods		1 425	1 315
Other income	14	574	448
<b>Total Income</b>		<b>5 910</b>	<b>8 266</b>
<b>Net cost of providing services</b>		<b>12 547</b>	<b>9 907</b>
<b>Revenues from SA Government</b>			
Recurrent operating grant		11 132	10 691
Capital grant		488	765
<b>Total revenues from SA Government</b>	15	<b>11 620</b>	<b>11 456</b>
<b>Net result</b>		<b>( 927)</b>	<b>1 549</b>
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified to net result</i>			
Change in asset revaluation surplus	20	4 416	(78 794)
<b>Total other comprehensive income</b>		<b>4 416</b>	<b>(78 794)</b>
<b>Total comprehensive result</b>		<b>3 489</b>	<b>(77 245)</b>

The net result and total comprehensive result are attributable to the SA Government as owner.

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



**Museum Board**  
**Statement of Financial Position**  
*as at 30 June 2017*

	Note	2017 \$'000	2016 \$'000
<b>Current assets</b>			
Cash	16	3 440	3 824
Receivables	17	881	916
Inventories		136	119
<b>Total current assets</b>		<b>4 457</b>	<b>4 859</b>
<b>Non-current assets</b>			
Receivables	17	4	10
Property, plant and equipment	18	37 899	39 553
Intangibles	19	86	89
Heritage collections	20	293 627	288 141
Investments	21	1 823	1 662
<b>Total non-current assets</b>		<b>333 439</b>	<b>329 455</b>
<b>Total assets</b>		<b>337 896</b>	<b>334 314</b>
<b>Current liabilities</b>			
Payables	22	888	965
Staff benefits	23	985	895
Provisions	24	16	6
<b>Total current liabilities</b>		<b>1 889</b>	<b>1 866</b>
<b>Non-current liabilities</b>			
Payables	22	320	164
Staff benefits	23	1 676	1 779
Provisions	24	29	12
<b>Total non-current liabilities</b>		<b>2 025</b>	<b>1 955</b>
<b>Total liabilities</b>		<b>3 914</b>	<b>3 821</b>
<b>Net assets</b>		<b>333 982</b>	<b>330 493</b>
<b>Equity</b>			
Asset revaluation surplus		196 120	191 704
Retained earnings		137 862	138 789
<b>Total equity</b>		<b>333 982</b>	<b>330 493</b>

**The total equity is attributable to the SA Government as owner**

Unrecognised contractual commitments 25

Contingent assets and liabilities 28

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

**Museum Board**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the year ended 30 June 2017*

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	<b>Asset Revaluation Surplus \$'000</b>	<b>Retained Earnings \$'000</b>	<b>Total equity \$'000</b>
<b>Balance at 30 June 2015</b>	270 498	137 240	407,738
Net result for 2015-16	-	1,549	1,549
Changes in asset revaluation surplus	(78 794)	-	(78,794)
<b>Total comprehensive result for 2015-16</b>	<b>(78 794)</b>	<b>1 549</b>	<b>(77 245)</b>
<b>Balance at 30 June 2016</b>	<b>191 704</b>	<b>138 789</b>	<b>330 493</b>
Net result for 2016-17	-	(927)	(927)
Changes in asset revaluation surplus	4 416	-	4 416
<b>Total comprehensive result for 2016-17</b>	<b>4 416</b>	<b>( 927)</b>	<b>3 489</b>
<b>Balance at 30 June 2017</b>	<b>196 120</b>	<b>137 862</b>	<b>333 982</b>

**All changes in equity are attributable to the SA Government as owner.**

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

**Museum Board**  
**STATEMENT OF CASH FLOWS**  
*for the year ended 30 June 2017*

		2017	2016
	Note	\$'000	\$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Staff benefits		(8 348)	(7 984)
Supplies and services		(4 286)	(3 980)
Accommodation and facilities		(2 810)	(2 806)
Grants		( 97)	( 151)
GST payments to the ATO		( 59)	( 137)
<b>Cash used in operations</b>		<b>(15 600)</b>	<b>(15 058)</b>
<b>Cash inflows</b>			
Grant contributions		1 167	1 005
Fees and charges		468	551
Donations and bequests		571	875
Sponsorships		311	184
Interest and investment income		114	137
Recoveries		30	133
Sale of goods		1 431	1 506
Other		687	224
<b>Cash generated from operations</b>		<b>4 779</b>	<b>4 615</b>
<b>Cash flows from SA government</b>			
Recurrent operating grant		11 132	10 691
Capital grant		488	765
<b>Cash generated from SA government</b>		<b>11 620</b>	<b>11 456</b>
<b>Net cash provided by operating activities</b>		<b>799</b>	<b>1 013</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchases of heritage collections		( 512)	( 10)
Purchases of property, plant and equipment and intangibles		( 510)	( 895)
Purchases of investments		( 161)	( 880)
<b>Cash used in investing activities</b>		<b>(1 183)</b>	<b>(1 785)</b>
<b>Net cash used in investing activities</b>		<b>(1 183)</b>	<b>(1 785)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>( 384)</b>	<b>( 772)</b>
Cash and cash equivalents at the beginning of the period		3 824	4 596
<b>Cash and cash equivalents at the end of the period</b>	16	<b>3 440</b>	<b>3 824</b>

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

# **Museum Board**

## **Notes to and forming part of the Financial Statements**

### *For the year ended 30 June 2017*

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#### **1 Objectives of the Museum Board**

The functions of the Museum Board (the Board), as prescribed under the *South Australian Museum Act 1976*, are as follows:

- to undertake the care and management of the Museum
- to manage the premises of the Board
- to carry out, or promote, research into matters of scientific and historical interest
- to accumulate and care for objects and specimens of scientific or historical interest
- to accumulate and classify data in regard to any such matters
- to disseminate information of scientific or historical interest
- to advise the Minister on matters relating to scientific or historical research or collections
- to carry out any other functions assigned to the Board by this or any other Act or the Minister.

#### **2 Significant accounting policies**

##### **a) Statement of compliance**

These financial statements have been prepared in compliance with section 23 of the *Public Finance and Audit Act 1987*. The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Board has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Board is a not-for-profit entity.

##### **b) Basis of preparation**

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Board's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes
- accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported
- compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following note disclosures, which have been included in this financial report:
  - a) expenses incurred as a result of engaging consultants
  - b) staff targeted voluntary separation package information
  - c) staff whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly, by the entity to those staff
  - d) Board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

## **Museum Board**

### **Notes to and forming part of the Financial Statements**

*For the year ended 30 June 2017*

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#### **2 Significant accounting policies (continued)**

The Board's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets that were valued in accordance with the valuation policy applicable.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

#### **c) Reporting entity**

The Board is a statutory authority of the State of South Australia, established pursuant to the *South Australian Museum Act 1976*.

The consolidated financial statements have been prepared by combining the financial statements of the Museum Board, SA Museum Foundation Incorporated and the SA Museum Foundation Fund in accordance with AASB 10 *Consolidated Financial Statements*.

In forming the view that the SA Museum Foundation Incorporated and SA Museum Foundation Fund (the 'entities') are controlled, the Board considered its involvement with the entities and determined that its substantive rights give them the current ability to direct the major relevant activities of the entities and is exposed or has rights to variable returns from its involvement, contributing to the furtherance of the Board's objectives.

The activities of the entities are not material and therefore a full consolidated presentation has not been adopted.

Consistent accounting policies have been applied and all inter-entity balances and transactions arising within the consolidated entity have been eliminated in full.

#### **d) Source of Funds**

The financial statements are presented under the assumption of ongoing financial support being provided to the Board by the State Government. The Board's principal source of funds consists of grants from the State Government. In addition, the Board also receives monies from sales, admissions, donations, bequests, sponsorships, interest and investment income and other receipts, and uses the monies for the achievement of its objectives. Bequests, donations and grants can only be used in accordance with the terms and conditions attributable.

#### **e) Comparative Information**

The presentation and classification of items in the financial statements and accompanying notes are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

#### **f) Rounding**

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

#### **g) Taxation**

The Museum Board, the SA Museum Foundation Incorporated and SA Museum Foundation Fund are not subject to Income Tax. The Board is liable for Payroll Tax, Fringe Benefits Tax (FBT), Goods and Services Tax (GST), Emergency Services Levy, Land Tax Equivalents and Local Government Rate Equivalents.

The Museum Board, the SA Museum Foundation Incorporated and SA Museum Foundation Fund are separate registered GST entities.

The Board is a deductible gift recipient member of the Arts South Australia GST Group. GST relating to the activities of the Board are not recognised as a receivable/payable in the Statement of Financial Position as Arts South Australia is responsible for the remittance and collection of GST on behalf of the GST group.

**Museum Board**  
**Notes to and forming part of the Financial Statements**  
*For the year ended 30 June 2017*

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**2 Significant accounting policies (continued)**

Income, expenses and assets are recognised net of the GST amount except;

- When the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO); in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable.
- receivables and payables, which are recognised net of the amount of GST.

The net GST receivable by the SA Museum Foundation Incorporated and the SA Museum Foundation Fund is disclosed in note 17. Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

**h) Events after the reporting period**

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2017 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2017.

Note disclosure is made about events between 30 June 2017 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2017 and which may have a material impact on the results of subsequent years.

**i) Current and non-current classification**

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

**j) Non-current Assets**

Non-current assets are initially recorded at cost or at value of any liabilities assumed, plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation. Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

All non-current tangible assets with a value equal to or in excess of \$10 000 are capitalised.

**Depreciation and amortisation**

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

Land is not depreciated.

**Museum Board**  
**Notes to and forming part of the Financial Statements**  
*For the year ended 30 June 2017*

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**2 Significant accounting policies (continued)**

Depreciation/amortisation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:

<b>Class of asset</b>	<b>Useful life (years)</b>
Buildings and improvements	15-100
Plant and Equipment	
Exhibition	10
Other	3-25
Computer Equipment	3-5
Intangibles	5-10

Exhibitions with a life of less than one year are expensed.

Heritage collections are kept under special conditions so that there is no physical deterioration and they are anticipated to have very long and indeterminate useful lives. No amount for depreciation has been recognised, as their service potential has not, in any material sense, been consumed during the reporting period.

**Revaluation of non-current assets**

All non-current assets are held at fair value and a revaluation of non-current assets or a group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Land and buildings and heritage collections are re-valued at least every six years. If at any time management considers the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current tangible assets that are acquired between revaluations are held at cost until the next valuation, where they are revalued to fair value.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset. Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

**Land and buildings**

Land and buildings have been valued at fair value. Valuations of land and buildings were determined as at 30 June 2014 by certified independent valuer Valcorp Australia Pty Ltd.

**Plant and equipment**

Plant and equipment, including computer equipment, has been deemed to be held at fair value on acquisition.

**Intangible assets**

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Board only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

**Fair value measurement – Non-financial assets**

In determining fair value, the Board has taken into account the characteristics of the asset and the asset's highest and best use.

# Museum Board

## Notes to and forming part of the Financial Statements

### For the year ended 30 June 2017

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#### 2 Significant accounting policies (continued)

The Board's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible within the next five years. As the Board did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

The carrying amount of non-financial assets with a fair value at the time of acquisition that was less than \$1 million or an estimated useful life that was less than three years are deemed to approximate fair value.

#### Heritage collections

The Board's Heritage collections, except for the foreign archaeology, were revalued as at 30 June 2016 using the valuation methodology outlined below in accordance with fair value principles adopted under AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*. The foreign archaeology collection was revalued as at 30 June 2017.

These valuations were undertaken by Aon Risk Solutions.

The collections were broadly valued on the following basis:

Collection	Method of valuation
Heritage collections	Market approach
Natural history collections	Cost approach

Heritage collection status applies to those collections where an established market exists.

Natural history collections have been valued at fair value on the basis of the cost of fieldwork, preparation and documentation to replace the material in its present condition.

Heritage collections deemed to have market value are Australian Aboriginal ethnology, foreign ethnology, Australian polar collection, social/industrial history collection, mineralogy, museum library, archives/artworks, rare books and public programs.

Natural history collections valued at cost of recovery are the Australian biological tissue bank, marine invertebrates, malacology, ichthyology, palaeontology, arachnology, entomology, ornithology, the Australian helminthological collection, archaeology, mammalogy and herpetology.

The public programs collection is a new collection which was valued for the first time in the 30 June 2016 valuation. This collection consists of both the Waterhouse Art Prize collection and the ANZANG nature photography collection.

The valuations of heritage collections deemed to have market value were carried out by the following recognised industry experts:

Collection	Industry expert
Australian Aboriginal ethnology	D Davidson
Foreign ethnology	D Davidson
Australian polar collection	H Miller & P Tinslay
Archaeology	H Miller
Mineralogy	J Alford
Archives	H Miller & P Tinslay
Museum library	P Tinslay
Public Programs	H Miller
Social/Industrial History	J Munroe



**Museum Board**  
**Notes to and forming part of the Financial Statements**  
*For the year ended 30 June 2017*

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**2 Significant accounting policies (continued)**

Collections deemed to be culturally sensitive, including human remains or items which are secret and sacred to Aboriginal communities have not been included within the current valuation and are considered at zero valuation. These collections are human biology and secret sacred material.

Impairment

The Board holds its property, plant and equipment, heritage collections, and intangible assets for their service potential (value in use).

All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be close to or greater than fair value. The Board also expects for all other non-current tangible assets that any costs of disposal will be negligible and the recoverable amount to be close to or greater than fair value.

**k) Liabilities**

Staff benefits

These benefits accrue for staff as a result of services provided up to the reporting date that remain unpaid.

Long-term staff benefits are measured at present value and short term staff benefits are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the skills and experience retention leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by staff is estimated to be less than the annual entitlement for sick leave.

Long Service Leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by staff up to the end of the reporting period using the projected unit credit method.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of staff departures and periods of service. These assumptions are based on employee/staff data over SA Government entities.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on previous experience.

**l) Unrecognised contractual commitments and contingent assets and liabilities**

Operating commitments are disclosed at their nominal value. Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO. If GST is not payable to, or recoverable from, the ATO, the commitments and contingencies are disclosed on a gross basis.

**Museum Board**  
**Notes to and forming part of the Financial Statements**  
*For the year ended 30 June 2017*

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**3 New and revised accounting standards and policies**

The Board did not voluntarily change any of its accounting policies during 2016-17.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Board for the period ending 30 June 2017.

AASB 16 *Leases* will apply for the first time for the year to reporting periods beginning on or after 1 January 2019. The amended standard introduces a single accounting model for lessees, eliminating the distinction between operating and finance leases.

The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease payments will no longer be expensed in the Statement of Comprehensive Income on a straight line basis. Rather, they will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will be recognised as an expense.

It is anticipated that there will be a marginal impact on net result due to recognition of depreciation and interest on lease liabilities as expenses.

The classification of cash flows will be affected as operating lease payments will be split into a principal and interest portion which will be presented as financing and operating cash flows respectively. Currently, operating lease payments are presented as operating cash flows and recorded as commitments, which are not captured in the Statement of Financial Position.

The Board has not yet quantified the impact of applying AASB 16 *Leases* to its operating lease arrangements and the resulting impact on the Statement of Comprehensive Income, the Statement of Financial Position and the unrecognised contractual commitments disclosure in note 25.

AASB 15 *Revenue from Contracts with Customers* will replace the existing AASB 118 *Revenue* and applies to reporting periods beginning on or after 1 January 2019. AASB 15 *Revenue from Contracts with Customers* introduces a five step process for revenue recognition with the core principle being to recognise revenue 'when control of a good or service transfers to a customer'. This is effectively when performance obligations have been met, rather than the former model of 'where the risk and rewards of ownership reside'. AASB 15 *Revenue from Contracts with Customers* will generally result in increased disclosures.

The changes in revenue recognition requirements may result in changes to the timing and amount of revenue from sales of the Board's goods and services. Some revenue may need to be deferred to a later reporting period to the extent that the Board has received cash but has not yet met the associated performance obligations.

AASB 1058 *Income of Not-for-Profit Entities* applies to reporting periods beginning on or after 1 January 2019 and will replace a number of income recognition requirements under AASB 1004 *Contributions*. The timing of income recognition depends on whether a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. Where there is no liability to be recognised under another standard, or the liability is less than the fair value of the asset received then revenue is recognised.

The Board has not yet quantified the impact of applying AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* and the resulting impact on the Statement of Comprehensive Income.

**Museum Board**  
**Notes to and forming part of the Financial Statements**  
*For the year ended 30 June 2017*

**4 Staff benefits**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Salaries and wages	6 436	6 194
Long service leave	108	371
Annual leave	561	522
Skills and experience retention leave	36	36
Staff on-costs - superannuation	684	674
Staff on-costs - other	354	353
Board fees	17	22
Other staff related expenses	87	46
TVSPs *	70	161
<b>Total staff benefits</b>	<b>8 353</b>	<b>8 379</b>

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>TVSPs</b>		
<b>Amounts paid during the reporting period to separated staff:</b>		
TVSPs paid	-	161
Annual leave, LSL and SERL paid to those staff	-	75
	-	<b>236</b>
Recovery from the Department of Treasury and Finance	-	-
<b>Net cost to the Board</b>	<b>-</b>	<b>236</b>

\*An employee accepted a TVSP offer on/before 30 June 2017 but the payment was not processed until July 2017. The total TVSP owed to this employee was \$70 000. This amount is recognised in accrued salaries and wages within note 23 staff benefits. The termination payments owing for this TVSP total \$14 000. These amounts will be included as part of the 2017-18 TVSP disclosure.

	<b>2017</b>	<b>2016</b>
	<b>No</b>	<b>No</b>
The number of staff who received a TVSP during the reporting period was	-	2
<b>Total</b>	<b>-</b>	<b>2</b>

**Remuneration of staff**

The number of staff whose remuneration received or receivable falls within the following bands:

	<b>2017</b>	<b>2016</b>
	<b>No</b>	<b>No</b>
\$267 001 - \$277 000	-	1
\$277 001 - \$287 000	1	-
<b>Total</b>	<b>1</b>	<b>1</b>

The table includes all staff who received remuneration equal to or greater than the base executive remuneration level during the year.

Remuneration of staff reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these staff for the year was \$281 000 (\$274 000).

**Museum Board**  
**Notes to and forming part of the Financial Statements**  
*For the year ended 30 June 2017*

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**5 Supplies and services**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Cost of goods sold	521	498
Insurance and risk	357	373
Marketing	555	414
Administration	426	470
IT	322	302
Maintenance	79	130
Artlab conservation work	358	412
Business services charge	238	207
Collections	208	64
Exhibitions	348	743
Research	263	275
Travel and accommodation	280	155
Contractors	111	70
Motor vehicle expenses	77	49
Minor equipment	46	66
Fees	40	85
Consultants	44	33
Hire, rent and equipment	31	31
Audit fees	57	64
Legal Fees	6	3
OHS&W	18	26
Bad and doubtful debts	12	20
Salaries charged externally	208	5
Other	425	243
<b>Total supplies and services</b>	<b>5 030</b>	<b>4 738</b>

**Consultants**

The number and dollar amount of consultancies paid/payable (included in consultants expense shown above) fell within the following bands:

	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
	<b>\$'000</b>	<b>No</b>	<b>\$'000</b>	<b>No</b>
Below \$10 000	29	14	33	7
Above \$10 000	15	1	-	-
<b>Total</b>	<b>44</b>	<b>15</b>	<b>33</b>	<b>7</b>

**6 Accommodation and facilities**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Accommodation	816	851
Facilities	1 052	999
Security	942	956
<b>Total accommodation and facilities</b>	<b>2 810</b>	<b>2 806</b>

**Museum Board**  
**Notes to and forming part of the Financial Statements**  
*For the year ended 30 June 2017*

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**7 Depreciation and amortisation**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Depreciation</b>		
Buildings and improvements	1 480	1,427
Plant and equipment	659	639
Computer equipment	3	3
<b>Total depreciation</b>	<b>2 142</b>	<b>2 069</b>
<b>Amortisation</b>		
Intangibles	25	18
<b>Total amortisation</b>	<b>25</b>	<b>18</b>
<b>Total depreciation and amortisation</b>	<b>2 167</b>	<b>2 087</b>

**8 Net gain/(loss) from the disposal of non-current assets**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Plant and equipment</b>		
Proceeds from disposal	6	-
Less: Net book value of assets disposed	-	-
<b>Net gain from disposal of plant and equipment</b>	<b>6</b>	<b>-</b>
<b>Heritage assets</b>		
Proceeds from disposal	-	-
Less: Net book value of assets disposed	-	( 12)
<b>Net loss from disposal of heritage assets</b>	<b>-</b>	<b>( 12)</b>
<b>Total assets</b>		
Proceeds from disposal	6	-
Less: Net book value of assets disposed	-	( 12)
<b>Total net gain (loss) from disposal of total assets</b>	<b>6</b>	<b>( 12)</b>

**9 Grants**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
State Government	278	191
General	341	479
Commonwealth	548	335
<b>Total Grants</b>	<b>1 167</b>	<b>1 005</b>

**Museum Board**  
**Notes to and forming part of the Financial Statements**  
*For the year ended 30 June 2017*

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**10 Fees and charges**

	2017	2016
	\$'000	\$'000
Admissions	266	337
Functions	82	121
Fees for service	83	61
Other	37	32
<b>Total fees and charges</b>	<b>468</b>	<b>551</b>

**11 Sponsorships**

	2017	2016
	\$'000	\$'000
Cash sponsorships	311	184
In-kind sponsorships	-	100
<b>Total sponsorships</b>	<b>311</b>	<b>284</b>

**12 Interest and investment income**

	2017	2016
	\$'000	\$'000
Interest	56	95
Investment income	81	60
<b>Total interest and investment income</b>	<b>137</b>	<b>155</b>

**13 Resources received free of charge**

	2017	2016
	\$'000	\$'000
Business services charge	305	207
Artlab conservation work	358	412
<b>Total resources received free of charge</b>	<b>663</b>	<b>619</b>

Resources received free of charge are recorded as income and expenditure in the Statement of Comprehensive Income at their fair value.

Under an arrangement with Arts South Australia and Artlab Australia, divisions of the Department of State Development, Artlab Australia receives SA Government appropriation to perform conservation services on the Board's heritage collections. The value of this work performed is recognised as resources received free of charge in income and a corresponding amount included as conservation work expenditure in note 5 Supplies and services.

Under an arrangement with the Services Division of the Department of State Development, financial services and human resources are provided free of charge to the Board. The value of these services is recognised as resources received free of charge in income and a corresponding amount included as a business services charge in note 5 Supplies and services.

**Museum Board**  
**Notes to and forming part of the Financial Statements**  
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**14 Other income**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Lab consumable recharge	97	160
Commission and royalties	-	67
Competition entry fees	47	75
Exhibition hire	135	11
Other	295	135
<b>Total other income</b>	<b>574</b>	<b>448</b>

**15 Revenues from SA Government**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Recurrent operating grant	11 132	10 691
Capital grant	488	765
<b>Total revenues from SA Government</b>	<b>11 620</b>	<b>11 456</b>

**16 Cash and cash equivalents**

***Reconciliation of cash***

For the purposes of the Statement of Cash Flows, cash includes cash on hand, cash held for investments and cash at bank. Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the items in the Statement of Financial Position as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Deposits with the Treasurer	1 005	1 092
Cash other	2 428	2 728
Cash on hand	7	4
<b>Cash as recorded in the Statement of Financial Position</b>	<b>3 440</b>	<b>3 824</b>

***Deposits with the Treasurer***

Deposits with the Treasurer are a combination of funds held in the "Museum Board Account", an account held with the Treasurer of South Australia pursuant to section 21 of the *Public Finance and Audit Act 1987*, and funds held in the Arts South Australia Operating Account. This account is held with the Treasurer of South Australia pursuant to section 8 of the *Public Finance and Audit Act 1987*. There are stipulated restrictions on the use of the Zimmerman Bequest component of the cash funds available \$109 000 (\$109 000) and the Bonython Bequest component of the cash funds available \$22 000 (\$22 000).

***Cash other***

Cash other is term deposits, cash held for investments with Hood Sweeney and cash held by the SA Museum Foundation Incorporated and SA Museum Foundation Fund. There are restrictions in place for the cash accounts for Norman B Tindale Memorial, Mawson Collection, Thyne Reid and High Noon \$507 000 (\$415 000).

***Cash on hand***

Cash on hand includes petty cash and floats.

**Museum Board**  
**Notes to and forming part of the Financial Statements**  
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**16 Cash and cash equivalents (continued)**

***Interest rate risk***

Cash and cash equivalents are recorded at nominal value. Interest is calculated based on the average daily balances of the interest bearing funds. The interest bearing funds of the Board are held in the section 21 interest bearing account titled the "Museum Board Account" and in the accounts identified in cash other.

**17 Receivables**

	2017 \$'000	2016 \$'000
<b>Current receivables</b>		
Receivables	558	669
Less: Allowance for doubtful debts	( 37)	( 35)
Prepayments	31	35
Accrued income	56	33
GST receivable	273	214
<b>Total current receivables</b>	<b>881</b>	<b>916</b>
 Prepayments	 4	 10
<b>Total non-current receivables</b>	<b>4</b>	<b>10</b>
 <b>Total receivables</b>	 <b>885</b>	 <b>926</b>

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables and prepayments are non-interest bearing.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Board will not be able to collect the debt.

***Allowance for doubtful debts***

The allowance for doubtful debts is recognised when there is objective evidence that a receivable is impaired. Bad and doubtful debts expense has been recognised in supplies and services in the Statement of Comprehensive Income for specific debtors and debtors assessed on a collective basis for which such evidence exists.

	2017 \$'000	2016 \$'000
<b>Carrying amount at the beginning of the period</b>	35	15
Increase in allowance	13	20
Decrease in allowance	( 11)	-
<b>Carrying amount at the end of the period</b>	<b>37</b>	<b>35</b>



**Museum Board**  
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**18 Property, plant and equipment**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Land, buildings and improvements</b>		
Land at fair value	5 300	5 300
Buildings and improvements at fair value	73 881	73 881
Less: Accumulated depreciation	(45 707)	(44 227)
<b>Total land, buildings and improvements</b>	<b>33 474</b>	<b>34 954</b>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value)	9 835	9 383
Less: Accumulated depreciation	(5 411)	(4 788)
<b>Total plant and equipment</b>	<b>4 424</b>	<b>4 595</b>
<b>Computer equipment</b>		
Computer equipment at cost (deemed fair value)	48	49
Less: Accumulated depreciation	( 47)	( 45)
<b>Total computer equipment</b>	<b>1</b>	<b>4</b>
<b>Total property, plant and equipment</b>	<b>37 899</b>	<b>39 553</b>

**Valuation of Assets**

The valuation of land and buildings was performed by a certified independent valuer from Valcorp Australia Pty Ltd as at 30 June 2014. The valuer arrived at fair value based on recent market transactions for similar land and buildings in the area taking into account zoning and restricted use.

	<b>Buildings</b>		<b>Work in</b>	<b>Plant and</b>	<b>Comp</b>	<b>Total</b>	<b>Computer</b>	<b>WIP</b>	<b>Total</b>
	<b>Land</b>	<b>&amp; improv.</b>	<b>progress</b>	<b>equip</b>	<b>equip</b>	<b>Tangible</b>	<b>software</b>	<b>Intangible</b>	<b>Intangible</b>
<b>2017</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount at the beginning of the period</b>	5 300	29 654	-	4 595	4	39 553	89	-	89
Additions	-	-	488	-	-	488	-	22	22
Disposals	-	-	-	( 35)	-	( 35)	-	-	-
Accumulated depreciation on disposals	-	-	-	35	-	35	-	-	-
Depreciation and amortisation	-	(1 480)	-	( 659)	( 3)	(2 142)	( 25)	-	( 25)
Transfer between asset classes	-	-	( 488)	488	-	-	22	( 22)	-
<b>Carrying amount at the end of the period</b>	<b>5 300</b>	<b>28 174</b>	<b>-</b>	<b>4 424</b>	<b>1</b>	<b>37 899</b>	<b>86</b>	<b>-</b>	<b>86</b>

**Museum Board**  
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**19 Intangible Assets**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Computer software</b>	155	132
Less accumulated amortisation	( 69)	( 43)
<b>Total computer software</b>	<b>86</b>	<b>89</b>
<b>Total intangible assets</b>	<b>86</b>	<b>89</b>

**20 Heritage collections**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Social/industrial history	587	587
Australian Aboriginal ethnology	35 140	35 017
Foreign ethnology	26 980	26 980
Australian polar collection	8 953	8 953
Archives/artwork	18 339	18 339
Archaeology	14 434	10 018
Mineralogy	18 984	18 789
Malacology	5 258	5 258
Australian biological tissue bank	6 586	6 582
Australian helminthological collection	16 025	15 991
Entomology	53 418	53 418
Arachnology	6 320	6 319
Marine invertebrates	29 484	29 332
Ichthyology	3 450	3 435
Herpetology	4 281	4 270
Ornithology	9 124	9 103
Mammalogy	16 310	16 310
Palaeontology	14 946	14 932
Rare books	4 260	4 260
Collections on instalments	500	-
Public program collection	248	248
<b>Total heritage collections</b>	<b>293 627</b>	<b>288 141</b>

**Museum Board**  
**Notes to and forming part of the Financial Statements**  
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**20 Heritage collections (continued)**

**Reconciliation of carrying amounts of heritage collections**

	Opening balance	Additions	Revaluations	Closing balance
2017	\$'000	\$'000	\$'000	\$'000
Social/industrial history	587	-	-	587
Australian Aboriginal ethnology	35 017	123	-	35 140
Foreign ethnology	26 980	-	-	26 980
Australian polar collection	8 953	-	-	8 953
Archives/artwork	18 339	-	-	18 339
Archaeology	10 018	-	4 416	14 434
Mineralogy	18 789	195	-	18 984
Malacology	5 258	-	-	5 258
Australian biological tissue bank	6 582	4	-	6 586
Australian helminthological collection	15 991	34	-	16 025
Entomology	53 418	-	-	53 418
Arachnology	6 319	1	-	6 320
Marine invertebrates	29 332	152	-	29 484
Ichthyology	3 435	15	-	3 450
Herpetology	4 270	11	-	4 281
Ornithology	9 103	21	-	9 124
Mammalogy	16 310	-	-	16 310
Palaeontology	14 932	14	-	14 946
Rare books	4 260	-	-	4 260
Collections on instalments	-	500	-	500
Public Program Collection	248	-	-	248
<b>Carrying amount at the end of the period</b>	<b>288 141</b>	<b>1 070</b>	<b>4 416</b>	<b>293 627</b>

**21 Investments**

	2017 \$'000	2016 \$'000
<b>Non-current</b>		
Shares and other direct investments in companies	1 823	1 662
<b>Total investments</b>	<b>1 823</b>	<b>1 662</b>

The market value of investments as at 30 June 2017 is \$1.8 million (\$1.6 million).

Of the four investment accounts; Museum Board, Norman B Tindale, Memorial Mawson Collection and Thyne Reid - there are restrictions in place for Norman B Tindale Memorial, Mawson Collection and Thyne Reid relating to funds totalling \$1.2 million (\$1 million).

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**22 Payables**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current payables</b>		
Creditors and accruals	761	840
Staff on-costs	127	125
<b>Total current payables</b>	<b>888</b>	<b>965</b>
<b>Non-current payables</b>		
Creditors and accruals	166	-
Staff on-costs	154	164
<b>Total non-current payables</b>	<b>320</b>	<b>164</b>
<b>Total payables</b>	<b>1 208</b>	<b>1 129</b>

Staff on-costs include Payroll Tax, ReturntoWorkSA levies and superannuation contributions. The Board makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of the proportion of long service leave taken as leave remains unchanged from the 2016 rate (40%) and the average factor for the calculation of employer superannuation on-cost has changed from the 2016 rate (10.2%) to 10.1% in 2017. These rates are used in the staff on-cost calculation. The net financial impact of these changes in the current financial year is immaterial.

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received.

**23 Staff benefits**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Annual leave	545	563
Skills and experience retention leave	72	59
Long service leave	188	181
Accrued salaries and wages	180	92
<b>Total current staff benefits</b>	<b>985</b>	<b>895</b>
<b>Non-current</b>		
Long service leave	1 676	1 779
<b>Total non-current staff benefits</b>	<b>1 676</b>	<b>1 779</b>
<b>Total staff benefits</b>	<b>2 661</b>	<b>2 674</b>

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave.

AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased from 2016 (2%) to 2017 (2.5%), and the resulting effect is immaterial.

**Museum Board**  
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**23 Staff benefits (continued)**

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4.0% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result there is no net financial effect resulting from changes in the salary inflation rate.

**24 Provisions**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Provision for workers compensation	16	6
<b>Total current provisions</b>	<b>16</b>	<b>6</b>
<b>Non-current</b>		
Provision for workers compensation	29	12
<b>Total non-current provisions</b>	<b>29</b>	<b>12</b>
<b>Total provisions</b>	<b>45</b>	<b>18</b>
<b>Reconciliation of the provision for workers compensation</b>		
Provision at the beginning of the financial year	18	28
Reductions resulting from re-measurement or settlement without cost	27	( 10)
<b>Carrying amount at the end of the period</b>	<b>45</b>	<b>18</b>

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2017 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is estimated cost of ongoing payments to staff as required under current legislation. The Board is responsible for the payment of workers compensation claims.

**25 Unrecognised contractual commitments**

**Operating lease commitments**

Commitments under non-cancellable operating leases at the reporting date not recognised as liabilities in the financial statements, are payable as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	19	24
Later than one year but not later than five years	39	8
<b>Total operating lease commitments</b>	<b>58</b>	<b>32</b>

The operating lease commitments comprise non-cancellable motor vehicle leases, with rental payable monthly in arrears. No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their terms.

**Museum Board**  
**Notes to and forming part of the Financial Statements**  
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**25 Unrecognised contractual commitments (continued)**

**Other commitments**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
No later than one year	1 222	1 049
Later than one year but not later than five years	1 068	217
<b>Total other commitments</b>	<b>2 290</b>	<b>1 266</b>

The Board's other commitments are for agreements for security and cleaning.

**26 Remuneration of board and committee members**

Members during the 2017 financial year were:

**Museum Board**

The Hon Dr J Lomax-Smith AM (Chair)

Prof D Adelson

Ms JH Brown OAM (term expired 11 August 2016)

Ms H Carreker (term expired 22 January 2017)

Ms AJ Duthie (appointed 28 February 2017)

Ms SY Edwards (appointed 28 February 2017)

Mr P Hanlon

Mr A Noble

Mr R Perkins (appointed 7 June 2017)

Mr D Rathman AM PSM

Ms TA Whiting (appointed 14 July 2016)

**Aboriginal Advisory Committee**

Mr D Rathman AM PSM (Chair)

Mr FH Lampard OAM

Ms S Miller

Mr T Sansbury (appointed 15 December 2016)

Ms E Tongerie (resigned 30 March 2017)

The number of members whose remuneration received or receivable falls within the following bands:

	<b>2017</b>	<b>2016</b>
	<b>No</b>	<b>No</b>
\$0 - \$9 999	11	12
<b>Total Number of Members</b>	<b>11</b>	<b>12</b>

**Museum Board**  
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**26 Remuneration of board and committee members (continued)**

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by members was \$14 000 (\$24 000).

Unless otherwise disclosed, transactions between members are on conditions no more favourable than those that is reasonable to expect the Board would have adopted if dealing with the related party at arm's length in the same circumstances.

Members of the Museum Foundation Board did not receive remuneration in 2016-17 or 2015-16.

**27 Related party disclosure**

The Board is a statutory authority established pursuant to the *South Australian Museum Act 1976* and is a wholly owned and controlled entity of the Crown. Related parties of the Board include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

The Board received annual recurrent operating grant of \$11 132 000 from Arts South Australia, a division of the Department of State Development. The operating grant is the primary source of revenue for the Board and disclosed under note 15.

In addition, the Board receives business services including from the Department of State Development and conservation services from Artlab Australia, a division of the Department of State Development. These services received free of charge are disclosed under note 13.

**Key management personnel**

Key management personnel of the Board include the Minister of the Arts, the members of the Museum Board and the Director of the South Australian Museum, all who have responsibility for the strategic direction and management of the Board.

Total compensation for the Board's key management personnel was \$300 000. Salaries and other benefits the Minister of the Arts receives are excluded from this total. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

**Transactions with key management personnel and other related parties**

There were no significant transactions between key management personnel and other related parties.

**28 Contingent assets and liabilities**

The Board is not aware of any contingent assets or liabilities as at 30 June 2017.

**Museum Board**  
**Notes to and forming part of the Financial Statements**  
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**29 Financial instruments/financial risk management**

Financial risk management

Risk management is managed by the Board's corporate services section and Board risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Board's exposure to financial risk (liquidity, credit and market) is insignificant based on past experience and current assessment of risk.

The Board is funded principally from appropriation by the SA Government. The Board works with the Department of Treasury and Finance to determine the cash flows associated with its government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

There have been no changes in risk exposure since the last reporting period.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset and financial liability are disclosed in note 2 Significant accounting policies.

The carrying amounts of each of the following categories of financial assets and liabilities: held-to-maturity investments; loan and receivables; and financial liabilities measured at cost are detailed below.

Category of financial asset and financial liability	Statement of Financial Position line item	Notes	2017	
			Carrying amount \$'000	Fair Value \$'000
<b>Financial assets</b>				
Cash and cash equivalents	Cash	16	3 440	3 440
Loans and receivables	Receivables <sup>(1)(2)</sup>	17	548	511
Investments	Investments	21	1 823	1 806
<b>Financial liabilities</b>				
Financial liabilities at cost	Payables <sup>(1)</sup>	22	1 606	1 606

Category of financial asset and financial liability	Statement of Financial Position line item	Notes	2016	
			Carrying amount \$'000	Fair Value \$'000
<b>Financial assets</b>				
Cash and cash equivalents	Cash	16	3 824	3 824
Loans and receivables	Receivables <sup>(1)(2)</sup>	17	637	637
Investments	Investments	21	1 662	1 564
<b>Financial liabilities</b>				
Financial liabilities at cost	Payables <sup>(1)</sup>	22	797	797



**Museum Board**  
**Notes to and forming part of the Financial Statements**  
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**29 Financial instruments/financial risk management (continued)**

<sup>1</sup> Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, commonwealth tax, audit payables, etc they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).

<sup>2</sup> Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 17 as trade and other receivables in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

**30 Events after balance date**

There are no known events after balance date that affect these financial statements in a material manner.