



**Government
of South Australia**

SOUTH AUSTRALIAN MUSEUM BOARD

2019-20 Annual Report

SOUTH AUSTRALIAN MUSEUM BOARD

North Terrace, Adelaide, South Australia 5000

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To:

Hon Steven Marshall MP
Premier of South Australia

This annual report will be presented to Parliament to meet the statutory reporting requirements of the *South Australian Museum Act 1976* and 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:

Teri Whiting
Chair, South Australian Museum Board

Date: 30 September 2020

Signature:

A handwritten signature in black ink, appearing to be 'Teri Whiting', written over a horizontal line.

From the Director



I am incredibly proud that we launched our first *Reconciliation Action Plan* with the support of Reconciliation Australia, the leadership of the Aboriginal Advisory Committee and the Museum Board. Staff across the Museum are now working collectively to ensure we meet our Reconciliation Action Plan goals.

The Premier, the Hon Steven Marshall MP, was a frequent visitor to the Museum including to launch *Collab*: a joint venture between the Museum, the History Trust, the State Library and the Art Gallery, supporting digital innovation, new knowledge and entrepreneurship across Adelaide's North Terrace cultural precinct and showcasing our varied digital collections to the world.

The Museum is fully supportive of the *Aboriginal Art and Cultures Centre* - to be built at Lot Fourteen. We are working closely with the government and are well placed to play a leading role supporting this project as custodian of the most comprehensive collection of Aboriginal material culture in the world. We received a major grant to improve the quality of storage of the Aboriginal collection to protect this irreplaceable cultural record.

The Museum engaged with a record 1.1 million people in 2019/20 through visits to North Terrace, Outreach programs and our national touring exhibition program. This year, the Museum recorded its highest ever January visitation since 2015 welcoming 2,613 visitors per day, and a total of 86,260 people in a single month. Like many other institutions our annual visitation was impacted due to a ten-week period of closure during the height of the COVID-19 pandemic from 26 March until 7 June.

The Museum also received the State Award for Cultural Tourism for a third successive year, and following this the Museum was admitted to the South Australian Tourism Awards Hall of Fame.

Onsite programming at the Museum continues to go from strength-to-strength with a program of high-profile activities staged throughout the year including events in

conjunction with the *Adelaide Fringe*, *National Reconciliation Week*, *the Australian Space Research Conference* and *National Science Week*. The Museum also hosted the highly successful *Museum of the Moon* installation on the front lawn in conjunction with the celebration of 60 years of the *Adelaide Fringe* and the opening of the *Australian Space Agency* in Adelaide. More than 13,000 people visited during this three-day special event.

We continued to focus on increasing access and opportunities to participate in programming at the Museum for visitors with disabilities. This included the first Dementia-friendly and focused program and all-ages Autism-friendly event. Overall Community Programs attracted over 200,000 participants to the Museum and at offsite events including *WOMAdelaide*.

The Museum's collections grew by 17,118 objects to over 4.84 million. Research grant funding totalled \$2,880,134 across 33 grants, including six new Australian Research Council grants. A total of 152 publications were produced including 135 peer reviewed papers and our staff delivered 17 conference papers. Associate Professor Mark Stevens secured a research role for the Museum in a \$36 million Federally government-funded Special Research Initiative for Excellence in Antarctic Science. The research coalition of 11 institutes led by Monash University will deliver world-leading research to forecast environmental change across the Antarctic, deploy effective environmental stewardship strategies, and secure Antarctica as a natural reserve devoted to peace and science.

The Museum has also been funded by the SA Government to facilitate the Kaurna Memorial Park Project. The project will repatriate Kaurna ancestral remains in a two-year program, in which the Kaurna community guides the facilitation of the Museum and other SA Government agencies.

Finally, in acknowledging the retirement of the Hon Dr Jane Lomax-Smith AM, our Board Chair, we thank her for her enthusiasm and dedication over the past nine years to support our aim to inspire wonder and curiosity about life on Earth. In these challenging times the Museum is seen as a safe, familiar and stimulating place to connect. We are delighted to have received such strong support of so many under such difficult circumstances during the year.



Brian Oldman

Director

South Australian Museum

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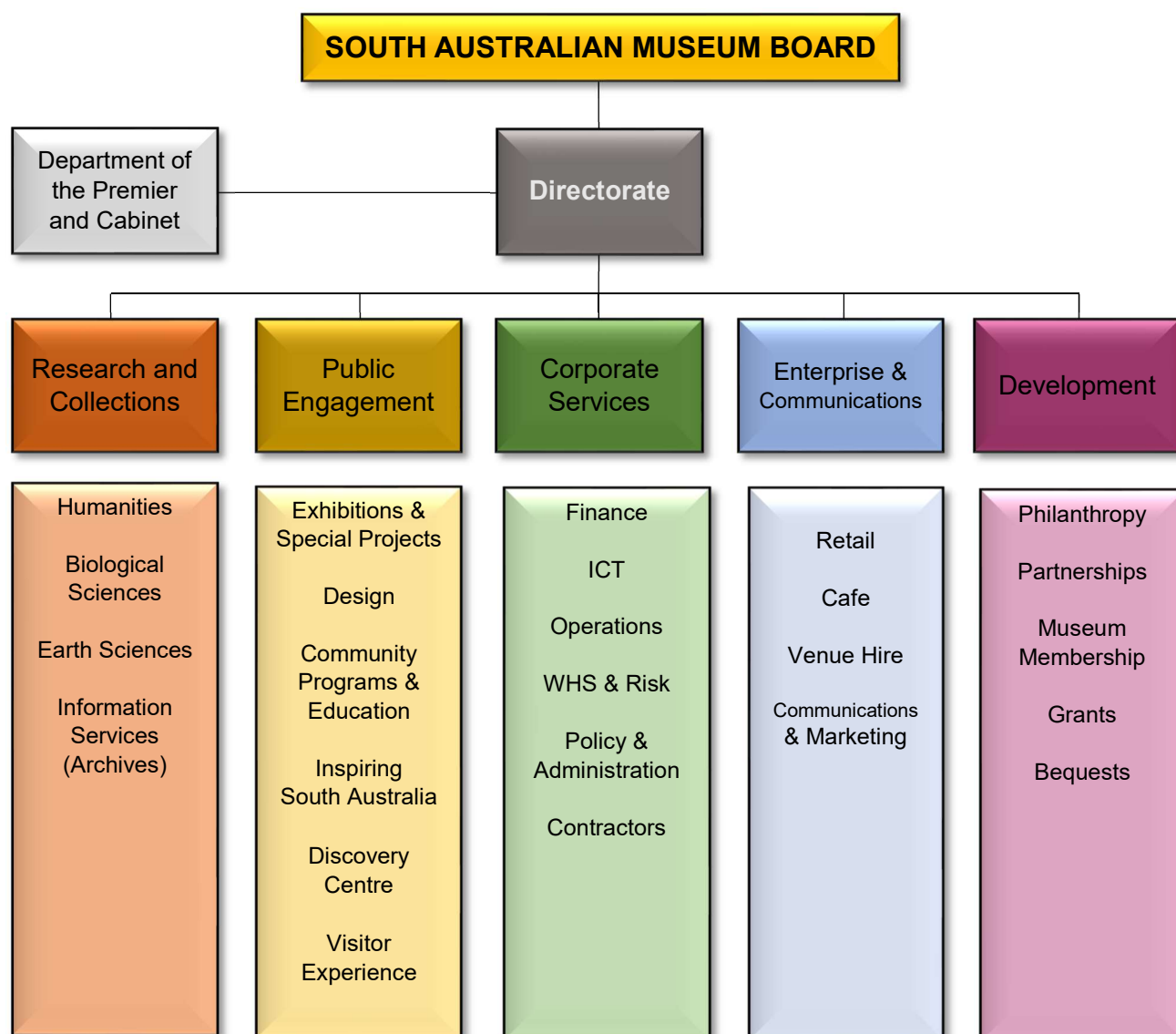
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Overview: about the agency

Our strategic focus

Our Purpose	To inspire in all people a wonder and curiosity about life on Earth.
Our Vision	We will use our world-class collections to create and share new knowledge, focusing on Australian Aboriginal and Pacific cultures, Earth and Life Sciences.
Our Values	<ul style="list-style-type: none"> • Present a modern visitor focussed Museum. • Demonstrate excellence in our collections, research and science. • Secure our long-term funding through multiple strategies. • Deliver vibrant and engaging programmes linking collections and research.
Our functions, objectives and deliverables	<ul style="list-style-type: none"> • Seek to maximise visitor satisfaction. • Integrate, connect and leverage our collections and research to generate new knowledge. • Develop our strategic partnerships. • Develop our public programmes and engagement capabilities. • Ensure that the Museum operates as a modern, effective and efficient organisation. • Redevelop the Museum site as funds permit. • Ensure the economic sustainability of the Museum.

Our organisational structure



Changes to the agency

During 2019-20 there were no changes to the agency's structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister

The Hon Steven Marshall MP, Premier of South Australia, is the responsible Minister for the *South Australian Museum Act 1976*. The Premier oversees:

- Aboriginal Affairs and Reconciliation
- Defence and Space Industries
- Tourism
- The Arts
- Veterans' Affairs
- Multicultural Affairs

Our Executive team

Brian Oldman, Director, is responsible for the day-to-day operations and strategic direction of the Museum.

Simone Bannister, Manager Enterprise and Communications, is responsible for leading the retail, hospitality, venue hire and marketing communications operations of the Museum to maximise long-term revenue streams and optimise the Museum's profile to the public and key stakeholders, promoting the Museum brand, its research and collections, public programs, membership and revenue-generating activities.

Steve Donnellan, Head of Research and Collections, is responsible for overall collection management and research outcomes at the Museum. The role supports achieving the Museum's strategic research objectives, the provision of concepts and content to the Museum's exhibitions and participation in outreach programs, and the Humanities repatriation and family history programs.

Brenton Macdonald, Manager Corporate Services, is responsible for leading the provision of corporate services at the Museum. This includes managing the financial systems and operational budgets, facilities management, operations, ICT, digital innovation, administration, WHS and risk management. It also includes managing the contractual arrangements at the Museum for the provision of security and cleaning services.

Jenny Parsons, Head of Development, is responsible for all fundraising initiatives, including major gifts from individuals, corporations, foundations and government sources, strategic partnerships, annual fund, membership and special events. These efforts support the full range of Museum activities including exhibitions, educational outreach programs, early learning initiatives, skills and training programs, scholarships, acquisitions, and general operations.

Justine van Mourik, Head of Public Engagement, is responsible for managing exhibitions and programs, both intrastate, interstate, and internationally, as well as managing the Museum's front of house, Discovery Centre and overall visitor experience. This includes increasing the connectivity between the Museum's research outcomes and their presentation to the public through engaging and informative exhibitions, community and outreach programs and education initiatives.

Legislation administered by the agency

South Australian Museum Act 1976

The agency's performance

Performance at a glance

The South Australian Museum had another record-breaking year reaching 1.1 million people in 2019-2020 through visits to North Terrace, Outreach program, and our national touring exhibition program.

A total audience of 26,450,491 was reached through traditional media, with an equivalent advertising space rate of \$12,172,220. The Museum's social media accounts (*Twitter, Instagram, YouTube, LinkedIn* and *Facebook*) have a follower total of 56,647. Followers have increased by 10.7% from last year. Across all platforms, published posts are up by 20.1% and link clicks (through to website) have increased by 33%. The Museum employed online engagement strategies in response to its closure during the COVID-19 pandemic, launching Content for Connection (CFC) platform and rebranding the Museum's YouTube channel. The channel re-brand resulted in a 1118% increase in YouTube subscribers and 407% increase in views. In its launch month, the CFC webpage was capturing half of all Museum website views, while the average time on the CFC page was 4:45 minutes compared to 1:24 minutes average across the site – a 258% increase.

26 public exhibitions were presented in 2019-20, with far-reaching program activities attended by 202,034 participants across the State. Even with COVID-19, the Museum was able to present a wide range of culturally enriching experiences; to meet the needs of diverse audiences; school students; those with disabilities; and families in regional and remote areas.

The Museum, in partnership with the Museum Foundation, exceeded its fundraising target for the fifth successive year, with a record total of \$2.6 million raised through grants, donations, sponsorships and partnerships in order to support efforts across the Museum.

\$2.88 million in new research funding was received to support the Museum's research outcomes, including 19 national and one international grant. There were 17,118 new objects added to the collection, which now contains more than four million objects.

In 2019-20, our research collaborations continued to generate important new knowledge about our cultural and natural heritage with our Museum researchers maintaining 188 research collaborations, of which 39% were internationally based, 55% were with universities and 24% were with other museums.

Museum staff were highly active in supporting careers in science by supervising 26 PhD students and undertaking 1,765 hours of academic teaching. There were 56 honorary researchers and associates involved directly in our research at the Museum, with 5,548 items loaned for research purposes.

After 22 years of using the 'footprint' logo, the Museum rebranded in November 2019. The Museum's new logo uses the Penrose triangle, an optical illusion that helps us question and rethink our perception and assumptions. This echoes the nature of the Museum's core mission of research as an ever-changing journey and our new brand positioning statement: *alive with wonder*.



Agency contribution to whole of Government objectives

Key objective	Agency's contribution
More jobs	The Museum is increasing the proportion of jobs that are funded through external means such as grant funding, partnerships, or philanthropic support.
Lower costs	The Museum met the mandated savings target for 2019/20.
Better Services	A new position of Visitor Experience Manager was created.

Agency specific objectives and performance

Agency objectives	Indicators	Performance
Maximise Visitor Satisfaction	Award Winning / Industry Recognition Ensure the Museum is recognised by its peers as a destination of choice for visitors.	The Museum received the State Award for Cultural Tourism for a third successive year, and following this the Museum was admitted to the South Australian Tourism Awards Hall of Fame.
	Visitation (North Terrace) Ensuring that the Museum continues to engage with a diverse audience, including repeat visitation.	<p>The Museum welcomed a total of 592,790 visitors to the North Terrace site which included record visitation of 86,260 people in January 2020.</p> <p>A dedicated Visitor Experience Manager was recruited and commenced in February 2020 to develop a holistic visitor experience strategy.</p> <p>A team of 15 Volunteer Guides took 4,250 visitors on Museum guided tours.</p>
	Major Events Over the weekend 14 to 17 February the South Australian Museum hosted the <i>Museum of the Moon</i> , a touring artwork by UK artist Luke Jerram, on the front lawns. Measuring seven metres in diameter, the moon features 120dpi detailed NASA imagery of the lunar surface. The installation was to celebrate 60 years of the <i>Adelaide Fringe</i> and the official opening of the <i>Australian Space Agency</i> and <i>SmartSat CRC</i> , at South Australia's innovation neighbourhood Lot Fourteen. The Museum won a major sponsorship for the activation of	<p>More than 13,000 people (13,353) visited the installation over the weekend period and the <i>Museum of the Moon</i> was accompanied by a successful pop-up catering activation, the <i>Lunar Lounge</i>.</p> <p>Face-to-face programs: 36,053 Digital programs:</p>

	<p>its North Terrace forecourt through a new program called <i>Museum Alive</i>. This initiative enabled the delivery of a wide range of large-scale STEM-focused public programs on the front lawns from July 2019 that drew record-breaking audiences. It supported daytime and evening experiences that appealed to diverse visitors. The unexpected onset of COVID-19 resulted in a number of programs shifting to digital experiences from April, which had many positive outcomes including extending the Museum's online reach and creating sustainable and widely accessible content.</p>	<p>157,401. These numbers are based on a combination of ticket sales, bookings, online engagement and visitor counts for events that required no bookings.</p> <p>A major offering of this program was the School Holiday Program for children aged 5-12. In 2019-20, the holiday programs explored themes of frogs, Space Fest and canines.</p>
Integrate, connect and leverage our collections and research to generate new knowledge	<p>Collections Access During the year the Museum processed collection loans for 5,548 objects or specimens, to 63 institutions across six countries. Additionally, data from our collections was downloaded from the Atlas of Living Australia on 9,997 occasions, a cumulative total of more than 8.7 million records.</p>	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.
	<p>Collections acquisition The Museum added 17,118 objects valued at \$1,072,121 to its collections of over 4.84 million objects, representing more than 600 million years of life on Earth.</p> <ul style="list-style-type: none"> ○ The Museum acquired a suite of five paintings that represent the beginning of the public art movement in the Billiluna community, on the northern edge of central desert in WA. The paintings, from three of the key artists of this school, depict the coming of the milkwater – a key ecological event marking the seasonal rains around the country at Purkitji – Sturt Creek. These 	

are five of the earliest known works in the history of contemporary painting from the Billiluna community.

- Archives received a donation of Native Title Connection Reports prepared by Robert William Ellis in support of several Adnyamathanha Native Title claims. Ellis has worked closely with the Adnyamathanha since the 1970s and is considered an Elder. His reports document Adnyamathanha history, contain detailed genealogical information relating to the applicants and their continued connection to country. The Archives is a national resource that is accessed by researchers and Aboriginal peoples for Native Title. The Flinders Ranges is under-represented, so the Ellis' donation will be a permanent resource for families that will be held in trust for future generations. Robert Ellis has had a long career in Aboriginal Cultural Heritage that commenced in 1970 and included roles in South Australia, Queensland and the Northern Territory.

Research: Grant Funding

The Museum won 12 new grants this year contributing to the \$2,749,167 in competitively-won research grant funds that supported our research across the humanities and the biological and geological sciences in 2019-2020.

In addition to securing research grants, conducting research and publishing findings, Museum researchers were, once again, highly active in leading the next generation of South Australians into careers in science.

<p>Associate Professor Mark Stevens secured a research role for the South Australian Museum in the “once in a lifetime” Australian Research Council’s Special Research Initiative for Excellence in Antarctic Science. The Federal Government awarded \$36 million to a Monash University led research coalition of 11 institutes to “Secure Antarctica’s Environmental Future”. Change in the Antarctica and the Southern Ocean is occurring rapidly, with significant implications for its landscapes, resources and influence on Australia. In response, the research coalition will deliver world-leading research that will forecast environmental change across the Antarctic, deploy effective environmental stewardship strategies, and secure Antarctica as a natural reserve devoted to peace and science.</p>	
<p>Research Publications Museum personnel produced a total of 152 publications which included 135 peer reviewed scholarly papers. Our staff also delivered 17 conference presentations. This output has maintained a publication output per researcher equivalent to the Museum’s rolling five-year average.</p>	<p>Attracting research funding to the Museum generated employment and study opportunities in the State.</p>
<p>Research Academic Engagement Museum personnel supervised 32 higher education students (including 26 at PhD and MSc level). This equated to an average of 2.8 students supervised per Museum researcher. Museum personnel delivered a total of 2077 hours of academic teaching.</p>	

	<p>Research Collaborations</p> <p>Museum researchers maintained a total of 181 research collaborations, 72 of which were internationally based, and 109 which were within Australia. Additionally, 55% of all research collaborations were with universities, 15% with government agencies, 3% with private entities, 24% with other Museums and 3% with Art/Cultural organisations.</p>	
Develop our strategic partnerships	<p>Inspiring South Australia</p> <p>The Museum hosts this collaborative partnership with Questacon (Federal Department for Industry, Science, Energy and Resources), the SA Government and our three major universities: University of Adelaide, University of South Australia, and Flinders University. Productive partnerships with many other organisations have also been developed.</p>	<p>Along with the major partners, Inspiring South Australia has project partnerships with several organisations such as Libraries SA, Children's Discovery, and numerous government agencies and non-government organisations. Through these partnerships, Inspiring South Australia has delivered many highly successful and diverse engagement and communication projects.</p>
Develop our public programmes and engagement capabilities	<p>Community Programs</p> <p>In 2019-20, the Museum delivered 60 targeted engagement programs for diverse audiences, including school students and educators, people with disabilities and people in remote and regional communities, as well as the general public.</p> <p>Highlights from 2019-20 included the first all-ages Autism-friendly evening at the Museum, 'bush classroom' engagement in the APY Lands, hosting the Aboriginal Summer School for Excellence in Technology and Science (ASSETS) program, and the first digital presentation of the popular Young Explorers</p>	<p>The South Australian public was, once again, presented with more activities and more opportunities to engage with the Museum's programs, bringing them into contact with a wide range of natural and cultural heritage.</p> <p>The onset of the COVID-19 pandemic saw the cancellation of a number of large-scale onsite programs and events planned for early 2020, including the popular <i>Fossil Fest</i> program, which saw record attendance in 2018-19.</p>

	<p>program for National Reconciliation Week.</p> <p>202,034 people participated in these programs, expanding on the previous year's record engagement of 184,199 and despite the COVID-19 pandemic which resulted in the cessation of face-to-face programming at the end of March 2020 and the closure of the Museum over a 10-week period.</p>	<p>In response the Museum was able to quickly adapt its programming for a digital audience including presenting Young Explorers, School Holiday programming and National Reconciliation Week activities in an online format for the first time.</p>
	<p>Discovery Centre The Discovery Centre is open daily servicing two main target audiences: families seeking hands-on activities with natural and cultural specimens; and members of the public who have a specific query or specimen that they seek Museum expertise in identifying. The Centre includes a reference collection of natural history specimens, that can be loaned and a library of books and fact sheets to assist with public queries. The Centre's collection of live animals, including a working beehive, is very popular with family visitors.</p>	<p>From 1 July 2019 until 30 June 2020 the Discovery Centre received 4,663 enquiries via telephone, email and in person. Following the closure of the Museum in late March 2020, the Discovery Centre moved to an online identification service receiving and answering more than 1,616 enquiries from across Australia and the world over the FY. The Centre also hosted 53 school visits and facilitated 20 object loans.</p>
	<p>Inspiring South Australia Inspiring South Australia has continued its program of broad and inclusive community science engagement throughout metropolitan and regional areas and successfully contributes to the implementation of the national Inspiring Australia Strategy. The Inspiring South Australia Manager position is funded through the collaborative partnership and is responsible for coordination, facilitation and support of local networks and delivery of engagement and communication programs, while contributing to national networks</p>	<p>Inspiring South Australia has oversight of <i>National Science Week</i> in SA which recorded a steady increase both in diversity of events and audiences. Our <i>Science for Early Childhood</i> program transitioned to an online environment to retain community access during COVID-19 restrictions. Four Science Arts Collaboration grants projects delivered innovative engagement opportunities for diverse audiences.</p>

	to improve the coordination of science engagement activities across Australia.	<i>Science@theFringe</i> guide was produced for the third consecutive year in collaboration with the <i>Adelaide Fringe</i> . Our partnership with the Premier's Reading Challenge STEM received a record 1,000 entries. An enriched collaboration involving with <i>SmartSat CRC</i> has been developed for 2020.
Ensure that the Museum operates as a modern, effective and efficient organisation	Digital Initiatives The introduction of digital initiatives in order to make our collections more engaging and accessible for both visitors, staff and other stakeholders.	<p>Following the COVID-19 pandemic and the closure of the Museum to the public the Museum quickly realigned its program delivery methodology resulting in the first digital online presentation of a number of the Museum's popular programs including the <i>Sprigg</i> Lecture series, <i>Young Explorers</i>, and a minerals focused April School Holiday program. Alongside this, there were a number of new initiatives to engage the public, including a series of STEM-focused activities that could be done from home.</p> <p>The <i>Shadow Initiation</i> digital adventure game partnership with Adventure Mode expanded its reach to include schools, vacation care groups, and other groups choosing to visit the Museum. This digital experience for all ages activates the permanent galleries of the Museum, and was featured in the Summer 2019 Museums Galleries Australia</p>

		<p>Magazine – a key industry magazine for the cultural sector.</p> <p>We trialled three premium late-night ticketed opportunities to play the Shadow Initiation called <i>After Dark: the Shadow Initiation</i>. These events were held on 26 July 2019, 11 October 2019, and 7 February 2020. All sold out in advance, and each hosted 180-200 guests.</p>
Redevelop the Museum site as funds permit.	The Museum commenced a \$3.226 million upgrade of the storage facilities for the Australia Store Collection. This project will be completed by 30 June 2021.	
Ensure the economic sustainability of the South Australian Museum	<p>Venue Hire</p> <p>The Museum activated its permanent galleries, historic Armoury building and surrounding lawns for weddings, corporate events, social gatherings and meetings. The revenue generated from venue hire contributes to the maintenance of the Museum's collections and funds vital research projects.</p>	<p>Venue Hire hosted 88 private events, generating revenue of \$94,429 from July 2019 to March 2020. No events took place between April – June 2020 due to COVID-19. During COVID-19 restrictions, Venue Hire rescheduled or cancelled 22 events which resulted in a \$106,830 reduction in planned revenue – comprised of \$30,620 in venue hire revenue and an additional \$76,210 revenue loss from event catering and <i>Journey Beyond</i> events. <i>Journey Beyond</i> gave the Museum an 82% visitor satisfaction rating for the period of July 2019 to March 2020 and will be renewing their contract with the Museum for a further 18 months.</p>

		<p>Preferred catering supplier, EPICURE, terminated operations in South Australia due to COVID-19. Venue Hire has appointed two new South Australian family owned caterers, <i>Out in the Paddock</i> and <i>Blanco Catering</i>, to assist with external catering requirements.</p> <p>Venue Hire has created a new 'Kids' Birthday Party' offering including an updated menu, entertainment on the day and birthday party materials for the children and has been managing all bookings as of April 2020.</p>
	<p>Museum Shop The Museum Shop is operated by the Museum Foundation for the benefit of the Museum and all profits are reinvested into supporting the Museum's activities.</p>	<p>Shop highlights from 2019/20 include:</p> <ul style="list-style-type: none"> • A revised merchandise strategy for the <i>Nature Photographer of the Year</i> exhibition saw the Museum Shop create a retail space within the exhibition, while developing a limited-edition tote bag. Opening weekend merchandise revenue increased by 49% compared to 2018, while at the conclusion of the exhibition run, conversion of exhibition visitors to merchandise sales increased from 8% to 11%. • Merchandise for <i>Dogs: a story of our best friend</i> exhibition continued efforts to increase visibility of

		<p>the Museum Shop outside the store footprint. The development of merchandise taster and interactive <i>Puppy Parade</i> in the North Foyer aided conversion of visitors to shop purchases, while increasing dog plush sales without cannibalising other plush sales.</p> <ul style="list-style-type: none"> • <i>Museum Store Sunday</i> is the global annual day to shop conscientiously and support museum stores and their missions worldwide. On Sunday 1 December the Shop executed a fun-filled day of activities and incentives to encourage visitor spend within the Museum Shop, resulting in the Shop tripling its usual Sunday takings. <p>The Museum Shop made an end of year (EOY) net result of \$23,357. The confluence of a ten-week period of closure during the COVID-19 pandemic and tentative consumer confidence has affected the Museum Shop's EOY result.</p>
Ensure the economic sustainability of the South Australian Museum	<p>Museum Café</p> <p>The Museum Café is operated by the Museum Foundation for the benefit of the Museum and all profits are reinvested into supporting the Museum's activities.</p>	<p>The Museum Café farewelled its long-term Café Manager in November 2019 and welcomed a new Hospitality Operations Manager in December 2019. A strategic</p>

		<p>reshaping of the role placed greater emphasis on catering for internal and external events. A review of operations involved:</p> <ul style="list-style-type: none"> • Floorplan improvements to increase customer interaction and speed of service • Tightening of cost of goods and supplier relationships • Menu updates for Café and development of an all-new catering offering • New coffee supplier appointed and loyalty system implemented • Expansion to breakfast service for staff • Menu and experience upgrade for Journey Beyond bookings • Development of pop-up equipment for bar and coffee service to support events and programs. <p>Due to the COVID-19 pandemic, the Museum Café closed to the public in March 2020. In April 2020, the team launched SAM Coffee Hut, a pop-up takeaway business model. This innovation has seen the Café covering its operational costs during the pandemic, reaching a new customer base and realising a long-held aim for the Museum to engage and provide hospitality to the public on North Terrace.</p>
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		The Museum Café made an end of year (EOY) net result of \$19,258 in June 2020.
	Philanthropy The Museum achieved a record \$2.6 million in fundraising income for 2019/20 – through grants, sponsorships, partnerships, memberships, donations and major gifts. This is the fifth consecutive record year in fundraising performance delivered by the Museum, with significant support by the Museum Foundation and Waterhouse Club.	Over \$1.6 million of the donations received in 2019/20 were made by private individuals or foundations seeking to support the Museum in deeply meaningful and transformative ways including supporting research salaries, facility upgrades, major acquisitions, new exhibitions and new technologies.
	Museum Membership Museum Membership was launched in August 2015, and since that time has grown into a highly valued and engaged group of supporters who enjoy frequent connection with the Museum, its collections and programs.	6,804 people have been members of the program since it was launched in 2015. Currently there are 3,279 active members, with the most popular categories being Family (23%), Joint Concession (23%) and Concession (12%). Programs offered specifically for members included Member Mornings, the Annual Night at the Museum sleepover, Spooktacular Halloween, Museum Capers PJ Parties, and exhibition previews and free entry.
	Corporate and Institutional Giving Companies, businesses, universities, foundations and all levels of government are essential and enabling partners	Sponsors, Corporate Partners and Corporate Members in 2019/20 were (alphabetically):

	<p>of the Museum. There are many ways these entities can support and progress the work of the Museum, and also be vital collaborative partners who support our research, education, and general operations.</p>	<p>Adventure Mode, Australian Hiring Company, Australian Geographic, Beach Energy, Campfire Content, John & Yvonne Chamberlain, Coral Expeditions, Dr Jones & Partners Medical Imaging, Dentons Fisher Jeffries Edible Blooms, Emali Early Learning Centre, Epicure Catering, Finsbury Green Kali Hunter Enterprises, L R & M Constructions, Leedall, Lush Lighting, Novatech Creative Event Technology, Randy Larcombe film + stills, Scene Change, SES Industrial Services, Streets / Unilever Visualcom, WOMADelaide, and Xtrashiny.</p> <p>Beach Energy provided a major sponsorship for the Museum Alive program which made possible the delivery of a wide range of large-scale STEM-focused public programs on the front lawns from July 2019 that drew record-breaking audiences.</p> <p>The Museum embarked on an exciting and significant new partnership with the Department for Energy and Mining to deliver their earth and geosciences educational programs for</p>
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		<p>students, schools and general visitors.</p> <p>The Museum was also grateful to further deepen its engagement with the Department for Education with the renewal of a partnership that will provide a second year of funding for the Aboriginal Education Project Coordinator.</p> <p>The Department for Environment and Water renewed their engagement with the Museum in the delivery of public displays that highlight the importance of South Australia's biodiversity. The Bee Ecology display, generously funded by DEW, will open for Biodiversity month in September 2020.</p> <p>Visions Australia, the Commonwealth government's regional exhibition touring program, continued to support the multi-year national tour of <i>Yidaki: Didjeridu and the Sound of Australia</i> with a major grant.</p>
Develop our public programs and engagement capabilities	Social Media Engagement Social media provides a unique platform to connect with the public, and create an engaged community following for science, humanities, research and collections, exhibitions, events, programs, membership and commercial, as well as enabling the Museum to be responsive to the public in real time.	The Museum's social media accounts (Twitter, Instagram, YouTube, LinkedIn and Facebook) have a follower total of 56,647. Followers have increased by 10.7% from last year. Across all platforms, published posts are up by 20.1%, link clicks (through to

		<p>website) have increased by 33%. Social media campaign highlights include:</p> <p>Content for Connection</p> <ul style="list-style-type: none"> • Shared 315 posts across all social media platforms. • Rebranded the Museum's YouTube channel, resulting in a 1118% increase in subscribers and 407% increase in views. • The most engaged hashtags were #Play, #FlashbackFriday and #BackyardBiodiversity. <p>Dogs: a story of our best friend</p> <ul style="list-style-type: none"> • Campaign has received over 1 million impressions, over 200K engagements and over 30,000 link clicks • The series of videos created to promote the exhibition have received 185,207 total views • The social media campaign was the number one driver for "how did you hear" responses <p>Museum of the Moon</p> <ul style="list-style-type: none"> • Our link clicks increased by 47% during Museum of the Moon • Over 64K impressions • 864 mentions of the #MuseumoftheMoon hashtag over the weekend activation • Generated 171 new Instagram followers.
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<p>Traditional Media Engagement Media reach is vital for adding to the visibility and credibility of the South Australian Museum among the public and stakeholders, and allows the Museum to deliver information and messages while developing our audience.</p>	<p>In the 2019/2020 financial year there was a total of 1,782 items about the South Australian Museum in traditional media, reaching a total audience of 26,450,491 people with an advertising space rate of \$12,172,220.</p>
<p>Website Engagement The Museum's website is a key communication tool to communicate the Museum's dynamic offering to audiences locally and internationally.</p>	<p>Since the new website launched in November 2019, highlights include:</p> <ul style="list-style-type: none"> • A 35.58% increase in time on page from the previous period, with all gains taking place from new website launch. • A 52% increase of user acquisition from social media over the previous period, with a 3% reduced bounce rate from social channels. • An 8.5% decrease in average page load, 20% reduction in average server response time, and 15% reduction in average page download time. • The <i>Australian Geographic Nature Photographer of the Year</i> homepage was the most visited page for the 2019/2020 period (making up 6.12% of the website traffic), closely followed by the Dogs event page with 5.04% of all site traffic for the year. <p>Content for Connection (CFC)</p>

	<ul style="list-style-type: none"> • The Communications team launched the platform to provide digital engagement during the Museum's COVID-19 closure. • During its launch month (April 2020), website session length was up by 20% and CFC was the most visited page on the site, followed by the School Holiday Program. • During April, CFC saw 8,669 sessions. In contrast, the entire site usually sees 15-16K sessions a month. • The average time on the CFC page was 4:45 minutes compared to 1:24 minutes average across the site.
Electronic Direct Mail (EDM) marketing Email marketing is a key communication tool to communicate the Museum's dynamic offering in a targeted, action-oriented manner.	<p>The Communications Team manages the EDM program to 13,363 subscribers, and has seen a 2.4% increase in subscribers in the last FY.</p> <p>Our EDMs saw a surge in click-through rates in April with the announcement of <i>Content for Connection</i> and the April School Holiday program going online.</p>
Exhibitions Although on-site visitation due to the COVID-19 pandemic was halted for several months this year, the Museum still mounted 6 exhibitions on site, 9 offsite and 11 onsite displays with a total viewing audience of 965,508.	<p>An increase from 23 to 26 exhibitions and displays demonstrates the Museum's determination to provide greater engagement to visitors on and off site.</p> <p>This year showcased another original Museum-</p>

	<p>There was an increased focus on the development of more agile displays to invigorate high traffic areas and permanent galleries such as <i>Kondoli: Keeper of the Fire</i>, <i>Pacific Cultures Treasure Cases</i>, mineral collection <i>Focus Cases</i> and impressive singular objects from the Museum's collection.</p> <p>South Australian Museum exhibitions and displays were also presented various locations, locally, regionally and interstate in Victoria, New South Wales, Queensland, Western Australia and the Australian Capital Territory.</p> <p>Improvements to the permanent galleries continued with several cosmetic and infrastructure updates. Examples of this included the procurement and installation of more energy efficient lighting, restructuring temporary display to be housed in unused areas of the galleries and attention to collection material displays at risk.</p>	<p>curated and developed exhibition with <i>Dogs: A story of our best friend</i>. This exhibition is designed to be a touring product and as such will be a valuable and sustainable product for the Museum going forward.</p> <p>The Museum's annual <i>Australian Geographic Nature Photographer of the Year</i> exhibition once again generated solid attendance onsite and offsite versions in other states.</p> <p>Several exhibitions and displays focussing on Aboriginal narratives, cultural material and artwork where staged at and by the Museum including: <i>Minaaka Apinhanga – Through Many Eyes</i>. Curated by Rhodes Scholar and South Australian Museum Early Career Researcher Rebecca Richards, and supported by a grant from the Australian Executor Trustees as part of the Museum Pathways program.</p> <p><i>Still In My Mind</i>. Curated by Brenda L. Croft and presented at the South Australian Museum as part of the 2019 Tarnanthi Festival.</p> <p><i>McMahon Collection</i>. A comprehensive survey of paintings by Ngaanyatjarra artists, donated to the South Australian Museum by</p>
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		<p>Brian and Rosanne McMahon.</p> <p>The Museum continued with another season of <i>Her Story: Women in STEM</i> displays highlighting the contribution of women to science.</p> <p>After a well-received run in the North Foyer the <i>Cambrian Animals</i> display moved up to the 3rd floor as semi-permanent display.</p> <p>The Museum continues to tour several important exhibitions as part of its program. Highlights include:</p> <p><i>Yidaki: Didjeridu and the Sound of Australia</i> at the Queensland Museum. This continues to be the Museum's most successfully staged major touring exhibition.</p> <p><i>Manggan</i>. Created in partnership between Giringun Aboriginal Corporation and the South Australian Museum continued its successful national tour.</p>
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Corporate performance summary

The Museum had a fifth record year for revenue generated, with a total of \$2.6 million raised. The Museum received a total of \$14.812 million from the State government. This contribution from State government was the Museum's operating grant and further grants received for specific project funding.

We continued to create roles in partnership with the University of Adelaide and Flinders University. Three new joint appointments have been agreed with the University of Adelaide for new research positions. These will be in palaeontology, critical minerals and marine biology. This will enable the Museum to maintain its

reputation as Australia's leading research Museum and harness the benefits of closer collaboration with universities in the State. These new appointments will all be in place during 2020.

The development of digital capability continues to be a key focus. The Museum created a new digital platform, *Content for Connection*, which is creating new content across the range of the Museum's activities that are available globally 24/7. The Museum's YouTube channel was relaunched and an Arts SA grant was obtained to develop digital content with partners including *Aboriginal Writers*, *Guildhouse* and *Chamber Music Adelaide*.

Employment opportunity programs

Program name	Performance
Museum Pathways Program	<p>The South Australian Museum can offer unique opportunities for young people to gain in-depth knowledge and skills to help equip them to thrive in future career opportunities. This is particularly true for Science, Technology, Engineering, and Mathematics (STEM) learning.</p> <p>The Museum Pathways program is designed to provide meaningful scholarly and skills-based learning opportunities at various levels of study, and in disciplines relevant to the Museum's state responsibilities and strategic research objectives.</p> <p>Currently the program includes the following elements all externally funded:</p> <ul style="list-style-type: none"> • Summer Undergraduate Scholarship • Scholarship for a PhD student • Early Career Researcher in Minerals (to be recruited) • Return to work assistance for researcher parent • ABRS Postdoc Researcher in Entomology
Aboriginal Pathways	<p>As an institution with extensive Indigenous holdings there is a further imperative to support training and employment opportunities through a specific path for young Australian Aboriginal and Torres Strait Islander people.</p> <p>Currently these are the following, all externally funded:</p> <ul style="list-style-type: none"> • Aboriginal Cadetships • Early Career Researcher in Humanities • The William and Margaret Geary Curator of Aboriginal and Torres Strait Island Art and Material Culture • Repatriation Officer
ATSI and Disability percentages	<p>The South Australian Museum attained an Aboriginal and Torres Strait Islander (ATSI) employment level, by head count, of 10% against the DPC goal of 4%.</p> <p>The Museum attained a disability employment score of 5.00%, by head count, compared with the DPC goal of 2.53%.</p>

Agency performance management and development systems

Performance management and development system	Performance
The Department of the Premier and Cabinet's 'Performance Development Plan' program was in place throughout the year.	As at 30 June, a total of 65.5% of employees have a Performance Development Plan in place.

COVID-19

The COVID-19 outbreak was declared a national pandemic in Australia on 27 February 2020.

The Museum was closed to the public from 17:00 Wednesday 25 March 2020.

Staff who were able to work from home were permitted to make "working from home" arrangements with their managers.

Information and training were provided to workers and managers to support the changes to their working arrangements. Alternate methods of communication were provided including phone, email and video meetings (TEAMS and Zoom).

Information and training were provided for staff to be aware of their responsibilities regarding social distancing and hygiene requirements.

The Museum re-opened to the public at 1000 on Monday 8 June 2020, after completing a comprehensive Step 2 COVID Safe Plan that ensured that social distancing and hygiene protocols were in place, the capacity of each public space was determined with a maximum of 300 members of the public for the entire Museum building, monitored and managed to ensure that the conditions of the plan were not breached.

Restrictions were eased and the capacity of public spaces was increased to 800 on Monday 29 June 2020, the Museum introduced the Step 3 COVID Safe Plan.

A comprehensive, dynamic COVID-19 risk assessment and plan for staff and workers continues to be developed and managed.

Significant Museum resources have been provided to ensure that the Museum complies with all directions from the SA Government and SA Health to manage COVID-19 and this continues.

Work health, safety and return to work programs

Program name	Performance
Q-Fever management program	Employees and volunteers assessed as at risk for exposure to Q-Fever virus were identified and assessed for vaccination. Testing and vaccinations required was undertaken.
Flu vaccination	46 workers participated in the Flu vaccination program.
iLearn training	iLearn is the Learning Management System used by Museum to deliver mandatory WHS training. 74% of WHS training was completed.
External training	12 staff participated in first aid training. 2 staff participated in 4-wheel drive training. 20 staff participated in warden training

Workplace injury claims	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Total new workplace injury claims	2	2	0
Fatalities	0	0	0
Seriously injured workers*	0	0	0
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0

*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)

Work health and safety regulations	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	1	-100%
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	0

Return to work costs**	Current year 2019-20	Past year 2018-19	% Change (+ / -)
Total gross workers compensation expenditure (\$)	29,295.25	6,401.30	+457.64%
Income support payments – gross (\$)	0	0	0

***before third party recovery*

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/south-australian-museum-work-health-and-safety>

Executive employment in the agency

Executive classification	Number of executives
SAES1	2

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/south-australian-museum-executive-employment>.

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2019-20 are attached to this report.

Statement of Comprehensive Income	2019-20 Budget \$000s	2019-20 Actual \$000s	Variation \$000s	2018-19 Actual \$000s
Total Income	18,174	21,629	3,455	18,592
Total Expenses	18,023	18,678	(655)	20,054
Net Result	151	2,951	2,800	(1,462)
Total Comprehensive Result	151	13,115	12,964	(1,518)

Statement of Financial Position	2019-20 Budget \$000s	2019-20 Actual \$000s	Variation \$000s	2018-19 Actual \$000s
Current assets	5,752	9,110	1,358	5,584
Non-current assets	341,515	341,008	(507)	331,551
Total assets	347,267	350,118	2,851	337,135
Current liabilities	2,463	2,538	(75)	2,391
Non-current liabilities	2,056	1,700	356	1,996
Total liabilities	4,519	4,238	281	4,387
Net assets	342,748	345,880	3,132	332,748
Equity	342,748	345,880	3,132	332,748

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

Consultancies	Purpose	\$ Actual payment
All consultancies below \$10,000 each - combined	Various	\$44,586

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
Swanbury Penglase	Building Works and Design	\$53,480
Oxygen Pty Ltd	Landscape Architectural Services	\$43,941
Deloitte Consulting Pty Ltd	Strategic Planning services	\$16,257
Deloitte Access Economics	Strategic Planning services	\$15,185
Employsure	HR Advice	\$10,551
	Total	\$139,414

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/south-australian-museum-consultants>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$65,745

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
Ikuko Tomo	Marine Mammals Research	\$37,181
Samuel Diotallevi	Development Support Work	\$27,852
Rntt Pty Ltd	Temporary Contract Staffing	\$24,771

Contractors	Purpose	\$ Actual payment
Veronica Zahra	Café Support Work	\$14,942
Biljana Spahic	Design Support Work	\$14,465
Bespoke Hospitality	Events Hospitality Staff	\$13,647
ArtLab South Australia	Aboriginal Cultural Collection Storage project	\$174,397
	Total	\$307,255

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/south-australian-museum-contractors>

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts.](#)

The website also provides details of [across government contracts.](#)

Other financial information

A diagrammatic table is showcased highlighting the Museum Income for 2019-2020 and the Expenses for the same period.

Museum Income 2019-2020



Museum Expenses 2019-2020



Risk management

Risk and audit at a glance

The Museum maintains a robust and thorough risk management system. This helps to ensure risks to the collection, staff, volunteers and the public are identified and managed accordingly. The Risk Register is reviewed annually and changes throughout the year are reported at every Board meeting.

The Museum is audited by the Auditor-General's Department every year. Audit recommendations are adopted and acted upon to ensure the Museum is continually improving its systems, checks, controls and processes.

Fraud detected in the agency

Category/nature of fraud	Number of instances
N/A	0

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

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 2019-20 period, 0 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 Financial Management Compliance Program.

Data for previous years is available at <https://data.sa.gov.au/data/dataset/south-australian-museum-fraud>.

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

0

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/south-australian-museum-whistle-blowers>.

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

Act or Regulation	Requirement
<i>Freedom of Information Act 1991</i>	Applications Received

In 2019-2020, the South Australian Museum received 0 applications.

Reporting required under the *Carers' Recognition Act 2005*

N/A

Public complaints

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	3
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	0
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	0
Communication	Communication quality	Inadequate, delayed or absent communication with customer	1
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	0

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	1
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	0
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	0
Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	1
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	1
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	0

Complaint categories	Sub-categories	Example	Number of Complaints 2019-20
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	3
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	0
		Total	10

Additional Metrics	Total
Number of compliments	104
Number of complaints responded to by SAM staff	10
Number of complaints where a response was not able to be given due to complainant not providing contact details	12
Total number of feedback compliments/complaints	126
% complaints resolved within policy timeframes	78%

Data for previous years is available at <https://data.sa.gov.au/data/dataset-south-australian-museum-complaints>

Service improvements that responded to customer complaints or feedback

Customer complaints regarding staff attitude are reviewed and where appropriate general reminders about interactions between staff, contractors and visitors are included in management updates to all staff. Where appropriate, individual staff will be counselled regarding any instance of inappropriate behaviour which is not in line with the public sector values.

Where complaints are received regarding the accuracy or lack of coherent public information or poor service design of products and programs these are escalated to and actioned by the responsible section. Complaints regarding access and service delivery are forwarded through to the Public Engagement section for consideration and action where appropriate. All complaints are kept on file and taken into consideration as part of future planning and improvements for service delivery and design and future access initiatives.

This year three responses were not resolved within the policy timeframe due to the absence of key front of house staff leading to a 78% resolution rate. In 2019/20 the Museum appointed a dedicated Visitor Experience Manager to coordinate the activities of all frontline customer service staff and volunteers thereby ensuring that all feedback is actioned in a timely manner.

Appendix: Audited financial statements 2019-2020

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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To the Chair Museum Board

Opinion

I have audited the financial report of the Museum Board for the financial year ended 30 June 2020.

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 2020, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued 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 2020
- a Statement of Financial Position as at 30 June 2020
- a Statement of Changes in Equity for the year ended 30 June 2020
- a Statement of Cash Flows for the year ended 30 June 2020
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, Museum Board and the Director, South Australian Museum.

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* (including Independence Standards) have been met.

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

Responsibilities of the Director, South Australian Museum and Museum Board for the financial report

The Director, South Australian Museum is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued 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

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 2020.

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, but not for the purpose of expressing an opinion on the effectiveness of the Museum Board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director, South Australian Museum

- 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, South Australian Museum and the Museum Board about, 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.



Andrew Richardson

Auditor-General

30 September 2020

Museum Board

Financial Statements

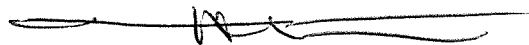
For the year ended 30 June 2020

Museum Board
Certification of the Financial Statements
for the year ended 30 June 2020

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; and
- present a true and fair view of the financial position of the Museum Board as at 30 June 2020 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.



Teri Whiting
Chair

29 September 2020



Brian Oldman
Director

29 September 2020

Museum Board
Statement of Comprehensive Income
for the year ended 30 June 2020

		2020	2019
	Note	\$'000	\$'000
Income			
Recurrent operating grant	2.1	14 812	11 792
Donations and bequests	2.2	1 620	809
Sale of goods		1 141	1 426
Donations of heritage assets		926	897
Resources received free of charge	2.3	498	596
Grant income	2.4	1 154	1 385
Fees and charges	2.5	527	833
Sponsorships	2.6	166	148
Interest and investment income	2.7	114	142
Recoveries		101	20
Other income	2.8	570	544
Total income		21 629	18 592
Expenses			
Staff benefits expenses	3.3	8 692	9 361
Supplies and services	4.1	4 610	5 150
Accommodation and facilities	4.2	3 147	3 245
Depreciation and amortisation	4.3	2 029	2 192
Grants expense		200	106
Total expenses		18 678	20 054
Net result		2 951	(1 462)
Other Comprehensive Income:			
Items that will not be reclassified to net result			
Changes in property, plant and equipment asset revaluation surplus		10 491	-
Gain / (loss) on sale of investments classified as fair value through other comprehensive income		(5)	(5)
Changes in fair value of investments classified as fair value through other comprehensive income		(322)	(50)
Total other comprehensive income		10 164	(55)
Total comprehensive result		13 115	(1 517)

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Museum Board
Statement of Financial Position
as at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Current assets			
Cash and cash equivalents	6.1	7 420	4 494
Receivables	6.2	1 563	959
Inventories		127	131
Total current assets		9 110	5 584
Non-current assets			
Receivables	6.2	1	2
Property, plant and equipment	5.1	42 710	33 967
Intangibles	5.4	105	82
Heritage collections	5.5	296 498	295 566
Investments	6.3	1 694	1 934
Total non-current assets		341 008	331 551
Total assets		350 118	337 135
Current liabilities			
Payables	7.1	1 481	1 355
Staff benefits	3.4	1 028	1 024
Provisions	7.2	12	12
Financial liabilities	7.3	17	-
Total current liabilities		2 538	2 391
Non-current liabilities			
Payables	7.1	141	166
Staff benefits	3.4	1 520	1 812
Provisions	7.2	25	18
Financial liabilities	7.3	14	-
Total non-current liabilities		1 700	1 996
Total liabilities		4 238	4 387
Net Assets		345 880	332 748
Equity			
Asset revaluation surplus	8.1	206 611	196 120
Investment reserve	8.1	(348)	(26)
Retained earnings		139 617	136 654
Total Equity		345 880	332 748

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Museum Board
Statement of Changes in Equity
for the year ended 30 June 2020

	Asset revaluation surplus	Investment reserve	Retained earnings	Total equity
Note	\$'000	\$'000	\$'000	\$'000
Balance at 30 June 2018	196 120	-	138 121	334 241
Adjustments on initial adoption of AASB 9	-	24	-	24
Adjusted balance as at 1 July 2018	196,120	24	138 121	334 265
Net result for 2018-19	-	-	(1 462)	(1 462)
Gain / (loss) on sale of investments classified as fair value through other comprehensive income	-	(5)	-	(5)
Transfer of revaluation loss on sale of investments from investment reserve to retained earnings	-	5	(5)	-
Fair value movement of investments classified as fair value through other comprehensive income	-	(50)	-	(50)
Total comprehensive result for 2018-19	-	(50)	(1 467)	(1 517)
Balance at 30 June 2019	196 120	(26)	136 654	332 748
Error correction	-	-	17	17
Adjusted balance as at 1 July 2019	196 120	(26)	136 671	332 765
Net result for 2019-20	-	-	2 951	2 951
Gain / (loss) on sale of investments classified as fair value through other comprehensive income	-	(5)	-	(5)
Transfer of revaluation loss on sale of investments from investment reserve to retained earnings	-	5	(5)	-
Fair value movement of investments classified as fair value through other comprehensive income	-	(322)	-	(322)
Changes in asset revaluation surplus	10 491	-	-	10 491
Total comprehensive result for 2019-20	10 491	(322)	2 946	13 115
Balance at 30 June 2020	206 611	(348)	139 617	345 880

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Museum Board
Statement of Cash Flows
for the year ended 30 June 2020

		2020 \$'000 Inflows (Outflows)	2019 \$'000 Inflows (Outflows)
<u>Cash flows from operating activities</u>	Note		
Cash inflows			
Recurrent operating grant		14 450	11 792
Sale of goods		1 141	1 426
Grants		1 154	1 385
Donations and bequests		1 620	809
Fees and charges		527	777
Sponsorships		166	148
Interest and investment income		50	176
Recoveries		101	20
Other		435	490
Cash generated from operations		19 644	17 023
Cash outflows			
Staff benefits payments		(8 896)	(9 093)
Payments for supplies and services		(4 103)	(4 348)
Accommodation and facilities		(3 147)	(3 245)
Grant payments		(200)	(106)
GST payments to the ATO		(146)	(28)
Cash used in operations		(16 492)	(16 820)
Net cash provided by / (used in) operating activities		3 152	203
<u>Cash flows from investing activities</u>			
Cash inflows			
Proceeds from sale of investments		249	448
Cash generated from investing activities		249	448
Cash outflows			
Purchases of heritage collections		(5)	(80)
Purchases of property, plant and equipment and intangibles		(119)	(196)
Purchases of investments		(336)	(622)
Cash used in investing activities		(460)	(898)
Net cash provided by / (used in) investing activities		(211)	(450)
<u>Cash flows from financing activities</u>			
Cash outflows			
Repayment of leases		(15)	-
Cash used in financing activities		(15)	-
Net cash provided by / (used in) financing activities		(15)	-
Net increase / (decrease) in cash and cash equivalents		2 926	(247)
Cash and cash equivalents at the beginning of the period		4 494	4 741
Cash and cash equivalents at the end of the period	6.1	7 420	4 494

The accompanying notes form part of these financial statements.

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

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Museum Board

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

1. About the Museum Board

The Museum Board (the Board) is a not-for-profit statutory authority of the State of South Australia, constituted pursuant to section 3 of the *South Australian Museum Act 1976*. The Board is charged with the management of the South Australian Museum (the Museum) under the Act.

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*.

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

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards with reduced disclosure requirements.

For the 2019-20 financial statements the Board adopted AASB 15 – *Revenue from Contracts with Customers*, AASB 16 – *Leases* and AASB 1058 – *Income of Not-for-Profit Entities*. Further information is provided in note 9.

The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

The Board is not subject to Income Tax. The Board is liable for Payroll Tax, Fringe Benefits Tax (FBT), Goods and Services Tax (GST) and Emergency Services Levy (ESL).

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, 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; and
- receivables and payables, which are stated with the amount of GST excluded.

The net GST receivable/payable to the ATO is not recognised as a receivable/payable in the Statement of Financial Position as the Board is a member of an approved GST group, of which Arts South Australia, a division of the Department of the Premier and Cabinet (DPC), is responsible for the remittance and collection of GST.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Museum Board

Notes to and forming part of the Financial Statements

for the year ended 30 June 2020

1.2. Objectives

The functions of 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.

1.3. Impact of COVID-19 pandemic on the Board

The COVID-19 pandemic has impacted on the operations of the Board and the impacts are included under the relevant disclosure notes. The key impacts in 2019-20 were:

- Decline in investment income and investments market value movement due to a volatile share market as a result of the COVID-19 pandemic.
- Decline in income due to the temporary closure of the Museum during COVID-19 restrictions, particularly in donations and exhibition admissions.
- Increase in accommodation and facilities costs to facilitate additional cleaning to ensure safety of staff and visitors.
- Increase in supplies and services costs to accommodate staff working from home and having appropriate hardware and remote access.

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

2. Income

2.1. Recurrent operating grant

	2020	2019
	\$'000	\$'000
Recurrent operating grant	14 812	11 792
Total revenues from recurrent operating grant	14 812	11 792

The Board receives an annual operating grant, and funding for the purposes of holding exhibitions, from the Department of the Premier and Cabinet. This is recognised on receipt.

2.2. Donations and bequests

	2020	2019
	\$'000	\$'000
Donations and bequests	1 620	809
Total donations and bequests	1 620	809

Donations and bequests are recognised on receipt.

2.3. Resources received free of charge

	2020	2019
	\$'000	\$'000
Artlab conservation work	299	377
Services received free of charge - Shared Services SA	190	219
Services received free of charge – valuation services	9	-
Total resources received free of charge	498	596

Under an arrangement with Artlab Australia, a division of the Department of the Premier and Cabinet, 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 4.1. Supplies and services.

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

2.4. Grant income

	2020	2019
	\$'000	\$'000
General	244	579
Commonwealth	353	541
State Government	557	265
Total grants	1 154	1 385

Grant income is recognised on receipt as there are no sufficiently specific performance obligations attached to the income. Where there is sufficiently specific performance obligations linked to the grant, the income is recognised over time as the performance obligations are satisfied.

General grants include funding for Inspiring South Australia, affiliate agreement research support, and monitoring small cetacean mortalities in Gulf St Vincent. The Commonwealth has provided funding for the purposes of the Science Engagement Program (Inspiring South Australia), Visions of Australia, and the Indigenous repatriation project. State Government grant funding includes contributions to Inspiring South Australia, education program, and repatriation of aboriginal ancestral remains.

2.5. Fees and charges

	2020	2019
	\$'000	\$'000
Admissions	289	483
Functions	172	235
Fees for service	19	52
Other	47	63
Total fees and charges	527	833

Revenue from fees for services are recognised in the period in which the services are provided.

2.6. Sponsorships

	2020	2019
	\$'000	\$'000
Cash sponsorships	166	148
Total sponsorships	166	148

Cash sponsorships are recognised on receipt.

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

2.7. Interest and investment income

	2020	2019
	\$'000	\$'000
Investment income	83	86
Interest	31	56
Total interest and investment income	114	142

Interest revenue is recognised taking into account the interest rates applicable to the financial assets. Dividend income is recognised when the right to receive a dividend has been established.

2.8. Other income

	2020	2019
	\$'000	\$'000
Competition entry fees	58	119
Lab consumable recharge	57	104
Exhibition hire	44	81
Other	411	240
Total other income	570	544

2.9. Net gain/ (loss) from disposal of non-current assets

	2020	2019
	\$'000	\$'000
Investments		
Proceeds from disposal	248	448
Less value on sale of investments classified as fair value through other comprehensive income	(253)	(453)
Net gain (loss) from disposal of investments	(5)	(5)
Total assets		
Total proceeds from disposal	248	448
Less total carrying amount of assets disposed	(253)	(453)
Total net gain (loss) from disposal of non-current assets	(5)	(5)

The net gain / (loss) from the disposal of investments relates to equity instruments which are designated at fair value through other comprehensive income. On disposal of these equity instruments the gain / (loss) is recognised through other comprehensive income in the investment reserve.

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

3. Board, committees and staff

3.1. Key management personnel

Key management personnel of the Museum include the Premier of the State of South Australia as responsible Minister for the Arts, the eight 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 Museum.

Total compensation for the Museum's key management personnel was \$309 000 in 2019-20 and \$308 000 in 2018-19.

The compensation disclosed in this note excludes salaries and other benefits the Premier receives. The Premier'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.

3.2. Board and committee members

Members during the 2020 financial year were:

Museum Board

The Hon Dr J Lomax-Smith AM (Chair)

Prof D Adelson

AJ Duthie*

SY Edwards

A Noble

E Ranieri*

D Rathman AM PSM

TA Whiting

R Perkins (Deputy Board member)

Aboriginal Advisory Committee

D Rathman AM PSM (Chair)

FH Lampard OAM

S Miller

Dr C Wilson (appointed 1 June 2020)

V Wilson

*In accordance with the Premier and Cabinet Circular No. 016, government employees did not receive any remuneration for board/committee duties during the financial year.

Board and committee remuneration

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

	2020	2019
\$0 - \$19 999	9	10
Total number of members	9	10

The total remuneration received or receivable by members was \$24 000 (\$26 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

3.3. Staff benefits expenses

	2020	2019
	\$'000	\$'000
Salaries and wages	6 373	6 374
Targeted voluntary separation packages	359	714
Employee on-costs - superannuation	659	701
Annual leave	545	558
Staff on-costs - other	350	382
Long service leave	152	372
Salaries charged externally	123	122
Other staff related expenses	75	81
Skills and experience retention leave	35	32
Board fees	21	25
Total staff benefits expenses	8 692	9 361

Employment on-costs – superannuation

The superannuation employment on-cost charge represents the board's contributions to superannuation plans in respect of current services of current staff.

Staff Remuneration

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

	2020	2019
\$274 001 - \$294 000	1	1
Total	1	1

The total remuneration received or receivable by these staff for the year was \$289 000 (\$283 000).

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.

Targeted voluntary separation packages (TVSP)

The number of staff who received a TVSP during the reporting period was 4 (8).

	2020	2019
	\$'000	\$'000
Amounts paid to separated staff		
Targeted voluntary separation packages	359	714
Leave paid to separated staff	222	247
	581	961
Recovery from the Department of Treasury and Finance	(542)	(553)
Net cost to the Board	39	408

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

3.4. Staff benefits liability

	2020	2019
	\$'000	\$'000
Current		
Annual leave	533	468
Long service leave	247	210
Accrued salaries and wages	187	287
Skills and experience retention leave	61	59
Total current staff benefits	1 028	1 024
Non-current		
Long service leave	1 520	1 812
Total non-current staff benefits	1 520	1 812
Total staff benefits	2 548	2 836

Staff benefits accrue 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 (SERL) and sick leave

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

The annual leave liability and the SERL liability in full 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. Details about the measurement of long service leave liability is provided at note 11.1.

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

4. Expenses

Staff benefits expenses are disclosed in note 3.3.

4.1. Supplies and services

	2020	2019
	\$'000	\$'000
Exhibitions	574	799
Administration	440	349
Cost of goods sold	435	512
Information technology and communication charges	366	376
Contractors	373	141
Marketing	341	378
Insurance and risk	312	315
Artlab conservation work	299	397
Maintenance	205	377
Business services charge	190	219
Research	186	308
Consultants	184	101
Minor equipment	84	73
Accommodation and travel	124	212
Collections	117	(6)
Audit fees	64	63
OHS&W	38	20
Legal Fees	26	6
Motor vehicle expenses	17	35
Hire, rent and equipment	16	25
Fees	7	16
Bad and doubtful debts	-	10
Other	212	424
Total supplies and services	4 610	5 150

Consultants

The number of consultancies and dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	2020	2020	2019	2019
	Number	\$'000	Number	\$'000
Below \$10 000	12	55	22	51
\$10 000 or above	4	129	3	50
Total	16	184	25	101

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

4.2. Accommodation and facilities

	2020	2019
	\$'000	\$'000
Facilities	1 124	1 176
Security	937	1 040
Electricity and gas	564	583
Accommodation	522	446
Total accommodation and facilities	3 147	3 245

Most of the Board's accommodation is provided by the Department of Planning, Transport and Infrastructure under Memoranda of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. MoAA do not meet the definition of lease set out in AASB 16.

4.3. Depreciation and amortisation

	2020	2019
	\$'000	\$'000
Depreciation		
Buildings and improvements	1 759	1 481
Plant and equipment	237	693
Right-of-use vehicles	17	-
Total depreciation	2 013	2 174
Amortisation		
Intangibles	16	18
Total amortisation	16	18
Total depreciation and amortisation	2 029	2 192

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. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

Land and heritage collections are not depreciated.

Useful life

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

Class of asset	Useful life (years)
Buildings and improvements	15-100
<i>Plant and equipment</i>	
Exhibition	10
Other	3-25
Computer equipment	3-5
Right-of-use plant and equipment	Lease term
Intangibles	5-10

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

4.3. Depreciation and amortisation (continued)

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.

Review of accounting estimates

Assets' residual values, useful lives and depreciation/amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected 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. During the year, the Board reassessed the useful life of the Orientation Wing building, resulting in a reduction in the estimated useful life from 100 years to 60 years. As a result the future depreciation expense will increase by \$220 000 per year.

The Board revalued its buildings upwards as at 30 June 2020. It is estimated the depreciation expense for 2020-21 will increase by approximately \$4.9 million as a result of the revaluation.

5. Non-financial assets

5.1. Property, plant and equipment by asset class

Property, plant and equipment comprise owned and right-of-use (leased) tangible assets that do not meet the definition of investment property.

	2020 \$'000	2019 \$'000
Land, buildings and improvements		
Land at fair value	11 700	5 300
Buildings and improvements at fair value	82 816	73 906
Accumulated depreciation at the end of the period	(55 043)	(48 668)
Total land, buildings and improvements	39 473	30 538
Work in progress		
Work in progress at cost	17	101
Total work in progress	17	101
Plant and equipment		
Plant and equipment at cost (deemed fair value)	5 478	10 027
Accumulated depreciation at the end of the period	(2 289)	(6 699)
Total plant and equipment	3 189	3 328
Computer equipment		
Computer equipment at cost (deemed fair value)	49	48
Accumulated depreciation at the end of the period	(49)	(48)
Total computer equipment	-	-
Right-of-use vehicles		
Right-of-use vehicles at cost	48	-
Accumulated depreciation	(17)	-
Total right-of-use vehicles	31	-
Total property, plant and equipment	42 710	33 967

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

5.2. Property, plant and equipment owned by the Board

Property, plant and equipment owned by the Board with a value equal to or in excess of \$10 000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Board is recorded at fair value. Details about the Board's approach to fair value are set out in note 11.2.

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.

There were no indications of impairment of property, plant and equipment as at 30 June 2020.

Reconciliation 2019-20

	Land	Buildings & improvements	Work in progress	Plant and equipment	Total tangible assets	Computer software	WIP intangible assets	Total intangible assets
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020								
Carrying amount at 1 July 2019	5 300	25 238	101	3 328	33 967	42	40	82
Additions	-	-	-	80	80	-	39	39
Disposals	-	-	-	(32)	(32)	-	-	-
Accumulated depreciation on disposals	-	-	-	32	32	-	-	-
Depreciation and amortisation	-	(1 759)	-	(237)	(1 996)	(16)	-	(16)
Revaluation increment/(decrement)	6 400	4 092	-	-	10 492	-	-	-
Transfer to/(from) capital works in progress	-	84	(84)	-	-	-	-	-
Donated assets	-	118	-	-	118	-	-	-
Other	-	-	-	18	18	-	-	-
Carrying amount at the end of the period	11 700	27 773	17	3 189	42 679	26	79	105

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

5.3. Property, plant and equipment leased by the Board

Property, plant and equipment leased by the Board is recorded at cost. There were no additions to leased property, plant and equipment during 2019-20.

Short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.2.

The Board has a limited number of leases:

- 2 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- a concessionary (peppercorn) lease on a purpose-built facility located at SA Water's sewage treatment plant at Bolivar. It houses all the specialised equipment needed to handle skeletons of all sizes, including large whales. Without the supply of this lease at concessionary terms, the Board would incur costs for alternative property. Key aspects of the lease are nil lease payments and an automatic annual renewal of the lease on the anniversary date of the MoAA. Two years advance notice is required to terminate the lease.

The lease liabilities related to the right-of-use assets are disclosed in note 7.3. The Board's maturity analysis of its lease liabilities is disclosed in note 11.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in note 4.

Impairment

Property, plant and equipment leased by the Board has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

5.4. Intangible assets

	2020	2019
	\$'000	\$'000
Computer software	154	155
Accumulated amortisation	(128)	(113)
Total computer software	26	42
 Work in progress		
Work in progress at cost	79	40
Total work in progress	79	40
 Total intangible assets	105	82

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

The internally developed computer software relates to the K-Emu entomology software, the Sarfmees website and Inspiring SA website with a remaining useful life of 4, 1 and 2 years respectively.

Museum Board
Notes to and forming part of the Financial Statements
for the year ended 30 June 2020

5.5. Heritage collections

	2020	2019
	\$'000	\$'000
Entomology	53 419	53 418
Australian Aboriginal ethnology	35 388	35 255
Marine invertebrates	30 267	30 063
Foreign ethnology	27 116	26 984
Mineralogy	19 804	19 788
Archives/artwork	18 463	18 451
Mammalogy	17 182	16 857
Australian helminthological collection	16 193	16 140
Palaeontology	14 946	14 946
Archaeology	14 434	14 434
Ornithology	9 280	9 229
Australian polar collection	8 982	8 982
Australian biological tissue bank	6 590	6 588
Arachnology	6 321	6 321
Malacology	5 258	5 258
Herpetology	4 300	4 298
Rare books	4 260	4 260
Ichthyology	3 460	3 459
Social/industrial history	587	587
Public program collection	248	248
Total heritage collections	296 498	295 566

Reconciliation of carrying amounts of heritage collections

	Opening balance	Additions	Closing balance
2020	\$'000	\$'000	\$'000
Entomology	53 418	1	53 419
Australian Aboriginal ethnology	35 255	133	35 388
Marine invertebrates	30 063	204	30 267
Foreign ethnology	26 984	132	27 116
Mineralogy	19 788	16	19 804
Archives/artwork	18 451	12	18 463
Mammalogy	16 857	325	17 182
Australian helminthological collection	16 140	53	16 193
Palaeontology	14 946	-	14 946
Archaeology	14 434	-	14 434
Ornithology	9 229	51	9 280
Australian polar collection	8 982	-	8 982
Australian biological tissue bank	6 588	2	6 590
Arachnology	6 321	-	6 321
Malacology	5 258	-	5 258
Herpetology	4 298	2	4 300
Rare books	4 260	-	4 260
Ichthyology	3 459	1	3 460
Social/industrial history	587	-	587
Public Program Collection	248	-	248
Carrying amount at the end of the period	295 566	932	296 498

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5.5. Heritage collections (continued)

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

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.

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6. Financial assets

6.1. Cash and cash equivalents

	2020	2019
	\$'000	\$'000
Deposits with the Treasurer	4 140	1 398
Term deposits	560	600
Cash on hand	2	2
Deposits with banks	2 718	2 494
Total cash and cash equivalents	7 420	4 494

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 \$113 000 (2019: \$113 000) and the Bonython Bequest component of the cash funds available \$22 000 (2019: \$22 000).

Deposits with banks

Deposits with banks include funds held by National Australia Bank Limited (NAB) in term deposit facilities and cash held with Australia and New Zealand Bank Banking Group (ANZ) by the SA Museum Foundation Incorporated and SA Museum Foundation Fund. Cash held for investments by Hood Sweeney are with Macquarie Bank. There are restrictions in place for the cash accounts for Norman B Tindale Memorial, Mawson Collection, Thyne Reid and High Noon \$436 000 (2019: \$463 000).

Interest rate risk

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 the NAB, Macquarie SA Museum Foundation Incorporated and SA Museum Foundation Fund accounts.

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6.2. Receivables

	2020	2019
	\$'000	\$'000
Current		
Trade receivables		
From government entities	321	29
From non-government entities	521	435
Less allowance for doubtful debts	(10)	(10)
Total trade receivables	832	454
GST receivable	593	447
Accrued revenues	98	34
Prepayments	40	24
Total current receivables	1 563	959
Non-current		
Accrued revenues	1	-
Prepayments	-	2
Total non-current receivables	1	2
Total receivables	1 564	961

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, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Allowance for impairment loss on receivables

	2020	2019
	\$'000	\$'000
Carrying amount at the beginning of the period	10	28
Increase/(decrease) in the allowance	-	(18)
Carrying amount at the end of the period	10	10

All of the above impairment losses are from receivables arising from contracts with customers.

Refer to note 11.3 for details regarding credit risk and the methodology for determining impairment.

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6.3. Investments

	2020 \$'000	2019 \$'000
<u>Investments classified as fair value through other comprehensive income</u>		
Listed equity instruments designated at fair value through other comprehensive income	1 694	1 934
Total non-current investments	1 694	1 934
 Total investments	 1 694	 1 934

Equity instruments are designated at fair value through other comprehensive income with all changes in fair value being taken to the investment reserve. On disposal of these equity investments, any related balance within the investment reserve is reclassified to retained earnings.

Dividends arising from all investments are recognised in the statement of comprehensive income.

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 \$1.1 million (2019: \$1.3 million).

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7. Liabilities

Staff benefits liabilities are disclosed in note 3.4.

7.1. Payables

	2020 \$'000	2019 \$'000
Current		
Trade Payables	1 264	1 241
Employment on-costs	217	114
Total current payables	1 481	1 355
Non-current		
Employment on-costs	141	166
Total non-current payables	141	166
Total payables	1 622	1 521

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

The net amount of GST recoverable from the ATO is included as part of payables.

Employment on-costs

Employment on-costs include payroll tax, WorkCover levies and superannuation contributions and are settled when the respective staff benefits that they relate to is discharged.

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. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has changed from the 2019 rate (41%) to 42% and the average factor for the calculation of employer superannuation contribution on-costs has remained the same (9.8%). These rates are used in the employment on-cost calculation. The net financial impact of these changes in the current financial year is immaterial.

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7.2. Provisions

	2020 \$'000	2019 \$'000
Current		
Provision for workers compensation	12	12
Total current provisions	12	12
Non-current		
Provision for workers compensation	25	18
Total non-current provisions	25	18
Total provisions	37	30
Movement in provisions		
Carrying amount at the beginning of the period	30	31
Additional provision recognised	7	-
Reductions resulting from re-measurement or settlement without cost	-	(1)
Carrying amount at the end of the period	37	30

A provision 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 2020 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. The provision is for the estimated cost of ongoing payments to staff as required under current legislation.

The Board is responsible for the payment of workers compensation claims.

7.3. Financial liabilities

	2020 \$'000	2019 \$'000
Current		
Lease liabilities	17	-
Total current financial liabilities	17	-
Non-current		
Lease liabilities	14	-
Total non-current financial liabilities	14	-
Total financial liabilities	31	-

The Board measures financial liabilities at amortised cost.

All material cash outflows are reflected in the lease liabilities disclosed above. For 2018-19 the lease liabilities reflect only finance leases recognised in accordance with AASB 117 of which there were nil.

Museum Board
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8. Other disclosures

8.1. Equity

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

Investment reserve

The investment reserve records all changes in fair value of investments classified as fair value through other comprehensive income.

8.2. Cash flow

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.

The total cash outflow for leases in 2019-20 was \$15 000 which related to the repayment of leases.

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9. Changes in accounting policy

9.1. AASB 16 Leases

AASB 16 sets out a comprehensive model for lessee accounting that addresses recognition, measurement, presentation and disclosure of leases. Lessor accounting is largely unchanged. AASB 16 *Leases* replaces AASB 117 *Leases* and related interpretations.

The adoption of AASB 16 *Leases* from 1 July 2019 resulted in adjustments to the amounts recognised from a lessee perspective in the financial statements:

- AASB 117 *Leases* only required the recognition of an asset and lease liability in relation to finance leases. AASB 16 *Leases* applies a comprehensive model to all leases. Applying AASB 16 will result in leases previously classified as operating leases having right-of-use assets and related lease liabilities being recognised in the Statement of Financial Position.
- AASB 117 *Leases* resulted in operating lease payments being recognised as an expense under Supplies and Services. AASB 16 *Leases* largely replaces this with depreciation expenses that represents the use of the right-of-use asset and borrowing costs that represent the cost associated with financing the right-of-use asset.

Impact on retained earnings

The total impact on the Board's retained earnings as at 1 July 2019 is as follows:

	as at 1 July 2019 \$'000
Closing retained earnings 30 June 2019 - AASB 117	136 671
<u>Assets</u>	
Property, plant and equipment	48
<u>Liabilities</u>	
Financial liabilities	(48)
Opening retained earnings 1 July 2019 - AASB 16	136 671

The Board disclosed in its 2018-19 financial report total undiscounted operating lease commitments of \$68 000 under AASB 117.

Museum Board
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9.1. AASB 16 Leases (continued)

Accounting policies on transition

AASB 16 sets out accounting policies on transition in its transitional provisions. The *Treasurer's Instructions (Accounting Policy Statements)* requires certain choices in those transitional provisions to be taken. The Board has adopted the following accounting policies:

- to apply AASB 16 retrospectively. The cumulative effect of initially applying the Standard was recognised at 1 July 2019. Comparatives have not been restated.
- at 1 July 2019 AASB 16 was applied only to contracts that were previously identified as containing a lease under AASB 117 and related interpretations.
- the initial measurement of lease liability was the present value of the remaining leases payments discounted using the relevant incremental borrowing published by the Department of Treasury and Finance rate as at 1 July 2019 based on the SA Government's cost of borrowing. The average weighted incremental borrowing rate for this purpose was 3.32%.
- the initial measurement of right-of-use assets has been calculated as an amount equal to the lease liability on transition adjusted for prepaid or accrued lease payments and lease incentive liabilities.
- the initial measurement of lease liabilities and right-of-use assets excludes all leases that ended by 30 June 2020, except for vehicles leased from SAFA.

Ongoing accounting policies

The *Treasurer's Instructions (Accounting Policy Statements)* specify required accounting policies for public authorities in applying AASB 16. These requirements are reflected in the Board's accounting policies as follows:

- AASB 16 is not applied to leases of intangible assets.
- right-of-use assets and lease liabilities are not recognised for leases of low value assets, being assets which have a value of \$10 000 or less, nor short-term leases, being those with a lease term of 12 months or less.
- the Board, in the capacity of a lessee, does not include non-lease components in lease amounts.
- right-of-use assets are not measured at fair value on initial recognition for leases that have significantly below-market terms and conditions principally to enable the public authority to further its objectives.
- right-of-use assets are subsequently measured applying a cost model.

Significant accounting policies relating to the application of AASB 16 are disclosed under relevant notes and are referenced at note 5.3.

9.2. AASB 15 Revenue from Contracts with Customers

The Board has adopted AASB 15 on 1 July 2019. AASB 15 *Revenue from Contracts with Customers* establishes a revenue recognition model for revenue arising from contracts with customers. It requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 supersedes AASB 11 *Construction contracts*, AASB 118 *Revenue* and related Interpretations and applies to all revenue arising from contracts with customers.

The total impact on the Board's retained earnings is immaterial.

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9.3. AASB 1058 Income of Not-for-Profit Entities

AASB 1058 *Income of Not-for-Profit Entities* establishes new income recognition requirements for not-for-profit entities. Its requirements apply where the consideration to acquire an asset, including cash, is significantly less than fair value principally to the entity to further its objectives. AASB 1058 also contains requirements for the receipt of volunteer services. AASB 1058 supersedes income recognition requirements in AASB 1004 *Contributions*, AASB 118 *Revenue* and AASB 111 *Construction Contracts*. However, elements of AASB 1004 remain in place, primarily in relation to restructures of administrative arrangements and other contributions and distributions by owners.

Accounting policies on transition

On transition, there was no impact on retained earnings.

9.4. Presentation of Financial statements

Treasurer's Instructions (Accounting Policy Statements) issued on 1 June 2020 removed the previous requirement for financial statements to be prepared using the net cost of services format. The net cost of services is the total cost of services less any revenue retained by public authorities involved in the provision of services but does not include items classified as revenues from and payments to the South Australian Government.

Presentation of the Statement of Comprehensive Income on an 'income and expense' basis allows information to be presented in such a way that eliminates potential confusion as to the source of funding for the department. As well as changes to the format of the Statement of Comprehensive Income, there are presentational changes to remove the net cost of services format from the Statement of Cash Flows. These statements now show income before expenses, and cash receipts before cash payments. Related disclosures also reflect this changed format.

10. Outlook

10.1. Unrecognised contractual commitments

Commitments include operating and outsourcing commitments arising from contractual or statutory sources and are disclosed at their nominal value.

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:

	2020 \$'000	2019 \$'000
Within one year	-	24
Later than one year but not later than five years	-	44
Total operating lease commitments	-	68

Operating lease commitments is provided for the comparative year only as AASB 16 Leases does not distinguish between operating and finance leases for the lessee.

Other commitments

The Board's other commitments comprise the Netley off-site storage, SAFA motor vehicles and security.

	2020 \$'000	2019 \$'000
No later than one year	1 371	1 246
Later than one year but not later than five years	2 535	2 975
Total other commitments	3 906	4 221

Museum Board
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10.2. Contingent assets and liabilities

Contingent assets

The Board is aware losses from business interruptions resulting from COVID-19 may be claimable through their insurance. This would be conditional on lodging a claim and the insurance company assessing and approving the claim.

Contingent liabilities

The Board is not aware of any contingent liabilities as at 30 June 2020.

10.3. COVID-19 pandemic outlook for the Board

The COVID-19 pandemic will continue to impact the operations of the Board in 2020-21. The key expected impacts are:

- Continued exposure to volatile financial markets, resulting in expected decreased investment revenue and market value movements.
- Limited visitor numbers due to capacity restrictions and lower tourism from overseas and interstate, which could result in a reduction in income for the shop and café along with exhibitions and events.
- Increase in supplies and services costs to continue providing additional cleaning to ensure safety of staff and visitors.

10.4. Events after the reporting period

There has not arisen in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the members of the Board, to affect significantly the operations of the Board, the results of those operations, or the state of affairs of the Board in subsequent financial years.

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11. Measurement and risk

11.1. Long service leave liability – measurement

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 and is based on actuarial assumptions on expected future salary and wage levels, experience of staff departures and periods of service. These assumptions are based on staff data over SA Government entities.

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has decreased from 1.25% (2019) to 0.75% (2020).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance reduced the salary inflation rate from 4.0% to 2.5% for long service leave liability. As a result, the net financial effect resulting from changes in the salary inflation rate was a decrease in the liability of \$133 000.

The portion of long service leave expected to be taken within 12 months of the reporting date is classified as current. The remaining portion of the long service leave provision is classified as non-current.

11.2. Fair Value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Property, plant and equipment owned by the Board are subsequently measured at fair value after allowing for accumulated depreciation.

The revaluation process is required to be performed every six years at a minimum and is reviewed by the Manager Corporate Services and Finance, Audit & Risk Committee each year.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that 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.

Museum Board
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11.2 Fair Value (continued)

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.

Land and buildings

An independent valuation of land and buildings owned by the Board was performed as at 30 June 2020 by a Certified Practising Valuer from Liquid Pacific Holdings Pty. Ltd.

Fair value of land has been determined using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land classified as restricted in use, adjustments were applied to reflect the restriction.

The fair value of buildings was determined using current replacement cost, due to there not being an active market. The current replacement cost considered the need for ongoing provision of government services, specialised nature and restricted use of the assets, their size, condition and location.

The valuation used estimates about construction materials that would be required to replace the buildings, information about current construction costs were derived from building costs guides / internal records such as recent tender documents, construction invoices etc. and the estimated useful life due to age and condition of the building.

The fair value of land and buildings may be impacted by market changes due to the impact of COVID-19 however there was no market evidence to support the extent of any impact available at the time of preparing these financial statements.

Plant and equipment

All items of plant and equipment had a fair value at the time of acquisition less than \$1.5 million and had an estimated useful life of no less than three years. Plant and equipment has not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

Heritage assets

An independent valuation of heritage assets was performed in June 2016 by a Certified Practising Valuer from RHAS, an operating division of Aon Risk Services as at 30 June 2016. Fair value was determined by estimating the current replacement cost based on the limited market information available for similar heritage assets and reproduction materials.

Museum Board
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11.3. Financial instruments

Financial risk management

Risk management is managed by the Board's Corporate Services section. The Board's 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 risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss using the simplified approach in AASB 9. The Board uses an allowance matrix to measure the expected credit loss of receivables from non-government debtors which comprise a large number of small balances.

To measure the expected credit losses, receivables are grouped based on shared risks characteristics and the days past due. When estimating expected credit loss, the Board considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Board's historical experience and informed credit assessment, including forward-looking information.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Board is exposed to credit risk.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

Loss rates are calculated based on the probability of a receivable progressing through stages to write off based on the common risk characteristics of the transaction and debtor.

Loss rates are based on actual history of credit loss, these rates have been adjusted to reflect differences between previous economic conditions, current conditions and the Board's view of the forecast economic conditions over the expected life of the receivables.

Impairment losses are presented as net impairment losses within net result, subsequent recoveries of amounts previously written off are credited against the same line item.

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, financial liability and equity instrument are disclosed in the respective financial asset/ financial liability note.

Classification of financial instruments

The Board measures all financial instruments at amortised cost or fair value.

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11.3. Financial instruments (continued)

		2020
Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000
<u>Financial assets</u>		
Cash and cash equivalents		
Cash and cash equivalents	6.1	7 420
Financial assets at amortised cost		
Receivables	6.2	930
Held to maturity investments		
Listed equity instruments designated at fair value through other comprehensive income	6.3	1 694
Total financial assets		10 044
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Payables	7.1	1 214
Lease liabilities	7.3	31
Total financial liabilities		1 245

		2019
Category of financial asset and financial liability	Note	Carrying amount / fair value \$'000
<u>Financial assets</u>		
Cash and cash equivalents		
Cash and cash equivalents	6.1	4 494
Financial assets at amortised cost		
Receivables	6.2	488
Held to maturity investments		
Investments	6.3	1 934
Total financial assets		6 916
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Payables	7.1	1 194
Lease liabilities	7.3	-
Total financial liabilities		1 194

For 2018-19 the lease liabilities reflect only finance leases recognised in accordance with AASB 117.

11.3. Financial instruments (continued)

Receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. Commonwealth, State and Local Government taxes, fees and charges; Auditor-General's Department audit fees). 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 levies, tax and equivalents, 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).

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2.

