

SOVEREIGN REIGN HILL

ANNUAL REPORT



THE SOVEREIGN HILL MUSEUMS ASSOCIATION

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SOVEREIGN HILL'S SUCCESS
IS DUE TO OUR **COMMITMENT**
TO EDUCATION AND THE
HANDS-ON FUN OUR
FACILITIES OFFER.

N Lyons

NICK LYONS
Operations Interpreter



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MIS SION

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Our Mission is to collect,
conserve and interpret the
mining, social, cultural and
environmental heritage of
the Ballarat region.



CHARTER

PURPOSE

Our purpose at Sovereign Hill and the Gold Museum is to inspire an understanding of the significance of the central Victorian gold rushes in Australia's national story, and at Narmbool to highlight the importance of the land, water and biodiversity in Australia's future.

VALUES

- | | |
|-----------------------|---|
| Service | We will ensure that every visitor's experience is satisfying, and that their needs are paramount in our decision-making. |
| Respect | We will act with respect and free from any form of discrimination in what we say and do towards our colleagues, our visitors, and all with whom we do business; we will respect each other's dignity and right to privacy; and respect the assets we share in doing our jobs. |
| Safety | We will maintain a safe and healthy workplace for all our visitors and for all who work on our sites. |
| Integrity | We will act in accordance with international and national codes of ethical practice for museums, including respect for the tangible and intangible heritage we collect, research and interpret; for the primary role of museums as places of life-long learning; and as individuals, work to help and support colleagues, work diligently to complete tasks, and at all times act honestly. |
| Responsibility | We will be a socially and environmentally responsible business and employer, and a vital partner in the development of our region; and as individuals, take responsibility for our actions and ensure our decision-making is objective, consistent and complies with policy and legislation. |
| Sustainability | We will maintain our financial viability and independence by using our resources efficiently and effectively. |



■ **WINNER State and National Tourism Awards for Major Tourist Attraction 2015**

- Engaging Gold Museum programs included: 'On Your Bike!', the 'Festival of Spokes', 'A Soldier's View', 'Well-Behaved Women Seldom Make History' and 'A Victorian Silhouette'
- Volunteers contributed a total of 29,700 hours for the year – valued in excess of \$1m!
- Sir Henry Bolte Trust Annual Luncheon raised \$18,000 for the acquisition of collection items
- Redcoat Sponsorship Appeal supported new wardrobe of costumes for Redcoat soldiers and museum exhibits
- Workers' Compensation insurance premium reduced, with exemplary industry rating
- Major capital works included: launch of R. Gibbings, Livery & Bait Stables exhibit and 'Bright Visions' visitor orientation exhibition; refurbishment of United States Hotel Dining Room, the Ballarat Times Office, the Quartz Mine portal and the Farr & Hancock Shaft
- Launch of Gold Seekers App, with iBeacon technology to interpret Outdoor Museum exhibits

■ **WINNER of Museums Australia (Victoria) Award for Large Museums, for sustainability initiatives**

ACHIEVEMENTS

RECORD 542,000 day attendances

- Outdoor Museum worked with community groups to deliver outstanding public programs for Chinese New Year and school holidays

- Delivered the Open Monument for the Chinese in Ballarat, with City Council and local community members

- Staged 'Gnarrwurring Ngitj', our first festival of Wadawurrung culture in collaboration with Wadawurrung People in National Reconciliation Week

- Autism-friendly initiatives officially recognised by the peak body, AMAZE

- On-going accessibility enhancements including accessible lift and digital tours

- 762,406 visits to the website
31% increase in users

- Board study tour to pre-eminent overseas outdoor museums, with staff exchanges finalised

RECORD 346,454 underground mine tour visitors

- Re-accredited under Museums Accreditation Program

- Established the Green & Gold Team for Museum Sustainability

- \$500,000 increase in online bookings activity

RECORD 95,000 visitation for 'Christmas in July: Winter Wonderlights'

RECORD \$1.6m operating profit

PRE SID ENT'S REPORT

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Without doubt, Sovereign Hill is an amazing organisation with which to be involved. I thought that my first term as Board President last year had some incomparable experiences; however, those of the past twelve months have far exceeded what was a wonderful inaugural year in itself!

In February this year, the pride of being on the podium in Melbourne, with our CEO, Jeremy Johnson, to receive the trophy for Australia's Major Tourist Attraction in the 2015 Australian Tourism Awards was a very special highlight. It captured the amazing work done by our Board, management, staff and volunteers in one magical moment! I would like to pay particular tribute to Jeremy and his team for this achievement. It is the third occasion in our forty-six year history that we have accomplished this feat, the previous occasions being in 1993 and 2005. The trophy sits proudly alongside many similar accolades in the Entrance Building trophy cabinet. These include the 2015 Victorian Tourism Award as the State's Major Tourist Attraction.

A second key highlight was the Board's study tour to the pre-eminent outdoor museums in the UK and Europe. Through our CEO's connections, we were hosted to amazing tours of Beamish (England), Skansen and Jamtli (Sweden) and Den Gamle By (Denmark). At each of these outstanding museums, we were extremely well received. We experienced an amazing opportunity to benchmark Sovereign Hill at first-hand and to learn so much more about the exceptional work that outdoor museums do in presenting such rich interpretation in their respective settings.

In turn, we have benefitted greatly with a program of staff exchanges now being implemented. These museums are undergoing dramatic changes to their time periods, seasonality and use of technology. Learning how they are coping with these customer-driven demands was a unique opportunity for the Board and the Management Team members who participated in this study tour.



Cr. Des Hudson, (centre) Mayor of the City of Ballarat, and proud Civic Patron of Sovereign Hill, paused outside the new façade of the Ballarat Times Office with Jane Cowles and Vice-President, Adrian Doyle.

Looking towards the future, also, a number of key planning matters were addressed at the annual Board and Executive Management Planning Day, which was held at Narmbool in March.

The year of record attendances is a tribute to Jeremy and his team, especially our Marketing Department, led by Garry Burns. Most visitation sectors are up, and the marketing strategies implemented have been extremely innovative and successful.

Conversely, the 2015 year ended on a devastating note when a massive bushfire destroyed large areas of the Narmbool landscape, taking with it wildlife, stock, fencing, a number of buildings and a large section of the homestead garden. Fortunately, our staff remained safe, and it is a credit to all involved that we have made such excellent progress with the recovery program.

Inevitably, though regrettably, the Executive Management Team is undergoing a period of transition. Roger Trudgeon retired in February, and we will soon see some other major changes, with the partial retirements of John Lewis (Director Engineering & Operations) and John Zulic (Director Creative, Design & Special Projects), and the departure of Garry Burns (Director Marketing) at the end of 2016. Each has made an outstanding contribution to Sovereign Hill.

The Board has welcomed a new member, Angela Carey. Angela brings to us a wealth of media experience and has already made an impressive contribution to our deliberations.

We farewelled Board member Sari Baird and thanked her for a stellar contribution since 2005. Sari's experience in fundraising, risk management and audit was a valued resource for the Board.

On the subject of retirement, we acknowledge the excellent representational work done by the Hon. Michael Ronaldson – firstly as the Federal Member for Ballarat and then as a Senator for

Victoria for many years. Michael has always been a great supporter of Sovereign Hill.

Our CEO, Jeremy Johnson, has recently retired as Chairman of the Victoria Tourism Industry Council (VTIC) after more than a decade of service. Jeremy was awarded a Life Membership of VTIC in recognition of his exceptional contribution.

It was a special privilege to have the Victorian State Premier, the Hon. Daniel Andrews, conduct a working group forum at Sovereign Hill to plan how Ballarat can best benefit from major State Government investment in the Eureka Stadium development that will see the Western Bulldogs play AFL Premiership football there from 2017 onwards.

We were also pleased to host the Mayor of the City of Ballarat, Cr Des Hudson, and present his Civic Patron's badge at a ceremony in the Theatre Retiring Room in February.

Our congratulations were extended to David Pratt, a Past-President of the Gold Museum Society and a Sovereign Hill member, who was awarded an OAM for services to the community in this year's Australia Day Honours.

In Melbourne, the Right Hon. Robert Doyle, Lord Mayor of that city, presented the Oration at the Sir Henry Bolte Trust Luncheon at Queen's Hall, Parliament House. This well-supported event, held in May, raised a substantial sum for the Trust's work in financing the acquisition of collection items.

Our Guest Speaker at the 2016 President's Dinner was Elizabeth Lewis-Grey, CEO of Gekko, the Ballarat manufacturer of mining equipment. This, too, was a very well attended function.

Richard Broome, Emeritus Professor of History at La Trobe University, delivered the 2016 Weston Bate Lecture, which is a very important element of Sovereign Hill's Public Program and honours Professor Bate's contribution to our development as a world-class outdoor museum.

Gekko CEO, Elizabeth Lewis Gray (centre) posed in picturesque Main Street with Vice-President Adrian Doyle and Jane Cowles on the evening of the 2016 President's Dinner. Ms Lewis Gray, guest speaker at the dinner, was presented with a copy of Sovereign Hill's official history.



The Gold Sovereigns Luncheon was addressed by our former CEO, Peter Hiscock OAM. As always, Peter's speech was informative and most topical and entertaining.

Official opening ceremonies are never far from the limelight at Sovereign Hill. This year was no exception. We welcomed the Consul-General of the People's Republic of China in Victoria, Mr Yumin Song, to open the revised 'Secret Chamber' exhibit in the mine and also the Open Monument to the Chinese in Ballarat. The latter project was greatly assisted by the outstanding fundraising work of the local Chinese community leader Mr Henry Thai and our CEO, Jeremy Johnson. Sadly, Mr Thai passed away in December, but this monument is a great tribute to his voluntary efforts for our Chinese community over many years.

The State Tourism Minister, the Hon. John Eren, opened the R. Gibbings, Livery & Bait Stables exhibit. This very popular display enhances our fascinating story of 19th century horsepower.

Throughout the year, we have been delighted to welcome a number of new Life Members. Professor David Battersby, Daryl Burt, John King, Natalie King, Andrew Young, Roger Trudgeon, Rod McArthur and Leanne McArthur have joined this special membership group.

We gratefully acknowledge the support that Sovereign Hill receives from Creative Victoria for the operation of the Gold Museum, and from the Department of Education and Training and the Catholic Education Commission Victoria for the education programs delivered at Sovereign Hill, Narmbool and the Gold Museum.

We are also very appreciative of the on-going and extremely positive relationships that we enjoy with Federation University and the City of Ballarat.

I now conclude my two-year term as Board President after what has been a rich and rewarding experience. Sovereign Hill is a fascinating institution that, even after forty-six years of operation, still delivers a magical experience to each and every visitor.

I sincerely thank our Board members for their exceptional voluntary contributions to the good governance of our Association, and I acknowledge also the most generous support of Ross Wilkie (Chairman of The Sovereign Hill Foundation) and Bill McGregor (Sir Henry Bolte Trust Chairman until December 2015).

Jeremy Johnson and his Executive Management Team have again delivered an exceptional year's outcome across the entire organisation, and have earned our enduring appreciation for a job well done. I thank also the Sovereign Hill staff and our loyal volunteers, the Friends of Sovereign Hill (FOSH) and the Gold Museum Society, whose combined volunteer hours for the year totalled 29,700 – a contribution valued in excess of \$1m!

It has been an absolute privilege to serve as Board President.

Jane Cowles
President

On 19 August 2016, a plaque was unveiled to commemorate the 50th Anniversary of 'The Historical Formation Group', which is considered to be the inaugural meeting of The Ballarat Historical Park Association (later to become The Sovereign Hill Museums Association). Official guests helped unveil the plaque. From left to right: Barry McOrist, Ewan Jones, Bill McGregor, Jane Cowles, Colin Prowse, Bob Gluyas.



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CEO'S REPORT

It is gratifying to report that the past twelve months have been one of the most successful trading periods for Sovereign Hill since its official opening in 1970.

Record day attendances of 542,000 underpinned a record operating profit of \$1.6m, driven particularly by entrance admission income. Overall, Sovereign Hill and the Gold Museum by day, and 'Blood on the Southern Cross' at night attracted over 780,000 ticketed visitors. This is an outstanding achievement, based on exceptionally strong marketing across both our domestic and international markets.

Increased profits have, in turn, supported a significant investment in both maintenance and capital works throughout the Museum.

The undoubted high point for the year was being named Australia's Major Tourist Attraction for 2015. Awards such as this enhance our appeal to international markets, in particular. This achievement owes a great deal to the professionalism of Director Marketing Garry Burns, and his team, who maintain their focus on being at the forefront of promoting Sovereign Hill across the diverse and competitive range of markets in which we operate.

Succession planning within the Executive Management Team has been a predominant focus this year. Roger Trudgeon retired in February after 22 years' service as Manager/Curator of the Gold Museum. His contribution, which was exemplary, is detailed further on in this Report. We welcomed Michelle Smith from the Geelong National Wool Museum as Roger's successor. Michelle has quickly settled in, maintaining the momentum in the Gold Museum's operations and exhibition schedule.



Jane Cowles and Jeremy Johnson were delighted to receive the Award when Sovereign Hill was named Australia's Major Tourist Attraction for 2015.

In July 2016, both John Zulic and John Lewis began their transition to retirement, moving into a Special Projects Team role designed to deliver \$12.81m in capital works projects between 2016 and 2018. This includes the planned \$8m upgrade to 'Blood on the Southern Cross'. Acknowledgements of their respective contributions to Sovereign Hill's success are included later in this Report.

We have welcomed Chris Hutton as John Lewis's replacement. Chris comes to us with previous Sovereign Hill experience and will be a key member of management.

Director Marketing Garry Burns has indicated that he will move into an international consultancy role at the end of 2016 and will therefore be leaving our direct employment. Fortunately, his expertise will not be lost to Sovereign Hill as we will be able to engage his consultancy services for our Asia/China marketing work. His assistant in the China market, Jessica Xue, has also been an outstanding contributor to our success in this challenging tourism environment.

Given these imminent retirements from the Executive Management Team, the opportunity has been taken to reallocate responsibilities across a new team structure. To this end, a number of senior managers, to be known as the Leadership Group, have also taken on an expanded portfolio of management responsibilities.

Executive leadership training has been a very important goal for the year. This has included a specific in-house course for Jarrod Page, Nicole Roberts, Tracey Lewis-Jones and James Baker. Each has excelled in a very detailed program, run by Kerry Little, an Executive Leadership Consultant. This year's participants in the Leadership Ballarat and Western Region program were Gill Armstrong and Janelle Burns who have each gained considerable skills and experience from this involvement. Snjezana Cosic took part in the Leadership Program run through the Council of Australasian Museum Directors (CAMD). I have had the privilege of being CAMD's Honorary Treasurer since 2002 and its EO, Meredith Foley, is employed through Sovereign Hill to service the 23 major Australian and New Zealand museums

and cultural institutions comprising its membership. Janelle Burns expertly carries out secretarial duties for the Council's administration.

A very diverse investment portfolio has been carefully compiled over the years as an integral part of Sovereign Hill's financial operations. It has been most gratifying to see how our Reserve Funds have grown, and their stewardship has been a strong financial management focus. The work of Pat Clifford, Director Finance & Corporate Services, and the investment division at J B Were Melbourne is gratefully acknowledged.

Fundraising is a core responsibility of the CEO's office. Much of my time is spent in this highly competitive area, most capably supported by Sue Tatham. Highlights for the year included the Redcoats Uniform Appeal, the Sir Henry Bolte Trust Luncheon and the Grange Group Luncheon, all of which delivered substantial donations to Sovereign Hill.

Equally, funds raised from our catering enterprises provide a significant income stream, and we are indebted to our lessees, Delaware North Companies Australia.

A major staff survey in 2015 has provided a very useful resource for more effective planning, deployment and training of our workforce. We have maintained a strong commitment to workplace safety, with OH&S training once again to the fore. OH&S Manager Tracey Lewis-Jones and the staff OH&S Committee have been very active in their statutory work.

On another positive note, our Workers' Compensation insurance premium has been reduced, and our industry rating is well below our peer museum group category. As a safe workplace is an entitlement for all staff, volunteers and visitors, our commitment in this area must be both relentless and all encompassing. One key initiative has been to increase on-site installation and coverage of CCTV cameras. Another has been the on-going involvement of the Mt Clear Primary school students in the emergency evacuation training programs conducted in our accommodation and in the mine to test the effectiveness of our emergency planning.



At the R Gibbings, Livery & Bait Stables and VIP Gold Pass Launch, from left, The Hon. John Wren, Sharon Knight MP, Jane Cowles, Jeremy Johnson and Geoff Howard MP with two of Sovereign Hill's strong horse team.



At the Recognition of Country plaque unveiling, Jeremy Johnson proudly received a frond of Cherry Ballart from Wadawurrung Elder, Bryon Powell as a symbol of growth through unity.

I was privileged to be invited by Victoria's Minister for Tourism, the Hon. John Eren, to join the Victorian Visitor Economy Review Working Group and then to be appointed to his Ministerial Advisory Committee for Tourism. Appointments such as this give Sovereign Hill, as a major driver of regional tourism, the opportunity to directly influence Government policy and initiatives.

In June, I concluded my appointment as Chair of the Victoria Tourism Industry Council, a position I had held since 2006. As one of the founding members of VTIC in 2001, it has given me much pleasure to be involved in this highly important tourism body.

My role on the Board of the Victorian Chamber of Commerce and Industry also concluded in March. I was first appointed to the Board in 2002 and was privileged to serve as Board President from 2007 to 2010. I will be continuing on the VCCI Executive Council and also as Deputy President of the Australian Chamber of Commerce and Industry. The advantage of such representative roles for Sovereign Hill is that our voice is heard in highly influential industry forums.

Our relationship with museums from the UK and Scandinavia through participation in the Association of European Open Air Museums (AEOM) has continued to thrive. A formal staff exchange program has been initiated as a result of the Board's 2015 Study Tour which included four major overseas museums. Beamish, Skansen, Jamtli and Den Gamle By are peer exemplars for Sovereign Hill, and our staff on exchange will derive a great deal of experience from these opportunities. In turn, we will also learn much from the expertise of the international museum staff members who come to Sovereign Hill.

In June, I was privileged to represent Sovereign Hill at the 50th Anniversary celebration of the AEOM in Bokrijk, Belgium. We are well respected in this forum, particularly for our commercial expertise and acumen in a restrictive museum setting.

I am deeply appreciative of the support of Janelle Burns and Sue Tatham as Executive Assistants. Their commitment, along with that of the Executive Management Team and the new Leadership Group, has been a most valued resource.

The advice and guidance of the Board and its Chair, Jane Cowles, have been wonderfully supportive. Earlier this year, Jane was admitted to the Ballarat Zonta's Honour Roll of Great Women – a most fitting acknowledgement of her service to both Sovereign Hill and the Art Gallery of Ballarat.

Volunteerism underpins Sovereign Hill's success, and the work of the FOSH and the Gold Museum Society is invaluable, as has been the collective achievement of our staff over the year.

We look ahead, with confidence, towards Sovereign Hill's 50th Anniversary in 2020.

Dr Jeremy Johnson
CHIEF EXECUTIVE OFFICER

MARKETING

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MARKETING

TOGETHER WE STRIVE TO DELIVER
UNIQUE, ENJOYABLE AND
EDUCATIONAL EXPERIENCES.

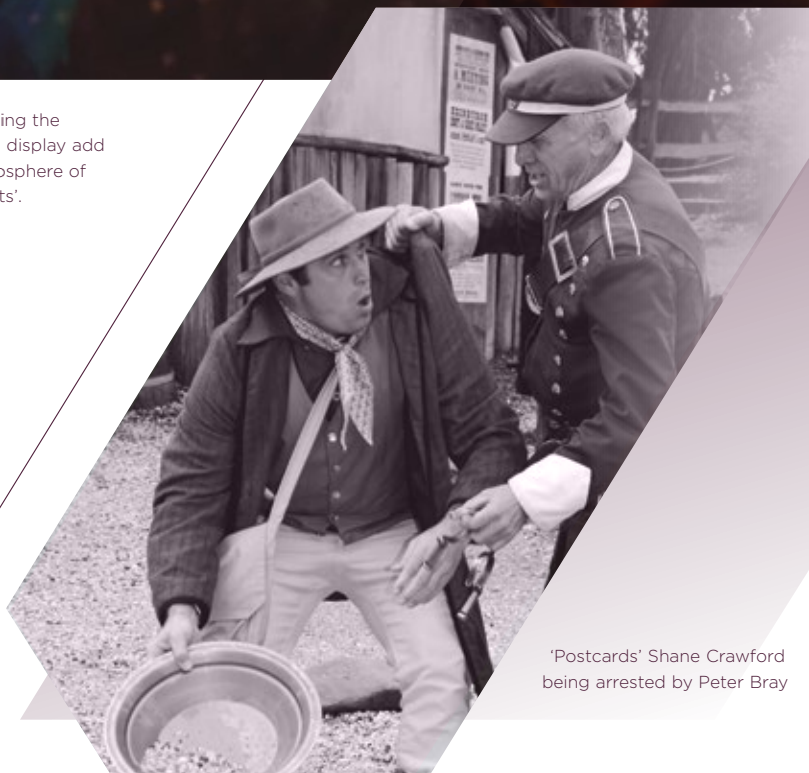


JEMMA TOOMEY
Customer Service - Retail





Large crowds enjoying the spectacular lighting display add to the magical atmosphere of 'Winter Wonderlights'.



'Postcards' Shane Crawford being arrested by Peter Bray



Friends of Sovereign Hill volunteers teach calligraphy basics to the Today Show's Natalia Cooper in the Red Hill National School.

For the second consecutive year, we have broken attendance records for daytime visitation to Sovereign Hill.

This was once again underpinned by the success of our winter event 'Christmas in July: Winter Wonderlights'. We are very grateful to Ballarat Regional Tourism and Ballarat City Council for their financial support of our campaign, but more importantly, for investing in their own 'Winterlude' event to maximise the marketing footprint of Ballarat's winter-time promotions.

Our technical contractors, The Electric Canvas, are highly regarded in their field, having a fine track record with the delivery of 'White Night' in Melbourne and 'Vivid' in Sydney.

Straddling two financial years, this spectacular mid-winter event really engages with our traditional family market at a time of year that had previously been challenging for us. Visitor feedback is always enthusiastic, and we constantly strive to make the production more professional and exciting. This year, we added extra buildings in Main Street and introduced a walking loop through the residential area of Speedwell Street.

To be named Australia's Major Tourist Attraction was a great achievement for our iconic cultural tourism product and a real credit to the Marketing Department, under the most capable leadership of its Director, Garry Burns.

It is also pleasing to report that Sovereign Hill maintained its status under the Australian Tourism Accreditation Program (ATAP) and therefore retains the right to advertise using the 'Trust the Tick' logo that accredited tourism businesses enjoy within this promotional structure.

Publicity and media relations are a constant focus for our Marketing staff. Sovereign Hill has appeared on television promotions, such as the national morning programs 'The Today Show' and 'Sunrise', and the travel and lifestyle show 'Postcards'.

Publicity earned for 'Christmas in July' dominated the year. Coupled with its social media and traditional advertising plan, this event was covered to a remarkable extent across all media. Our media consultant, Tamara Jenkins from Esencia Communications, has again been a very effective resource.

Capturing the imagination of young and old alike, 'Christmas in July' with 'Winter Wonderlights' ran for a full month in 2016, drawing record crowds to Sovereign Hill.



MARKETING WORK NEVER ENDS:
COMPETITION IS EVER-PRESENT
AND CONSUMERS DRIVE THE OUTCOMES.



ABOVE RIGHT: Western Bulldogs player Luke Dahlhaus (centre), makes raspberry drops with Bailey Dale, under the watchful eye of confectioner Ben Bignell.
PHOTO: Luka Kauzlaric

The 2017 establishment in Ballarat of the Western Bulldogs will support four home games over two years at Eureka Stadium.

The Western Bulldogs have been very active and genuine in their commitment to deliver more to Ballarat in unique tourism terms by developing special events and business opportunities.

The Marketing Team has had a very hectic year. Sales and Trade Missions to Europe/UK, China, the USA, Indonesia, India, New Zealand and the Philippines have helped drive attendances.

Sovereign Hill has also benefitted from a number of incentive group visits by international companies. We are ably assisted by our caterers, Delaware North Companies Australia, on these occasions.

One of the success stories at Sovereign Hill over the years has been the very strong support we have received from our various coterie groups. The Prospectors and the Pioneer Pass Holders,

in particular, are excellent ambassadors for our word-of-mouth marketing and promotion, the latter group now having over 1,600 members.

Online feedback from commercial sites, such as TripAdvisor, continues to be very positive. Social media is a vital component of our marketing activity, particularly for major events such as 'Christmas in July' and our other school holiday programs. Samantha Mackley plays a key role within the Marketing Department in monitoring this area.

Marketing work never ends: competition is ever-present and consumers drive the outcomes. We have been very successful in 2015-16 in meeting our objective of being a leader in cultural and heritage tourism, both domestically and internationally.

It is indeed gratifying to see record numbers of visitors enjoying our efforts.



SOOT
ROCK

MUSE JM

OUTDOOR MUSEUM

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THROUGH **STORYTELLING**
WE BRING OUR RICH
GOLDFIELDS **HISTORY**
TO LIFE, LEAVING A **LASTING**
IMPRESSION ON VISITORS.

A stylized, handwritten signature in a dark brown color, appearing to read 'J Ford'.

JACKSON FORD
Operations Interpreter





ABOVE: The refurbished and repainted facades of the Ballarat Times Office and Criterion Store bring re-freshed history to Main Street.

LEFT: Horse handler, Emma Koch preparing for a demonstration at the newly created R Gibbings, Livery & Bait Stables.



After forty-five years, the stature and popularity of Sovereign Hill's Outdoor Museum continue to grow. With record attendances, it is pleasing to see high visitor satisfaction ratings maintained and our work recognised by several prestigious awards.

The Interpretive Theatre Team led by Barry Kay created new theatre pieces and supported the development and training of staff to present high quality programs for visitors.

We experimented with new ways of programming. Activities such as Chinese New Year celebrations that had previously run for one day only were presented as an extended season throughout February. Likewise, the baby animal display ran before and after the spring school holidays.

A long-term project has been the development of 'The Invisible People'. Supported by a grant from Creative Victoria's Regional Arts Fund and in partnership with Indigenous theatre director, Isaac Drandic, and Wadawurrung Elder, Uncle Bryon Powell, we created an Indigenous perspective to this verbatim theatre piece based on the 1858-59 'Report of the Select Committee of the Legislative Council on the Aborigines'.

The year started and ended with the 'Christmas in July: Winter Wonderlights' program. Planning for the 2016 event was based on the 2015 experience, which indicated the need to present more entertainment

and expanded visitor facilities across the site, in order to support very high attendances. New rostering models were also implemented to sustain staff at high performance levels throughout an extended four-week season.

'Jack and the Beanstalk', the pantomime for the year, was very well received, with performances daily on school holidays and for school groups in the evening.

We worked again with the Arts Academy of Federation University to run a competitive project for students to 'pitch' a new performance program, with the winning group paid to stage it at Sovereign Hill. The successful team, Blue Ingot, demonstrated an impressive level of research with their presentation of 'On the Road', which was based on the theme of horses.

Barry Kay and Lucy McNeil represented Sovereign Hill at the Asia-Pacific Forum of IMTAL (the International Museum Theatre Alliance) in Canberra. They returned with many new interpretive ideas to entertain and educate our visitors.

The popular 'Gold Strike!' themed holiday program was repeated for summer 2015-16. The key attraction was gold panning, with a guaranteed sample of gold in each child's bag of pay-dirt, and the chance to win a gold nugget every day.

The year has seen a constant effort to maintain and reconstruct our buildings, which have been 'loved to death' by over 20 million visitors since 1970.



ABOVE: Sovereign Hill Costume Department Manager Erin Santamaria and her staff have researched and made a new suite of costumes and accessories for our 40th Regiment of Foot.

LEFT: Compelling stories of goldrush immigrants travelling the world in search of wealth are beautifully told in the new display, 'Bright Visions'.

Sovereign Hill's Engineering Department and specialist tradesmen have repaired structures, re-painted façades and decorated interiors.

The Ballarat Times Office and Criterion Store also have new floors, and realigned boardwalks have improved access. Worn roof sheeting and canvas have been replaced.

An ambitious program to build new displays and facilities has been of particular interest to Museums Director, Brett Dunlop. Architects and engineers have made exhibition areas of the Entrance Building accessible for visitors using wheelchairs and prams. Generously supported by funding from the Hugh D T Williamson Foundation, an extension to the building and internal modifications have created ramps to a lift that takes visitors between three levels of the display. Research for 'Bright Visions', the new orientation exhibition, was completed by Dr Clare Wright and Sovereign Hill historian Dr Jan Croggon. The installation, created by Think! OTS, presents the story of our goldrush immigrants who travelled across the world chasing 'bright visions' of wealth.

Other projects have been the R. Gibbings Livery and Bait Stables where staff demonstrate horse harnessing, the Farr and Hancock mineshaft, and commencement of a new accommodation wing for the Steinfeld's building. Research is underway for a fifth costumed school based on Wesleyan goldfields schools.

On-going improvements to accessibility range from the complex (an accessible lift and digital tours on smart phones) to simple (larger disabled parking bays and better informed staff). OpenAccess Tours has produced videos with captions and Auslan (Australian sign language) interpretation for our website and for a new digital tour of the Gold Pour demonstration. Videos and programs for deaf school groups were supported by a grant from the Deafness Foundation. We are also trialling a power-assisted system for our rugged 'off road' wheelchairs to help carers negotiate our steep slopes.

Our work to become an autism-friendly venue has been recognised by the peak body, AMAZE. This was announced when 180 people attended a lecture by Dr Richard Eisenmajer, who specialises in assessing Autism and Asperger's Syndrome, and promoting an understanding of what it means to live with an autism spectrum disorder.

Behind-the-scenes, initiatives to improve our environmental sustainability won us the 2016 Victorian Museum Award for Large Museums.

Costumed characters bring our goldrush stories to life. Costumes are researched, designed, produced and maintained by the Sovereign Hill Costume Department. Assisted by the Redcoats fundraising campaign, Manager Erin Santamaria and her staff have researched and made a new suite of costumes and



Wadawurrung dancer, Ashleigh Skinner shares the theme of learning together (Gnarrwurring Ngitj) with Brett Dunlop and Alice Barnes.



The spectacular corroboree, thought to be the first of its kind in at least 150 years in Ballarat, showcased Wadawurrung dance and culture during this year's inaugural Gnarrwurring Ngitj Festival.

accessories for our 40th Regiment of Foot soldiers. Hand sewn, museum-quality replicas of each coatee type will be included in the Museum collection for future research purposes.

Richard Broome, Emeritus Professor of History, La Trobe University, delivered the annual Weston Bate History Week Lecture, 'Agents in Their Own Making. Aboriginal People of Victoria'. A musical presentation developed by our Honorary Music Historian, Dr Terence FitzSimons, accompanied this engaging lecture.

Dr Jan Croggon was appointed Honorary Senior Research Fellow, Faculty of Education and Arts, Federation University, in recognition of her work in supervising post-graduate students and her contribution to the study of goldfields history. Our historian also presents staff training sessions, conducts research for exhibitions and programs, and promotes the academic side of the Museums' work; for example, presenting at the Australian History Association conference and the S T Gill symposium at the State Library of Victoria.

An important initiative this year was the collaboration between Sovereign Hill and the Wadawurrung People to highlight the Aboriginal perspective of the goldrush story.

In National Reconciliation Week, we staged Gnarrwurring Ngitj (pronounced 'haworrning nitch'), our first festival of Wadawurrung culture. Gnarrwurring Ngitj or 'learning together' became the theme for this celebration of Wadawurrung history, language and culture. On National Sorry Day, we unveiled a striking Acknowledgement of Country sign at the main visitor entrance.

Visitors enjoyed craft and cultural workshops, Aboriginal history tours of the Outdoor Museum and a sacred site at Narmbool, a preview of 'Invisible People' (our documentary theatre piece on colonial attitudes towards Aboriginal people), a lecture from Federation University historian Dr Fred Cahir, a tour of the Gold Museum's Pern Collection and dedicated school education sessions.

Finally, we thank the Outdoor & Mining Museum Committee, and its Chair, Peter McCarthy, for their guidance throughout the year.



'Mine rescue' training exercises with local fire fighters.



Our underground mine experiences have attracted and enthralled 346,454 visitors in 2015-2016.

THE MINE

Another record year of underground mine tours was achieved, as 346,454 visitors enjoyed one or more of the highly entertaining and informative experiences presented in the Sovereign Quartz Mine.

The opportunity to take an underground mine adventure tour at Sovereign Hill has always been a unique selling point for both domestic and international markets.

Our mine guides have developed a range of interpretive experiences, which fascinate visitors of all ages from the moment they board the Inclined Tram that carries them into darkness for their underground experience. Serena Ioannucci, Manager Mine Operations, has led a very talented team of interpreters, and mine tours rank highly in visitor feedback.

The mine has always operated with a major emphasis on safety, and this year has been no exception. WorkSafe carried out an intensive audit and issued its verification findings to help guide our operations there. In October, Ballarat City

Fire Brigade also came on-site, with twenty-five firefighting personnel, for a major training exercise based on a simulated rescue.

A major maintenance rehabilitation of the mine entry area became the unexpected focus of this year's engineering work underground. Our mining contractors, Mancala, were required to carry out remedial works, which included extensive excavation, placement of crown units, shotcreting and rock bolting.

In the year ahead, we plan some major upgrades of the train track, as well as replacement of the train prime mover.

As Director Engineering & Operations, John Lewis has had a unique responsibility within his portfolio in overseeing this key Sovereign Hill exhibit. The Board's Outdoor & Mining Museum Committee, chaired by Peter McCarthy, also plays a significant role in this work, along with Peter Darveniza, our mine engineering consultant.

STEAM OPERATIONS

The impressive plant and equipment that comprise Sovereign Hill's Steam Operations is, in fact, a unique museum collection within an Australian context.

The fact that it is a full working display, operating 364 days a year, complete with the impressive Cornish Beam Pump, makes the surface installations of the Quartz Mine a most significant representation of what, quite literally, drove the wealthy company mining period of the Australian gold rushes.

The local engineering skills developed to create this type of mining operation saw Victoria emerge rapidly in the latter part of the 19th century as the centre of the world for this massive primary industry and the associated heavy manufacturing sector. Indeed, many Australian heavy engineering companies have their origins in Ballarat.

Steam Operations Manager Craig Ashman leads an expert team that cajoles machines (some over 100 years old) into firing up each day, to provide visitors with an informative, practical display. However, the team also has to manage machinery and technology that is very much 21st century.

All underground mine tours commence with an Inclined Tramway ride. After seven years' operation (representing 160,000 trips between the two trams), new cables have been installed. A more challenging problem arose when the trams began stopping for no obvious reason. The problem was eventually diagnosed as interference with its computer-driven operations – caused by new Wi-Fi technology installed so that visitors could use our latest apps on hand-held devices to access services and information. The solution was to introduce a more sophisticated technology that is not subject to interference from mobile phones and tablets.

JOHN LEWIS

John Lewis was recruited to fill the vacancy for the position of Director Engineering in 2003. He had already had a significant career in local government as a civil engineer and was, at the time, CEO of Sovereign Concrete, a major Ballarat manufacturing plant.

He quickly settled in at Sovereign Hill and brought a very sensible, pragmatic and organised approach to the diverse tasks that were involved with both maintenance and capital works.

The construction of Narmbool Lodge, with its adjacent Environmental Learning Centre, was the first major capital works project John delivered for us. Many more followed, together with a very extensive annual maintenance program across all areas of Sovereign Hill and the Gold Museum.

Perhaps John's finest contribution to the Outdoor Museum was the development of the Quartz Mine to provide the Inclined Tramway and 'Trapped!' – a cutting-edge underground mine experience.

As Chief Warden, John carried out this key Emergency Services role to perfection. He also developed a strong OH&S Department and workforce safety regime across all areas of Sovereign Hill's operations.

John will continue as a member of the Special Projects Team with John Zulic for two years, following his retirement from the role of Director Engineering & Operations on 2 August 2016.

John Lewis has contributed significantly to Sovereign Hill since 2003 and now moves to the Special Projects Team.



RETAIL OPERATIONS

Managing the Sovereign Hill retail environment remains a complex process for Director Richard Berman-Hardman and his team of some 65 staff.

Unlike shoppers visiting large suburban complexes or the local high street, our customers have already had to pay an admission charge before being persuaded to consider further purchases.

Sourcing suitable stock for the Outdoor Museum exhibits, including iconic venues such as the Grocer and the Criterion Store, is a constant challenge. Contemporary retail decisions are based largely on potential profits; however, we must provide visitors with a credible interpretation of the 1850s-style shopping experience.

Stock items such as candles, boiled sweets and forged goods are made on-site by the rare trades staff. Other products are sourced by Merchandise Manager Anne Strange and an inventory team who spend hours researching goods suitable for over a dozen shop exhibits. They then have to manage a stock base as extensive as that of any Australian museum.

With over 4,000 products, we seek to ensure that retail staff will be able to link each item to the Sovereign Hill story. Sue Watson, who coordinates Clarke Brothers' Grocery Store, is typical in that she is an adept business manager, but must also champion the history of the exhibit and maintain an armoury of rich stories to help visitors understand and connect with the products on her shelves. In Victorian times, for example, the licorice she sells as a tasty treat was also a common cure for stomach pain.

Anyone who has visited similar institutions in the United States and Europe will appreciate the calibre of the Sovereign Hill retail environment and the world-class staff who drive it. They are to be commended, along with their colleagues in our three Gift Shops, for the wonderful commercial and interpretive outcomes they achieve.

Clarke Brothers' Sue Watson amongst the impressive and diverse array of goods sold via retail operations.

Part of the team that maintains the Steam Operations Department, Phillip Thorn understands the complexity of keeping the full working display running year round.





TOP LEFT: Behind the scenes, Belinda Paine is part of the dedicated Administration team that oversees the many facets of back-of-house operations.

LEFT: Fully appointed meeting room facilities, including Steinfelds, attract a conference market to Sovereign Hill.

ADMINISTRATION

In another busy year for Sovereign Hill Administration, a new HR staff performance management system – PeopleStreme – was successfully introduced. This technology-based resource integrates with our payroll system and aligns our staffing with the Corporate Strategic Plan. The antiquated telephone system was also updated, with new user-friendly handsets distributed across all Sovereign Hill and Gold Museum offices.

Our Director Finance & Corporate Services, Pat Clifford, and Mark Karlovic, Manager People & Performance, led the statutory process for renegotiation of the Sovereign Hill Enterprise Agreement. This was approved by Fair Work Australia after an overwhelming vote in favour by staff employed under the Agreement.

An extensive staff training program, across all areas of operation and management, was carried out during the year. For the first time, we conducted an Executive Leadership Development Program led by an external consultant. We also participated in the Leadership Ballarat & Western Region program, an initiative of the Committee for Ballarat, which we have supported since its inception.

BLOOD ON THE SOUTHERN CROSS

The project to deliver a new sound-and-light production will begin in earnest next financial year, as the ink dries on our \$8m funding agreement with Regional Development Victoria. The creative journey to deliver a successful presentation will take approximately two years.

It is pleasing to report that 'Blood on the Southern Cross' visitation held firm at around 60,000 in the year ending 2016, whilst profits rose by \$40,000. Despite the show's age, its storyline still resonates with audiences, and this should ensure that we can rely on the vital cash flows delivered by 'Blood on the Southern Cross' until the new production is complete.

We thank Justin O'Gorman, his bookings team and the Duty Officers and BOSC Guides for the commitment with which they deliver the show. Collectively, they endure all that Mother Nature throws at them, night-in, night-out, and always manage to deliver warm smiles and impeccable hospitality. The frequency of positive guest feedback about our night staff, particularly in relation to the way they care for guests with mobility issues, is testament to this.



SOVEREIGN HILL HOTEL

From a trading standpoint, our 400-bed property has performed well, delivering an impressive 30% increase in profits – a result which is a credit to Manager Neil Robbins and his dedicated staff.

Following a successful five-year trading period, and four years' works to refurbish rooms, and improve presentation standards and the overall guest experience (and considering the upcoming rejuvenation of 12 rooms in the Canadian Gully wing) it was decided that our accommodation complex had outgrown the 'Comfort Inn' brand, which is more congruent with a motel-style operation. The business therefore left the Choice Hotels Australasia franchise system and was re-named the 'Sovereign Hill Hotel' in March.

School camps generate around 50% of the hotel's profits, and demand for dormitory rooms already outstrips supply. With this in mind, and to maximise the opportunity stemming from the impending addition of a fifth costumed school in 2017, the Steinfeld's accommodation wing is currently being extended and reconfigured to provide an additional 36 beds for students. The addition of a small commercial kitchen and improvements to existing amenities will also allow us to create a meeting space in the Steinfeld's Lounge, which offers a fine view of Ballarat.

ABOVE LEFT: Sampling a diverse array of career possibilities is available for work experience students when they visit Sovereign Hill.

ABOVE: With the re-naming of the former 'Comfort Inn' to 'Sovereign Hill Hotel', rebranding was also undertaken to befit the upgrading of facilities.

BELOW: A consistently high standard of customer service is provided by dedicated staff of the Sovereign Hill Hotel.





The magnificent United States Hotel dining room is home to exclusive Victorian-style dining events.

CREATIVE, DESIGN & SPECIAL PROJECTS

Sovereign Hill Design has a depth of technical knowledge and experience that allow it to create beautifully tailored products that ensure the best user experience for our visitors. These range from printed brochures, promotional material and submissions to the digital world of site guide apps and the corporate website. The team's capabilities also extend from concept to delivery of museum exhibitions, historical exhibits and the interior design of modern visitor amenities.

This Annual Report is the work of Design, as is 'rush' – our new magazine offering supporters an insight into the daily workings of Sovereign Hill and its core businesses.

With regard to the visual elements and content management of Sovereign Hill's website, the recent focus has been to lift website performance by more efficiently targeting audiences and increasing the number of visits we attract. Our ultimate aim is to convert more 'hits' into actual sales.

The importance of our website is illustrated by the fact that over 80% of visitors searched the Sovereign Hill website before their visit. There were 762,406 visits to the website, with a 31% increase in users compared to last year. Approximately 75% used mobile devices, and spent an average of just over two minutes on the website.

Likewise, online activity demonstrates the potential of e-commerce. The value of online bookings for the year increased by \$500,000 and sales of VIP Gold Passes rose by 1,000, representing an increase of \$126,000.

An extended long-term digital strategy will be delivered in partnership with our new advertising agency, Town Square, and a dedicated external consultancy. The aim is to have the website better support our offline marketing.

Site enhancements will encompass best practice in information hierarchy, with updates to functionality, e-commerce and social media presence. The chosen CMS (content management system) will be highly customised for administration interface, access and publishing. An improved digital call to action should stimulate online ticket sales, with other commercial opportunities to follow.

Refurbishment of the United States Hotel Dining Room was recently completed with the delivery of reproduction mahogany dining furniture. Fine dining with all the glamour of the 'civilised' world was certainly available on the goldfields, and this new interpretation strengthens our story of goldfields hospitality with a more sophisticated experience.

At Narmbool, the long-term vision is to develop the visitor experience in the homestead, the garden, the bluestone cottage, the shearing shed and the stables. At present, the main focus is the latter. Over the year, Design staff have researched and planned an extended interpretation of the stables based on Sovereign Hill's brand pillars of adventure, mystery and discovery. Visiting students will learn about the story of horses on Narmbool. They will explore the surviving stables and be introduced to the anatomy and physiology of the horse, feeding and care routines, and traditional working roles. There will be a real horse to meet and handle, and a cutting edge virtual riding experience.



Leaving a long and impressive legacy of creativity, design and capital works, John Zulic moves to Special Projects at the end of 2016.

JOHN ZULIC

The Marketing Department joined with Design and Town Square to lift the 'Wonderlights' presentation for 'Christmas in July'. John Zulic negotiated an expanded contract with The Electric Canvas, increasing the number of buildings and creative projections to deliver the show. Other Design contributions included the daily guide map and program, and point-of-sale and website support for the campaign.

The President's Dinner is an annual highlight in which the Board celebrates the year with our supporters. On this black-tie evening, there is a speaker of note and guests are treated to the very best of our dining experiences by Delaware North Companies Australia, our catering lessees. Elegant invitations and table stationery enhanced the overall focus on excellence.

In a major change for the Design Department, January 2017 will see its Director, John Zulic, step aside and move on to new responsibilities involved with some key major projects.

In 1975, a young graduate in Design from RMIT was appointed as Sovereign Hill's first Graphic Artist. John Zulic had completed his diploma and took up what was ultimately to become his sole senior career appointment – a rare feat in any Australian workplace.

In the intervening forty-two years, he has been involved in the creation and development of every major exhibit and most of the capital works projects at Sovereign Hill, the Gold Museum and Narmbool.

John has also produced many of Sovereign Hill's publications, he has been responsible for running several key commercial operations such as the Red Hill Photographic Rooms, and has been an instrumental contributor to Sovereign Hill's brand development and its marketing.

John's innate creative abilities have helped immeasurably in major projects such as the Sovereign Quartz Mine, 'Blood on the Southern Cross', the Simon Pavilion and the Cowles Gallery at the Gold Museum, the Sovereign Hill Hotel and the Garden Room at Narmbool.

His expert guidance and involvement have also been integral to our success at various Victorian and Australian Tourism Awards over the years.

John will be concluding his role as Director Creative, Design & Special Projects at the end of 2016, but will remain as a member of the Special Projects Team for the following two years, with John Lewis.

His legacy to Sovereign Hill is seen every day, all around us, in our built environment.

The goldrush meets modern technology in the form of the Gold Seekers app, providing a new visitor experience by utilising iBeacons technology. The app was produced in conjunction with Sovereign Hill's Education Department.



EDUCATION

EDU CAT ICON

I ADORE TEACHING
CHILDREN ABOUT HISTORY.
IT IS MY PASSION.

Michaela Willison

MICHAELA WILLISON
Education Officer



EDUCATION

The year saw renewed support from the Victorian Government's Department of Education and Training (DET) and the Catholic Education Commission Victoria (CECV). The DET awarded Sovereign Hill and Narmbool a grant under the Strategic Partnerships Program for provision of high quality education services to school students. The CECV replaced its longstanding Placed Teacher program with grant funding, allowing Sovereign Hill to employ two former Catholic Placed Teachers as Education Team Leaders. In another transition, Marion Littlejohn moved to the Ragged School, and we welcomed Michaela Willison to our team.

All education programs were audited in line with the Victorian Curriculum F-10, to be implemented by 2017. 'Australia and Asia' is a Year 9 program introduced to align with this curriculum, and resources were developed for a new VCE unit on Tourism.

For teachers, we launched the 'Hidden Histories' Teaching Kit online and offered several professional learning opportunities.

Ever popular with local schools, special events included the Horse's Birthday, Book Week, Christmas in the Colonies and Eureka Day. For Catholic Education Week, we celebrated Mass in St Alipius' Diggings School.

Chinese New Year festivities during February were coordinated by Education staff and presented with the Chinese Australian Cultural Society Ballarat.

In October, Deaf Awareness Day offered special activities and Auslan interpreters.

One highlight was the visit by St Mary's School from Dandenong. Students and parents enjoyed their first Sovereign Hill excursion, which was supported by a reduced entry cost through a partnership with CECV.

A major initiative was our May commemoration of Reconciliation Week with the inaugural Gnarrwirring Ngitj ('Learning Together') Festival. Conducted with the Wadawurrung People. This included an unveiling of the Recognition of Country plaque, special education and public programs, a play reading and the first Wadawurrung corroboree in Ballarat for 150 years. Responses from Aboriginal communities, schools and the broader community were overwhelmingly positive.

LEFT: An array of festivities helped visitors celebrate Chinese New Year, including a Chinese dancing troupe in the Victoria Theatre.



BELOW: Promoting the inaugural Gnarrwirring Ngitj ('learning together') Festival, Bryon Powell, Fred Cahir and Alice Barnes.





ABOVE: Celebrating Mass under the canvas roof of the St Alipius School, are from left, Annemarie Kierce, Father Tom Brophy, John Meneely and Peter Hoban.



RIGHT: Conservation students, Bridget Hale, Isa Loo and Grace McKenzie-McHargh prepare to 'block-lift' a small section of chain found in the soil beneath Bowers homestead at Narmbool.

WORD OF OUR EDUCATION PROGRAM HAS CONTINUED TO SPREAD

NARMBOOL EDUCATION

A busy year began with record school bookings, the school holidays filled by a Macpherson Smith Rural Foundation youth leadership camp and an archaeology camp for university students, led by celebrity archaeologist, Adam Ford.

However, on 19 December a massive bushfire swept through Narmbool. We are very grateful that our staff survived this horrific event and most fortunate that the Environmental Learning Centre and Narmbool Lodge were untouched. We cannot thank enough the Country Fire Authority volunteers, Moorabool Shire, our contractors and many agencies who assisted with our recovery.

In response to this natural disaster, Narmbool Education has developed a new program for VCE Geography and new activities including the Energy Walk (where students investigate renewable energy), the Construction Challenge (where students complete three tasks to assist a community to rebuild after a disaster) and an activity examining regrowth after fire.

The Bowers archaeology dig continued with excavation of the entire house site revealing numerous artefacts that enhance our understanding of life for the Bowers family from

1870 to 1970. A silcrete outcrop discovered nearby has allowed us to forge a closer relationship with Wadawurrung, the local Registered Aboriginal Party. The site would have been very important to the original inhabitants of this place, who used the rock to form tools. During Reconciliation Week in May, an Aboriginal archaeologist presented a cultural heritage walk focussed on this discovery.

A new collaboration we have forged is the Ballarat Science Teacher Education Network. Together with Federation University, Australian Catholic University, Earth Ed, Ballarat Municipal Observatory and the Catholic Education Office Ballarat, this network aims to help all teachers increase their knowledge and confidence in teaching science and sustainability

We have also maintained partnerships with the Macpherson Smith Rural Foundation, the Leigh Catchment Group and ResourceSmart Schools.

Word of our education program has continued to spread with more new schools making bookings and repeat business flourishing.

Now in their thirty-eighth year, the Sovereign Hill Schools continue to provide an unforgettable educational experience for upper primary level students from all parts of Victoria and further afield.



Wearing costume is part of the immersive experience for students attending the educational program.

THE SOVEREIGN HILL SCHOOLS

Demand for bookings remains very high with over 300 two-day costumed programs conducted each year for more than 7,500 students. Visiting schools come from Government, Catholic and Independent education sectors. While the majority of students attend Victorian schools, an increasing number from South Australia and NSW are participating. The vast majority stay in on-site accommodation at the Sovereign Hill Hotel.

The Sovereign Hill Schools is a registered Victorian Government special purpose school, which operates four separate costumed schools within Sovereign Hill's Outdoor Museum. The Department of Education employs the principal and one teacher. The other teachers are employed by Sovereign Hill.

During 2015, a successful Department of Education review led to the development of a new four-year Strategic Plan. Priorities include enhancement of resources for use by schools prior to and following their visits, and the expansion of professional learning programs for current and new teaching staff.

The future development of a fifth costumed school is an exciting project that has seen the development of a Working Party involving staff from the Sovereign Hill School and other departments across Sovereign Hill. The proposed Wesleyan School, in addition to providing another experience of 1850s education, will increase both our capacity and flexibility for school bookings.

The success of this unique, immersive educational program is a testament to the hard work of many people. Principal Geoff McArthur and his teaching staff are grateful for the support of the School Council, chaired by Ann Campbell, and to Sovereign Hill and its staff and volunteers. Funding assistance from the Victorian Government Department of Education and Training and the Catholic Education Commission Victoria is also much appreciated.



Learning about 1850s life takes place both inside and outside of the classroom.



Stepping back in time with authentic games from the goldrush days.



THE **STRENGTH** OF SOVEREIGN HILL
IS IN ITS ABILITY TO **SUPPORT AND**
GUIDE THE DRIVE OF STAFF

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E Marsden

ELIZABETH MARSDEN
Collections Manager

GOLD MUSEUM EIJM

GOLD MUSEUM



ABOVE: Stunning Chinese fashion exhibited at the Gold Museum following the acclaimed 1850s-inspired China fashion competition.

LEFT: Snjezana Cosic, Kevin Sheedy and Brent Shannon holding the Poseidon Lead gold nuggets, on loan for the Gold Museum display.



As one of Victoria's largest and most respected regional museums, the Gold Museum has undertaken an extensive range of professional museological activities throughout 2015 and 2016. The Museum achieved re-accreditation under the Museums Accreditation Program with commendations from the assessors. A revised Collection Policy was endorsed by The Sovereign Hill Museums Association Board. Important work was undertaken with Aboriginal Affairs Victoria in the registration of the predominantly Indigenous Pern Collection, and significant inroads have been made in the enrichment of the online catalogue, which now exceeds 72,000 records.

Roger Trudgeon, Senior Curator/Manager of the Gold Museum, retired in February after twenty-two years of service, and we acknowledge his important contribution to the Museum in an article which follows. In February 2016, Michelle Smith joined the Museum as Senior Curator/Manager, having worked in a range of museums across Australia over a twenty-five year career. With funding support from the National Library of Australia,

Dr Megan Cardamone was commissioned to prepare a 'Significance Assessment of Collections', the first document providing a comprehensive overview of the thematic collection strengths. We now have an invaluable tool to help us actively explore opportunities for new directions and contemporary practice in exhibition development, research, collection management, community sector and regional engagement.

Significant new acquisitions have been made this year, including a major collection of postcards and travel ephemera acquired from Dr John Besemeres, and a range of Ballarat historical items including a gold miner's brooch in its original box from Hutton's, one of the city's finest 19th century jewellers. We also acquired at auction a Gold Licence from September 1854.

Following the identification of a potentially dangerous grenade in the collection store, an intensive audit of the collection was undertaken, seeking out any hazardous materials or objects that require special care, such as firearms, ordnance and pharmaceuticals.



ABOVE: Crowds enjoyed the 'On Your Bike! Cycling in Ballarat' exhibition.

LEFT: Andreas Litras and a budding cyclist enjoy an early 19th century velocipede at the Festival of Spokes Community Day.

The Victorian Chamber of Commerce and Industry generously funded three tertiary student internships, with the first starting in June 2016. These have been offered to three Deakin University students undertaking cultural heritage and museum studies. Two will work on collection projects while the third will work on an exhibition.

Under the leadership of Gold Museum staff, The Sovereign Hill Museums Association became the first Australian museum to sign the Green Museums Accord. This international initiative of the Californian Association of Museums and the American Alliance of Museums encourages sustainability in museums. Practical achievements at the Gold Museum this year are a rooftop solar energy installation that will generate the majority of the building's electricity requirements, and a new plant-room boiler that operates much more efficiently than the former thirty-year-old unit.

In recognition of these initiatives, Sovereign Hill recently received the prestigious Museums Australia (Victoria) Award for Large Museums for its site-wide sustainability programs.

The Gold Museum has staged a number of in-house exhibitions and programs designed to engage visitors, particularly the local community, and showcase the Museum's diverse collections. 'On Your Bike! Cycling in Ballarat' celebrated Ballarat's love of cycling, exploring the development of Ballarat's cycling movement and its bicycle manufacturing industry, and showcasing objects from the collection and on loan from local bicycle collectors.

The 'Festival of Spokes' was a cycling-themed community festival organised by the Museum to celebrate the launch of 'On Your Bike!'. The festival attracted over 600 visitors and featured stalls run by local cycling clubs and businesses, and cycling-themed activities such as a maintenance workshop, bicycle decorating activities, races and musical and theatre performances.

'Inspired By ... Chinese Interpretations of Victorian Era Fashion' displayed the top ten designs from the 2016 fashion event organised by Sovereign Hill's Marketing Department in Shanghai.

'A Soldier's View' featured the Museum's collection of First World War photographs taken by an Australian soldier, Captain Brian O'Sullivan. The photographs offered an insight into life on board a ship travelling to Europe, on the frontline and in the trenches. Two events focusing on women in history were sell-outs – a testament to the appeal of their content and the quality of their presentation.

The Museum worked with the Professional Historians Association (Victoria) to deliver 'Well-Behaved Women Seldom Make History', a forum featuring four dynamic speakers presenting stories of 'difficult women' in Australian history. 'A Victorian Silhouette', produced by Sovereign Hill's Costume Department, made its impressive debut at the Gold Museum. The show offered an evening's experience of life behind the

Victorian boudoir door to reveal the secrets of 1850s fashion. Staged as Sovereign Hill's contribution to the Melbourne Fashion Festival, 'A Victorian Silhouette' went on to be presented at the Art Gallery of Ballarat during Heritage Weekend 2016.

An engaging program of community events, school holiday activities and public programs was delivered in collaboration with partners from the arts and culture sector. The Museum worked with illustrators and designers to rejuvenate its school holiday program by offering a range of artistic activities, such as self-guided children's tours, crafts and storytelling sessions.

The support of the Gold Museum Committee and its Chair, Dr Judy Verlin AM, is gratefully acknowledged, as is the work of the Gold Museum Society volunteers.

The special Melbourne Fashion Festival satellite event, held at the Gold Museum, highlighted the making of the Victorian Silhouette through a range of 1850s fashions.





ROGER TRUDGEON

Roger Trudgeon joined the Gold Museum in 1994 as its Manager/Curator. He had had a very distinguished career in the Arts Ministry and in the tertiary education sector.

Roger brought with him an impressive skill set, which underpinned an extraordinarily successful period for the Gold Museum in the intervening years until his retirement on 16 February 2016.

Roger had an amazing capacity to seek out and then engage the help of volunteers and experts, with the Gold Museum Society in particular expanding its role and contribution over his time with us.

He was President of the Ballarat Historical Society from 2001-2010. This helped cement the important relationship that exists between the Society and Sovereign Hill for the management and curating of the Society's collection, which is on permanent loan to Sovereign Hill.

The \$3m redevelopment of the Collections Management Centre and offices at the Gold Museum was perhaps the crowning glory of Roger's term. This, in turn, drove the opportunity for digitising much of the collection so that wider online public access to this treasure trove could be created.

As Roger has moved into a museum consultancy role, his considerable skills have not been lost to Victoria's cultural organisations.

In recognition of his exemplary service, the Board conferred Life Membership on him in 2015.

NARMBOOL

NARM BOOL

A portrait of Gillian Armstrong, a woman with short brown hair and glasses, smiling. She is wearing a dark blue vest over a grey sweater and a white scarf with green floral patterns. Her hands are clasped in front of her. The background is a blurred green field. The image is framed by a large, stylized green leaf graphic on the left and top.

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LIVING ONSITE HAS ALLOWED ME TO **GROW**
MY KNOWLEDGE OF NARMBOOL AND MAKE
A **SIGNIFICANT CONTRIBUTION** TO THE
PRESENTATION OF THE PROPERTY.

A stylized, handwritten signature in white ink, likely belonging to Gillian Armstrong.

GILLIAN ARMSTRONG
Narmbool Site Manager



Rebuilding of retaining walls was part of the recovery after fires devastated Narmbool's extensive gardens.

LIKE THE PHOENIX
RISING FROM THE ASHES,
THE **NARMBOOL STORY IS**
IRREPRESSIBLE

With farming, the Australian experience is to expect the unexpected! This was the case at Narmbool when, on 19 December 2015, a devastating bushfire razed much of the property's pastures and severely impacted farming operations.

We lost over 2,000 ewes and lambs at a critical time in the annual fat lamb production cycle. Farming infrastructure, including the secondary woolshed and yards in the northern part of the property and much of the internal fencing, was destroyed.

But for the courageous firefighting efforts of Farm Manager Peter Rooney and his assistant, Anthony Lewis, the large woolshed near the homestead would also have been lost.

Fortunately, the main farming assets, the homestead and our staff residences, the Environmental Learning Centre and Narmbool Lodge all avoided being burnt. However, Mannas Outstation was totally destroyed, as was much of Tea Tree Gully Bush Camp. The beautiful homestead garden was also impacted, losing about one-third of its footprint.

Our insurance policies were very well compiled and will cover the loss of stock, property and operational profits. It has been a massive administrative exercise to manage this recovery phase, and we are indebted to our brokers, Adroit Insurance, for their expert advice and support.

The recovery works and cleanup have been an exhausting process, but it is pleasing to note that these tasks are nearing completion. We are fortunate in that Peter Rooney's skills and business acumen will stand us in good stead as we move forward.



Martin Scuffins with peregrine falcon, Cleo, presented 'Meet the Beaks - Birds of Prey' at Narmbool.

Our Site Managers, Mick and Gill Armstrong, have been instrumental in the bushfire recovery work, as well as expertly handling arrangements for the school camps in very difficult and testing circumstances this year. A most generous donor has helped with the reinstatement of the house garden, which is now looking much better than it did in the aftermath of the fire!

While the bushfire disaster dominated the year's activity at Narmbool, there have been a number of positive achievements.

The Narmbool Open Garden Day in November was a great success, and drew many favourable comments. At that stage, in full spring bloom, the garden was a magnificent presentation by the gardening team, ably assisted by Robin Ferry's keen involvement.

For the present, the garden is in recovery stage, with expert work being carried out by our gardening team, Jason Ibbotson and Paul Gear. It is a huge task, but we are confident that it will be restored to its former glory, and look forward to showing it off on open days in future years.

Our generous donors have again helped with attracting school camps and developing new infrastructure, such as the planned Astronomy Deck. We now have some amazing equipment to use at this exciting facility, and the town planning permit for development of the Observatory Building has been received.

Like the phoenix rising from the ashes, the Narmbool story is irrepressible, and we are all looking forward to a challenging but rewarding year as the recovery from this natural disaster progresses.

SPECIAL OCCASIONS

SPECIAL OCCASIONS



ABOVE: Annmaree Perry, Peter Freund,
Jane Cowles.

RIGHT: Sue Gull, Jill McKenzie.



ABOVE: Kay McKnight, Bob Hinchey, Noelle Hinchey.

BELOW LEFT: Jeremy Johnson, John Davies, Brian Hassett

BELOW RIGHT: Louise Laing, Sandy Gray, Janet Dore,
Noel Dempsey.





LEFT: Bill McGregor, Right Hon. Robert Doyle, Richard Nicholson.

RIGHT: Belinda Coates, Jane Cowles, Snjezana Cosic.



ABOVE: Adam Ford, Robin Ferry.

LEFT: Rod Unmack, Melinda Unmack, Dianne Gow, Bruce Gow.

BELOW: Margaret Webster, David Macintosh, Helen Henderson.



ABOVE: Joy Zulic, John Zulic, Travis Coulson, Georgie Coulson, Janelle Burns.

BELOW: Peter Jones, Janet Jones, Cathy Dyer, Bronwyn Morton, Alan Morton.



SPECIAL OCCASIONS

RIGHT: Ross Wilkie, Chris Alexander,
Trevor Montgomery.

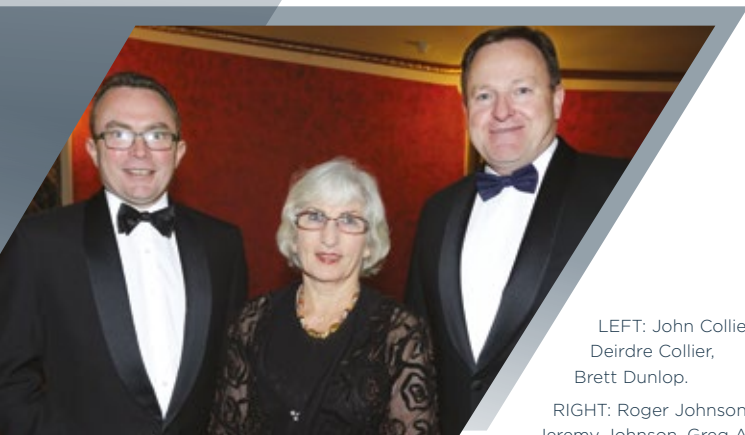
BELOW: Terry Lloyd, Sari Baird,
Damien Butler.



ABOVE: Judy Verlin, Barrie Coltman,
Angela Carey.

LEFT: John King Snr, John King, Pat McNamara.

BELOW: Jamie McDonald, Penny McDonald,
Rebecca Fraser, Wes McKnight.



LEFT: John Collier,
Deirdre Collier,
Brett Dunlop.

RIGHT: Roger Johnson,
Jeremy Johnson, Greg Anders.



ABOVE: Justin Bentley, Angela Bentley,
Steve Coltman, Michèle Fitz-Gerald.

RIGHT: Peter Hiscock.



VALE

PEARL MAY



In July 1970, Pearl May came to my office and said that she was looking for employment. It so happened that I was the Appeal Chairman of the first Sovereign Hill fundraising appeal, and buildings were fast appearing in 'the Park' (as Sovereign Hill was then known) in anticipation of opening day.

She told me that she had secretarial experience and that she could start immediately. As a deal of Sovereign Hill's secretarial work was then being done by Baird & McGregor's staff, I told her that she could start the following week on a trial basis. Pearl proved to be a solid, reliable office manager whose enthusiasm for the fledgling project was obvious.

Subsequently, she was given the task of keeping Board and Executive minutes. She also dealt with correspondence and, when required, accompanied VIPs such as the British High Commissioner and the colourful politician Al Grassby around Sovereign Hill.

When the Victoria Theatre opened in late 1975, the then Executive Director Desmond Kennard (who had employed his own administrative staff) gave Pearl the task of engaging groups to provide live theatre – mostly at night, but also during daylight hours. Pearl and her husband, Laurie, travelled far and wide finding amateur musical acts. Many were performed regularly at Sovereign Hill and were well attended.

It was on one of his many visits to the music hall shows that Sir Henry Bolte told us of his intention to leave a generous legacy to Sovereign Hill in his Will.

After vaudeville entertainer Norm Brown was employed by the Theatre Committee, Pearl was given new responsibilities in the Gold Museum. She was a guide and was later employed in the shop. Following her retirement, she was a volunteer guide. Even as her health was failing, Pearl regularly attended Gold Museum Society events, always dressed elegantly and with a cheerfulness that belied her obvious frailty. She was not always sanguine about what she sometimes saw as her successive demotions by management. However, she accepted the new challenges with enthusiasm, hard work and dedication.

Pearl passed away on 16 May this year. Her close connection with Sovereign Hill will be matched by few others; indeed, it overlapped the first half century of Sovereign Hill's life.

W H McGregor OAM

THE SOVEREIGN HILL FOUNDATION

The Sovereign Hill Foundation was established in 1996 as an internal fund of The Sovereign Hill Museums Association. Its charter is to form a capital base, which is invested to underpin Sovereign Hill's long-term financial viability. The Foundation is most capably chaired by Ross Wilkie.

The ongoing generosity of our Named Account Donors has provided a particularly strong investment fund as at 30 June 2016.

	2016 \$	2015 \$
GENERAL FUNDS	2,152,566	1,957,385
NAMED ACCOUNTS		
The Peter and Richard Nicholson Family Gift	48,255	43,710
Jane Cowles Bequest	49,438	44,781
The Isobella Foundation	56,167	46,343
Delaware North Companies Australia	42,644	38,627
McDonald's Australia	91,279	82,680
D & J McKenzie Account	119,214	107,984
Bruce & Kay McKnight Bequest	41,150	37,274
The Colin & Shirley Prowse Family Gift	51,466	45,705
GH & A J Troon Account	45,851	41,532
S J Weir (Ballarat) Pty Ltd Account	8,905	8,066
Ross & Elizabeth Wilkie	49,239	42,788
Voi Williams Family Gift	41,423	37,521
The Barry James Account	44,368	40,188
The John & Catherine Davis Account	69,653	58,545
Jim and Betty Gay Family Gift	36,768	33,304
Jeremy & Anne Johnson Family Gift	36,531	33,089
JG King Pty Ltd	45,271	41,006
Terry & Sue Lloyd Gift	39,168	35,479
Jim & Irene Stephen Account	42,679	38,658
Gull & Company Gift	36,817	33,349
Adroit Insurance Group (Joe Agostino)	33,823	30,637
Doug Sarah & Penny Russell (Win Sarah Memorial) Gift	40,890	37,039
Dorothy & David Baird and Family Gift	38,618	34,980
Sophie and Steven Coltman Family Gift	24,757	17,886
Neil & June Jens Family Account	30,696	23,262
John Collier Bequest	34,269	31,041
Alizzi Family Named Account	17,098	10,931
Bruce & Adela Bartrop Account	30,765	27,867
Rod & Melinda Unmack Family Gift	10,673	-
Dean & Pauline Stevens Family Gift	5,337	-
Bentley Family Gift	25,838	-
	3,441,614	3,061,656

MAJOR SPONSORS, GRANTS, DONORS & CORPORATE MEMBERS

MAJOR SPONSORS & GRANTS

The Courier	Nestlé Peters	Regional Development Victoria's
City of Ballarat	WIN Television	Regional Jobs and Infrastructure
Coca-Cola Amatil Ltd	Creative Victoria	Fund (RJIF)
Lion Nathan	Catholic Education Melbourne	Department of Education & Training
McDonald's Australia		

DONORS

Baird S & M	Head I	Paterson J
Bartrop B & A	Hinchey R & N	Perry A & N
Bolte B & M	Hiscock P	Prowse C
Burt D	Hook R	Prowse S
Chandler J	Howes I & B	Roberts F
Chapman W	Jenkins P & N	Robson V
Clark B & B	Johnson J W M & A	Ross M
Cowles J E	Littlewood G & A	Russell P
Cowles J I	Lloyd T & S	Sarah A D
Davies Family	Mason K & L	Sarah V
Davis J M	Mattei D	Sarah-Le Lacheur O
Ferry A S & R F M	Montgomery Foundation Pty Ltd	Selkirk J & V
Ferry Family Charitable Trust	Moss D & S	The Hugh D T Williamson Foundation
Hall E	Nicholson R & P	Tobin P
Harman A & J	Nunn B	Torney G & J
Hassett B	O'Sullivan F	Verlin R & J

CORPORATE MEMBERS

Sovereign Hill is supported by a diverse range of Corporate members, who are amongst our best advocates. In some cases, we share strong commercial relationships and in other instances, we can provide a community service link to help advance their objectives. Corporate members also receive a number of worthwhile entrance benefits as well as discounts for goods and services at Sovereign Hill businesses.

A W Nicholson Pty Ltd	Cops 'n' Kids - Ballarat Police Station	Morton Dunn Architects
Adroit Insurance Group	Crawford Dowling Pty Ltd	Mulcahy & Co
Ballarat Coachlines	D W Security Pty Ltd	Peter Tobin Funerals
Ballarat Health Services	Eclipse Ford	Pickwick Group Pty Ltd
Ballarat Holden	Eureka Concrete	PPT Holdings Pty Ltd
Ballarat IVF	Federation University Australia	Prism Solutions Pty Ltd
Ballarat Turf Club	FMP Group Pty Ltd	Quest Ballarat Mews/Quest Ballarat
Baxter & Stubbs Pty Ltd	Frank Ford Travel Pty Ltd	Rural Press Printing Ballarat
Begonia City Motor Inn	Fundlong Pty Ltd	Selkirk Brick Pty Ltd
Berry Anderson & Co Pty Ltd	G Gay & Co Hardware	Sovereign Park Motor Inn
Butler Pty Ltd	Harwood Andrews Lawyers	Sovereign Press Pty Ltd
C E Bartlett Pty Ltd	Haymes Paint	The Diggers Hut
Cave Hill Creek	Honeyman & Paton Pty Ltd	The Haymarket
Central Highlands Surgeons	HS Social Club	uDelivered Holdings Pty Ltd
Chinese Australian Cultural Society Ballarat Inc	Imerys Minerals Australia	UFS Dispensaries Ltd
City of Ballarat	J B Cameron Pty Ltd	Victorian Chamber of Commerce and Industry
Colliers International	Lake Imaging	W & D Finance
Comfort Inn & Suites City Views	Lifestyle Travel Ballarat	W M Flynn Pty Ltd
Commonwealth Bank	Maxitans Australia Pty Ltd	
	Mercedes Benz Ballarat	

SOVEREIGN HILL PROSPECTORS & THE SIR HENRY BOLTE TRUST

SOVEREIGN HILL PROSPECTORS

This year, the Prospectors were special guests at a preview of the new 'Bright Visions' exhibit in the Entrance Building and also for our major works in progress in the Outdoor Museum.

PATRONS

Bate W Moneghetti S

MEMBERS

Ashley G	Cowles J I	Lowe A	Prowse C R
Baird S N	Cronin D	Lyons L	Russell J
Ball D	Cross R	Marshall P	Selkirk J
Bowman B C	Dale J	McGregor W	Selkirk R J
Bradie D	Davies S	McKnight B	Stone B
Brooke D	Davis J	Miller J	Taylor R
Burt D	Everist M	Moss S	Thomson B
Campana T	Fiskén P	Nelson J	Tobin S
Carter R	Glover J	Nicholson E J	Webster M
Chandler I	Gow D	Oliver N	Wilkie G
Chapman W	Hayden R	Owen G	Wilkins R
Chester D	Hewitt G	Perrin K	Williams V
Coltman B	Howe S	Perry A P	
Corcoran I	Kannourakis G	Pierce J	
Cowles J E	Lloyd T	Platzter W	

SIR HENRY BOLTE TRUST

The fifth Sir Henry Bolte Trust Luncheon was an extremely well attended and entertaining event, with the oration delivered by the Lord Mayor of Melbourne, the Hon. Robert Doyle, at Queen's Hall, Parliament House, Melbourne.

At the Annual General Meeting of the Sir Henry Bolte Trust in 2015, its Founding Chairman, Bill McGregor OAM, stepped down after an outstanding twenty-five year commitment to this voluntary role. He has been succeeded by Richard Nicholson, who has been a Sovereign Hill Board member since 1998.

The Sir Henry Bolte Trust is an internal fund of The Sovereign Hill Museums Association. Its current members are:

Nicholson R (Chairman)
 McKnight B (Deputy Chairman)
 Elder S
 McGregor W
 McNamara P
 Prowse C
 Thompson D
 Trudgeon R
 Cowles J E (ex-officio)
 Johnson J (ex-officio)

THE SOVEREIGN HILL MUSEUMS ASSOCIATION

PATRONS

The Hon. John Cain The Hon. Steve Bracks The Hon. Denis Naphine
The Hon. Jeffrey Kennett The Hon. John Brumby The Hon. Ted Baillieu

CIVIC PATRONS

Mayor of the City of Ballarat, Cr John Philips (to 16/11/2015)
Mayor of the City of Ballarat, Cr Des Hudson (from 16/11/2015)
Chancellor of the University of Ballarat, Dr Paul Hemming

PATRONS OF NARMBOOL TRUST

Andrew Ferry Robin Ferry

BOARD MEMBERS

President - Cowles J E
Vice-President - Doyle A
Baird S (to 31/03/2016)
Butler D
Carey A (from 23/11/2015)
Coltman S

Lloyd T
McCarthy P
Nicholson R
Perry A
Verlin J

CHIEF EXECUTIVE OFFICER

Johnson J

EXECUTIVE MANAGEMENT

Director - Museums
Director - Commercial Operations
Director - Creative, Design & Special Projects
Director - Engineering & Operations
Director - Finance & Corporate Services
Director - Marketing
Senior Curator

Dunlop B
Berman-Hardman R
Zulic J
Lewis J (to 02/08/2016)
Clifford P
Burns G
Trudgeon R (to 23/02/2016)

Executive Management from left:
Richard Berman-Hardman,
Brett Dunlop, Jeremy Johnson,
John Zulic, Pat Clifford,
Garry Burns and John Lewis.



THE SOVEREIGN HILL MUSEUMS ASSOCIATION

CHAIRMEN OF COMMITTEES

Finance & Risk Committee	Butler D
Gold Museum Committee	Verlin J
Outdoor & Mining Museum Committee	McCarthy P
President's Advisory Committee	Cowles J E
Narmbool Committee	Lloyd T
Sir Henry Bolte Trust	McGregor W (to 10/12/2015)
	Nicholson R W (from 10/12/2015)
The Sovereign Hill Foundation	Wilkie R

COMMUNITY SUPPORT

We are grateful for the on-going support of the following members of the community who serve on Board committees, Trusts and Foundations associated with Sovereign Hill:

Bruce G	Ferry R	Prowse C
Carlson M	McGregor W	Thompson D
Cuttle M	McKnight B	Trudgeon R
Elder S	McNamara P	Wilkie R
Ferry A	Moneghetti S	
Auditors	Crowe Horwath West Vic	
Bankers	National Australia Bank	
History Consultant	Bate W	
Mining Consultant	Darveniza P	
Numismatics Consultant	Sharples J	
Solicitor	McGregor W, Baird & McGregor	

LEASED BUSINESS MANAGERS

Catering	Delaware North Companies Australia Pty Ltd
Soho Foundry & Clarke Bros Tinsmiths	Bilney P & F

SOVEREIGN HILL EDUCATION

Barnes A	Kierce A	Willison M
Dowler M	Spierings J	
Hoban P	Walker S	

SOVEREIGN HILL SCHOOL

McArthur G	Kyi A	Rosestone S (to 16/10/15)
Beckwith P	Littlejohn M	Steele K
Borner L	Middleton A	
Fyffe J	Revisa J (from 16/10/15)	

HONORARY HISTORIAN

FitzSimons T

HONORARY MINING HISTORIAN

d'Auvergne P

THE SOVEREIGN HILL MUSEUMS ASSOCIATION

LIFE GOVERNORS

Cowles J E	McGregor W H	Prowse C R	Selkirk R J
Jones E C	McKnight B	Sarah A D	

LIFE MEMBERS

Addison J	Collier P	Hunt V D U	McGrath D	Ramsay T D
Agostino C	Coutts L	Inglis R	McGregor H C	Rice-Jones R
Agostino J D	Cowles J E	Jackman R	McGregor H H	Robertson G H
Akers M T	Crabb S	Jacobs L	McGregor R E	Robinson A
Baird A	Craig O	James B	McKenzie D	Robinson R J
Baird D	Creelman T	James B	McKenzie J	Robson V G
Baird M	Davies P R	James D	McKnight I	Runnalls T H
Baird S E	Davis J	James G	McKnight T	Russell P
Baird S N	Davis K	James G	McKnight W	Sarah V J
Ballinger J	Davis P	Jenkins L	McMahon K L	Sarah Le-Lacheur O
Bartrop B E	Davis T	Jens N	Mann P L	Schmid R
Bate W	Dunne M	John J	Martino N	Scott D
Battersby D	Edwards N J	Johnson C	Mason K	Selkirk I
Benjamin T M	Evans L	Johnson D M	Mason L	Selkirk J
Bennett R L	Fairhurst J	Johnson J A	Matthews R E	Sheludko V
Blomley D	Farnell M R	Jones C E	Montgomery T	Smith M
Bonthorne J	Faulkner J	Jones D K	Morrison K	Stephen I
Bowman B C	Faull J	Jones P K	Moss D	Stephen J
Brown G W	Ferry A	Jones R	Moss S	Stepnell J
Brown N	Ferry R	Judd P	Myer B	Stone P C
Bruce C	Fitzgerald D	Judkins B	Myer S	Storey P
Bruce E	Garrisson B	Kaess D	Nemeth R	Taylor P L
Bruce G	Garrisson C	Kaess J	Nevill J	Thacore V
Bruce T	Garrisson H	Kelleher L	Nicholson A W	Thomas K
Bunning P R	Garrisson V	Kennard D	Nicholson C	Thomson G
Burt D	Gay C	Kinchington T	Nicholson E A	Titheridge N W
Butler C	Gay D	King J	Nicholson J E	Tobin F L
Butler D	Gay M	King J	Nicholson P C	Torney G W
Butler J	Gay R	King L	Nicholson P	Tribe J
Butler K	Gilbert J	King N	Nicholson R W	Troon A
Butler N	Glenn S	Knight F	Nunn B	Troon R
Butler X	Grant E	Le Lacheur C	O'Meara T	Troon S
Byrne A	Grant L	Lloyd A	O'Shea J A	Trudgeon R
Byrne P M	Gribble N	Lloyd J	O'Sullivan F	Turner P
Byrne T J	Gull S	Lloyd S	O'Sullivan F C	Vagg F
Chandler J	Gull S	Lloyd T	O'Sullivan J	Valentine N
Chester C	Hayden J M	Lonsdale B J	O'Sullivan M	Vendy D N
Christie R B	Hayden M	Lonsdale G	Perry A	Webster M
Clark B	Hayden P	Lyons G N	Pettit M	Wilkie E
Coburn C	Hayden R	McArthur L	Peuker H	Wilkie J
Coburn I	Haymes D	McArthur R	Pleydell C R	Wilkie R
Coburn P I	Heres K	McCarthy B	Prowse C	Williams C
Coburn P J	Hiscock P McL	McCarthy P	Prowse D	Williams J
Coghlan C C	Hocking D	McDonald-	Prowse G D	Williams V
Collier D	Houston J	Williams A	Prowse M	Wilson P R
Collier D	Howard M	McDonald-	Prowse R	Young A
Collier J	Hunt R V M	Williams S	Prowse S L	

THE SOVEREIGN HILL MUSEUMS ASSOCIATION

STAFF

Allen D	Croggon J	Gu J	Lacy M	Peach J	Thompson J
Alvarado T	Cross E	Haldane C	Lambert J	Peacock A	Thompson M
Armstrong G	Cummings C	Hall K	Larkins A	Pearce D	Thorn P
Armstrong M	Curran B	Hammond R	Lee B	Pelegirin M	Tian J
Armstrong M	Cuthbertson K	Hancock E	Lee H	Perkins D	Tink A
Ashman C	Dalton L	Handley C	Lewis-Jones T	Perkins K	Tonkin D
Baker J	Dalrymple B	Hansen K	Li Y	Pezzutti R	Toomey J
Baker K	Dando M	Harris T	Liu T	Phillips C	Treloar N
Beacham H	Darveniza P	Harvey R	Litras A	Pigdon M	Treneman M
Beattie E	Darwis R	Hazell T	Liu Y	Pike J	Trigg G
Bellingham D	Debney M	Hazledine J	Lo Y	Pingali S	Ure J
Beman Z	Deeks M	Healy J	Long A	Pitman R	Van de Wouw M
Bennett D	Dixon J	Heinrich T	Loveland E	Prenc A	Wagstaff R
Benoit C	Donovan D	Henderson A	Lyons N	Preston R	Waight B
Bignell B	Drake J	Henriksen C	Mackley S	Ramsay L	Waight K
Bignell T	Drew E	Henriksen E	Madden R	Rankin J	Walker J
Billerwell R	Duffin D	Hill K	Mao M	Ravisa J	Walker K
Billing T	Durham M	Hodge B	Margerison L	Read S	Walker S
Bilston I	Edgington B	Hodges A	Marsden E	Richardson J	Wallace C
Bishop G	Edmonston L	Holden N	Marshall B	Riddiford M	Wang J
Blobel T	Edwards G	Holding A	Martin E	Righton M	Wang X
Bodman K	Ellis C	Hollywood D	Martin K	Robbins N	Wang Y
Bond M	Elliott P	Hope T	Matheson J	Robinson T	Ware D
Bourke L	Evans P	Hore B	Matthews A	Robson G	Warr S
Bourke M	Feng Z	Hoskin W	McCann J	Roberts N	Warwarek X
Boyko M	Ferguson J	Howse D	McColl S	Romeyn C	Watson A
Bradley L	Filmer M	Huang L	McGarry A	Rowe C	Watson S
Bray P	Flood M	Huang M	McLaren A	Ryan C	Weatherston M
Bredin R	Flowers C	Huang P	McNeil L	Sandry A	Weng L
Broadway J	Foley M	Huang X	Memon S	Santamaria E	Webb T
Brodrick V	Ford J	Huang X	Mico M	Schaper P	Webster Z
Brown C	Ford J	Huang Y	Mitchell A	Schenk R	Wheatland M
Burke C	Ford R	Hughes F	Mitchell S	Scott W	White B
Burnett M	Forster N	Hughes P	Morcomb E K	Scurr D	White J
Burns J	Foster D	Hughes P	Morgantl A	Seater R	Whitehouse D
Burton I	Freeman S	Hui N	Morris S	Sharp K	Whyte E
Butler G	Frider N	Ibbotson J	Moss K	Shelmerdine J	Wicks J
Caig R	Gallo S	Ingram I	Mroczkowski Z	Simmons S	Wilkinson S
Caine G	Gamble P	Ioannucci S	Mrowiec D	Simpson H	Williams K
Callaghan A	Gao B	Jarvis K	Mrowiec K	Slater S	Wilson A
Cameron A	Gardner C	Jasper F	Murphy E	Sloper M	Wilson P
Carlin R	Gardner K	Jenkins S	Neale C	Smith C	Winstone K
Carter E	Garvey H	Jensen L	Neil D	Smith M	Wong K
Carter F	Gear P	Johnson L	Nikoloff D	Smithers H	Wu R
Caruana S	Gervasoni J	Johnston M	Nunn M	Sprague D	Xue X
Casey T	Geurts A	Jones M	Oakley P	Steegstra K	Yang L
Cassidy G	Gillett E	Jovanovic A	O'Brien K	Steele K	Yang L
Chandler A	Gleeson J	Kaess M	O'Brien K	Stoneman D	Yip C
Cheung C	Golding J	Karlovic M	O'Brien S	Stowe K	Young A
Clarke S	Gooding E	Kay B	O'Connor R	Strange A	Young G
Cody S	Grace I	Kay O	Offer L	Sun H	Zhang L
Collins J	Graham L	Keirl D	O'Gorman J	Szentandrassy V	Zhang L
Collins M	Gray S	Kennedy P	O'Hara L	Tam K	Zhang Y
Colman M	Greenbank K	Kingston M	O'Keefe C	Tang Y	Zhong L
Cornwell K	Gregory A	Knight O	O'Keefe T	Tatham S	Zou G
Corrigan T	Griffith C	Koch E	Osborne D	Taylor K	
Cosic S	Grima A	Koroneos R	Oxlade H	Taylor L	
Coulson T	Grootveld R	Kraus D	Page J	Taylor L	
	Guo Y	Kyi A	Paine B	Terrill K	

THE SOVEREIGN HILL MUSEUMS ASSOCIATION

FRIENDS OF SOVEREIGN HILL

Dressed in costume, our Friends of Sovereign Hill (FOSH) volunteers undertake a large range of interpretive activities in the Outdoor Museum. FOSH members play a significant role in supporting school programs run by the Sovereign Hill Education Officers and the Sovereign Hill Costumed Schools, as well as providing the unique personal interactions with visitors that make their Sovereign Hill experience so special.

Programs such as the Ragged School trades classes, led by volunteers, give students a unique immersive experience and an insight into the heritage trades practised around the Outdoor Museum. FOSH also play an important role in the Costumed Schools program by conducting guided orientation tours of the township and diggings.

Recent research projects on trends in volunteering are showing that volunteering is now – more than ever – an important part of skills acquisition to shape new career opportunities, to build community networks, and to make a contribution to a group, organisation or community.

At Sovereign Hill, we pride ourselves on our commitment to the development of our volunteers, which in turn adds value to the visitor's museum experience. One such program is 'Creating Connections' training where volunteers are trained with new skills and strategies to better engage visitors and help them connect with Sovereign Hill's story.

The Sovereign Hill Museums Association would like to thank the FOSH for their great support and hard work throughout the past year.

The FOSH volunteer program is managed by Kelly Steegstra and Anna Kyi, who are well supported by the elected FOSH Committee: Lorraine Sheppard (President), Michael Keaney (Secretary), Leonie Balfour, Stephen Barber, Marilyn Thomas and Neville Whetton.

Allen K	Corden H	Hill J	Maggi D	O'Loughlin H	Segaert C
Anderson K	Davis D	Hogbin M	Maloney M	O'Neill G	Sevior E
Anset B	Douglas M	Holmes G	McCallum R	Parry S	Sheppard L
Ashley C	Downs M	Howard J	McCausland B	Pegg A	Sjogren G
Ashley E	Drever Y	Howlett K	McCleane A	Pennell D	Skelton-Tolliday A
Ashley G	Duthie M	Howlett L	McCleane G	Phillips J	Spall W
Ashley T	Ellis C	Howlett N	McCracken N	Pierotti L	Stickland S
Baker B	Filmer J	Howlett S	McDonald E	Pitman A	Suttie R
Balfour L	Fithall C	Howse A	McDonald J	Rayner M	Thomas J
Barber S	Fithall J	Hutton L	McErvale M	Reus B	Thomas M
Barnes M	Freeman C	Jacks L	McGill M	Rhodes H	Thorne A
Baum L	Freeman E	Jamali E	McKenzie C	Rhodes I	Thorne I
Bischarde A	Freeman E	Johannsen L	Meadows L	Richardson J	Thorne K
Bischarde V	Freeman F	Jones M	Meadows Z	Robe L	Thorne N
Brae J	Freeman J	Jordan C	Mewett D	Roberts L	Thorne T
Briscoe M	Freeman L	Jordan R	Miller J	Rothe D	Thorpe L
Brodrick K	Freeman W	Keaney M	Milton A	Ryan P	Twyfold-Smith K
Buckland S	Gavan B	Kilby G	Moreton A	Schmidtke A	Vanstan K
Bull J	Gaylor A	Kucera K	Morse S	Schmidtke C	Watson K
Campbell J	Gaylor A	Learmonth E	Moss V	Schmidtke D	Wheaton R
Campbell T	Gekas G	Learmonth H	Mould P	Schmidtke H	Whetton N
Carter S	Gellis V	Learmonth M	Newey B	Schmidtke J	Whitelaw K
Clark M	Gellis-Skaras I	Leviston D	Newey C	Schmidtke J	Wojciechowski R
Clark R	Gillespie P	Llewellyn W	Nyberg R	Schmidtke M	Young G
Clark S	Gingell L	Lubke R	O'Connor R	Schmidtke R	Zilveris E
Clark S	Gingell L	Maberly E	O'Hagan D	Schmidtke R	
Clark V	Gladman B	Macey S	O'Keeffe M	Schmidtke R	
Cooper A	Hankin W	MacKay K	Olchowik H	Schmidtke S	

THE SOVEREIGN HILL MUSEUMS ASSOCIATION

GOLD MUSEUM SOCIETY

The work of the volunteer members of the Gold Museum Society is central to the public programs and collection work of the Gold Museum. Whether it is providing visitors with their expert knowledge when guiding them around the exhibitions, carrying out education programs with the thousands of school children who visit the Gold Museum or chatting with visitors over the touch trolley of collection objects, each volunteer significantly adds to the visitor experience.

Collection accessibility and research are significantly enhanced by volunteers who work exclusively with the collections. Guided by Volunteer Coordinator Joanne Gervasoni, members conduct a complex array of work including cataloguing, data entry, scanning, photography, transcribing, indexing, auditing and exhibition research. This work is illustrated by the large number of collection records (over 72,000) now available online through the Gold Museum website.

The Gold Museum Society, chaired by President Elaine Maberly, continues to coordinate an active calendar of meetings and training sessions, as well as providing induction programs for new volunteer guides. The success of this program is reflected in the ongoing coverage for daily tours, holiday programs and school activities.

Akers L	Crick J	Kent T	McPherson B	Philips J	Taylor R
Ball A	Curnow D	Lacy B	Miller J	Pratt D	Thompson N
Beggs Sunter A	Curnow M	Llewellyn B	Mitchell P	Prowse S	Tong M
Blythman M	Dehn H	Llewellyn N	Moss V	Pym I	Tong N
Bond P	Doggett A	Lowe V	Muir H	Roberts D	Tudball V
Bradby D	Douglas D	Luhrs M	Netherway N	Robertson B	Widgery R
Butcher D	Effrett I	Maberly E	Newey B	Robins C	Williams M
Christie B	Eldridge R	Maidment T	Newey C	Smith I	Wilson L
Christie H	Gadsden L	Manning D	Noonan R	Smith M	Zamurs F
Clark M	Grant D	Martin Z	Nunn B	Spielvogel D	
Cook S	Hamilton J	McCracken N	O'Brien T	Spielvogel V	
Cowles JI	Henderson J	McGregor W	O'Loughlin K	Stone W	
Crick A	Howlett L	McMillan J	Peterson L	Taylor P	

BALLARAT HISTORICAL SOCIETY

The Sovereign Hill Museums Association has enjoyed a long and productive relationship with the Ballarat Historical Society, under the auspices of a 1976 Memorandum of Understanding. The Historical Society collection is housed at the Gold Museum, and monthly society meetings are held there. Several Society volunteers regularly contribute their time to assist in cataloguing and digitising the collection.

The Memorandum of Understanding was renewed in 2015 and will stand for the coming five years. It represents the ongoing relationship and support that each party provides to the other.

FINANCIAL STATEMENTS

THE SOVEREIGN HILL
MUSEUMS ASSOCIATION
ABN 87 565 053 651

FINANCIAL STATEMENTS

COMING TOGETHER IS A **BEGINNING**
KEEPING TOGETHER IS **PROGRESS**
WORKING TOGETHER IS **SUCCESS**



LOUISE JOHNSON
Senior Customer Service - Entrance

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DIRECTORS, CHIEF EXECUTIVE OFFICER AND COMPANY SECRETARY



Ms J E Cowles – President

Elected to the Board in 2003.
Chairman of the President's Advisory Committee.
Ex-officio member of all Board Trusts and Committees.



Mr A K Doyle – Vice-President

Elected to the Board in 2010.
Member of the President's Advisory Committee
and the Gold Museum Committee. Certified
Practising Valuer. Director of a Property
Consulting Firm.



Mr P A Clifford – Company Secretary

Company Secretary from 2013.
Director Finance and Corporate Services, The
Sovereign Hill Museums Association. Fellow of
the Australian Society of Practising Accountants
and Associate of Chartered Secretaries Australia.



Mr D E Butler

Elected to the Board in 2005.
Chairman of the Finance & Risk Committee. Member
of the President's Advisory Committee and the
Narmbool Committee. Director of a Chartered
Accountancy Practice.



Mrs A L Carey

Appointed to the Board in 2015.



Mr S O Coltman

Elected to the Board in 2013.
A Past-President. Member of the Fundraising
Committee and The Sovereign Hill Foundation.
Insurance Advisor.

DIRECTORS, CHIEF EXECUTIVE OFFICER AND COMPANY SECRETARY



Dr J W M Johnson

Chief Executive Officer, The Sovereign Hill Museums Association from 2002. Chairman, Central Highlands Water Corporation. Past-President of Victorian Chamber of Commerce and Industry. Vice-President Australian Chamber of Commerce and Industry. Chairman, Victoria Tourism Industry Council.



Mrs S N Baird

Elected to the Board in 2005. Member of the Finance & Risk Committee. Member of the Fundraising Committee. Lawyer. Graduate, AICD Company Directors Course. Retired from the Board 21/03/2016.



Mr R W Nicholson

Elected to the Board in 1998. A Past-President. Chairman of the Fundraising Committee and the Sir Henry Bolte Trust. Member of The Sovereign Hill Foundation. Civil Engineer and Company Director. Graduate, AICD Company Directors Course.



Emeritus Prof. T M Lloyd

Elected to the Board in 2007. A Past-President. Chairman of the Narmbool Committee. Member of the President's Advisory Committee. Consultant. Former Senior Deputy Vice-Chancellor of the then University of Ballarat.



Mr P L McCarthy

Elected to the Board in 2010. Chairman of the Outdoor & Mining Museum Committee. Mining Engineer and Company Director.



Mrs A P Perry

Elected to the Board in 2003. A Past-President. Member of the Outdoor & Mining Museum Committee and the Narmbool Committee. Retired Teacher and Family Historian.



Dr J A Verlin AM

Elected to the Board in 2011. Chairman of the Gold Museum Committee. A Past-Mayor of the City of Ballarat.

DIRECTORS' REPORT

The Directors present this report on the Association for the financial year ended 28 June 2016.
The names of each person who has been a Director during the year and to the date of this report are:

J E Cowles President
A K Doyle Vice-President

S N Baird (to 20/3/2016)
D E Butler
A L Carey (from 23/11/2015)

S O Coltman
T M Lloyd
P L McCarthy

R W Nicholson
A P Perry
J A Verlin

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.
The principal activity of the Association is to:

Inspire an understanding of the significance of the Central Victorian gold rushes in Australia's national story, and at Narmbool of the importance of the land, water and biodiversity in Australia's future.

The Association's short-term objectives are to:

- Objective 1 - Build up of cash reserves
- Objective 2 - Conservatively manage the financial operations of Sovereign Hill to match international and domestic tourism market conditions
- Objective 3 - Identify and manage key risks to the Association

The Association's long-term objectives are to:

- Objective 1 - Invest in infrastructure development
- Objective 2 - Maintain Sovereign Hill's independent business model
- Objective 3 - Develop or expand potential and existing revenue streams

To achieve these objectives, the Association has adopted the following strategies:

- Strategy 1 - Growth of Foundation, Sir Henry Bolte Trust and General Reserve
- Strategy 2 - Review Corporate Strategic Plan 2015-2017
- Strategy 3 - Implement and monitor the controls identified in the Risk Register including major focus on Occupational Health & Safety
- Strategy 4 - Implement Infrastructure Renewal Program
- Strategy 5 - Constantly review operational costs and commercial revenues in accordance with the financial objectives identified in the Corporate Strategic Plan 2015-2017
- Strategy 6 - Seek suitable opportunities for new revenue streams and continue strong emphasis on fundraising

Key Performance Measures

The Association measures its own performance through the use of both quantitative and qualitative measures. These Strategic Key Performance Indicators are contained in the Association's Corporate Strategic Plan and are used by the Directors to assess the financial sustainability of the Association and whether the Association's short-term and long-term objectives are being achieved. The Strategic Key Performance Indicators are:

- Performance against budget in recurrent and capital expenditure particularly operating surplus, status of General Reserve and Foundation funds, insurance premium against sector benchmarks, and membership numbers and income

DIRECTORS' REPORT

- Yield per visitor across business areas
- Visitor demographic patterns (international, interstate and domestic)
- Website use statistics
- Occupancy rates for accommodation facilities
- Conversion ratios for Sovereign Hill visit with Quartz Mine tickets, Gold Museum visit, 'Blood on the Southern Cross' patronage, Sovereign Hill Hotel accommodation
- Environmental performance indicators (including recycling volumes, waste volumes, reduced utilities costs, % water in storage and accessible for use, solid fuel use)
- OH&S incident reports and analysis/mapping
- Workforce demographics (including staff and volunteers, turnover, gender and age mapping and labour costs)
- WorkCover premium rating and claims record

No significant changes in the nature of these activities occurred during the year.

The operating profit of the Association amounted to \$1,632,782.

The Association is not liable to pay company tax and is not permitted to pay dividends to its Members.

The net assets of the Association have increased by \$2,177,788 from \$59,285,153 as at 30 June 2015, to \$61,462,941 in 2016.

This increase has largely resulted from capital grants and fundraising activities for capital works.

The Directors believe the Association is in a strong and stable financial position to expand and grow its current operations.

No significant changes in the Association's state of affairs occurred during the financial year.

Related party transactions

During or since the end of the previous financial year, no Board Member has received or become entitled to receive a benefit by reason of a contract made by the Association, or a related body corporate with a member of the Board or with a firm of which a Director is a member, or with an entity in which a Director has a substantial interest, other than:

1. Insurance brokerage services supplied to the Association by a brokerage firm of which Mr S O Coltman is a Senior Manager;
2. Mine consultancy services supplied to the Association by a firm of which Mr P L McCarthy is a Director;
3. Valuation services supplied to the Association by a valuation firm of which Mr A K Doyle is a Director; and
4. Membership services supplied to the Association by the Committee for Ballarat of which Mrs J A Verlin was a Director.

All transactions were on normal commercial terms and conditions, no more favourable than those available to other persons.

Non-audit services

The auditor provided internal audit services during the year in respect of acquittal of a government grant.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 28 JUNE 2016

The Attendances of each Director of the Association at meetings for the period July 2015 to June 2016 were:

	BOARD MEETINGS		COMMITTEE MEETINGS											
			FINANCE & RISK COMMITTEE		PRESIDENT'S ADVISORY COMMITTEE		OUTDOOR & MINING MUSEUM COMMITTEE		GOLD MUSEUM COMMITTEE		NARMBOOL COMMITTEE		FUNDRAISING COMMITTEE	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
S N Baird (to 20/3/2016)	5	5	3	2	-	-	-	-	-	-	-	-	2	1
D E Butler	7	7	5	5	9	7	-	-	-	-	4	3	-	-
A L Carey (from 23/11/2015)	5	5	-	-	-	-	-	-	-	-	-	-	-	-
S O Coltman	7	6	-	-	-	-	-	-	-	-	-	-	2	2
J E Cowles	7	7	5	5	9	9	4	4	4	4	4	4	2	2
A K Doyle	7	7	-	-	9	9	-	-	4	4	-	-	-	-
T M Lloyd	7	4	-	-	9	8	-	-	-	-	4	4	-	-
P L McCarthy	7	7	-	-	-	-	4	4	-	-	-	-	-	-
R W Nicholson	7	6	-	-	-	-	-	-	-	-	-	-	2	2
A P Perry	7	6	-	-	-	-	4	4	-	-	4	3	-	-
J A Verlin	7	6	-	-	-	-	-	-	4	3	-	-	-	-

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with Division 60 of the *Australian Charities and Not-for profits Commission Act 2012* for the year ended 28 June 2016 has been received and can be found on the opposite page.

Dated this nineteenth day of September 2016.



J E Cowles
President

AUDITOR INDEPENDENCE DECLARATION UNDER DIVISION 60 OF THE *AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012* TO THE DIRECTORS OF THE SOVEREIGN HILL MUSEUMS ASSOCIATION

I declare that, to the best of my knowledge and belief, during the year ended 28 June 2016 there have been no contraventions of:

- 1 The auditor independence requirements as set out in Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- 2 No contraventions of any applicable code of professional conduct in relation to the audit.



Crowe Horwath West Vic



John Gavens
Partner
Ballarat Victoria

Dated this nineteenth day of September 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 28 JUNE, 2016

	Note	2016 \$	2015 \$
Revenue from Operating Activities	2	28,948,225	26,712,653
Other Income	2	292,591	597,208
Employee benefits expense		(14,393,800)	(13,484,600)
Depreciation	3	(1,571,801)	(1,533,958)
Administration, Marketing, Maintenance expense		(8,794,051)	(8,195,131)
Cost of Sales		(2,614,390)	(2,518,749)
Other expenses		(233,992)	(458,730)
Operating Profit	3	1,632,782	1,118,693
Capital receipts	2	993,144	695,100
Result for the year attributable to the members of The Sovereign Hill Museums Association		2,625,926	1,813,793
Other comprehensive income			
Fair value (losses)/gains on available-for-sale financial assets		(448,138)	124,573
Total comprehensive income for the year attributable to the members of The Sovereign Hill Museums Association		2,177,788	1,938,366

STATEMENT OF FINANCIAL POSITION AS AT 28 JUNE, 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	1,508,175	2,651,607
Trade and other receivables	5	1,890,680	687,313
Inventories	6	1,775,674	1,351,708
Biological Assets	7	1,080,875	974,827
Other current assets	8	271,724	678,875
Assets held for sale	9	-	-
Financial Assets	10	963,779	727,745
TOTAL CURRENT ASSETS		7,490,907	7,072,075
NON-CURRENT ASSETS			
Financial Assets	10	5,590,040	5,703,592
Property, plant and equipment	11	44,510,585	42,384,950
Collections Assets	11	8,688,005	8,582,592
TOTAL NON-CURRENT ASSETS		58,788,630	56,671,134
TOTAL ASSETS		66,279,537	63,743,209
CURRENT LIABILITIES			
Trade and other payables	12	2,496,300	2,196,938
Borrowings	13	500,000	580,000
Short term provisions	14	1,232,983	1,157,057
TOTAL CURRENT LIABILITIES		4,229,283	3,933,995
NON-CURRENT LIABILITIES			
Long term provisions	14	587,313	524,061
TOTAL NON-CURRENT LIABILITIES		587,313	524,061
TOTAL LIABILITIES		4,816,596	4,458,056
NET ASSETS		61,462,941	59,285,153
EQUITY			
Retained Earnings		45,881,437	43,824,724
Reserves		15,581,504	15,460,429
TOTAL EQUITY		61,462,941	59,285,153

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 JUNE, 2016

	Retained Earnings \$	Asset Revaluation Reserve ## \$
Balance at 24 June 2014	43,021,870	519,154
Total comprehensive income for year	1,813,793	124,573
Transfers (to)/from reserves		
- General Reserve	(326,945)	
- The Sovereign Hill Foundation	(340,251)	
- Sir Henry Bolte Trust	(101,822)	
- Collections	(241,921)	
Transfers from retained earnings		
Balance at 30 June 2015	43,824,724	643,727
Total comprehensive income for year	2,625,926	(448,138)
Transfers (to)/from reserves		
- General Reserve	(127,085)	
- The Sovereign Hill Foundation	(379,958)	
- Sir Henry Bolte Trust	43,243	
- Collections	(105,414)	
Transfers from retained earnings		
Balance at 28 June 2016	45,881,437	195,589

This reserve records the revaluation increment of shares, hybrid securities and floating notes in Corporations listed on a prescribed Stock Exchange.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 JUNE, 2016

General Reserve	Sir Henry Bolte Trust	The Sovereign Hill Foundation	Collections Reserve	Total
\$	\$	\$	\$	\$
1,871,225	872,462	2,721,405	8,340,671	57,346,787
				1,938,366
				(326,945)
				(340,251)
				(101,822)
				(241,921)
326,945	101,822	340,251	241,921	1,010,939
2,198,170	974,284	3,061,656	8,582,592	59,285,153
				2,177,788
				(127,085)
				(379,958)
				43,243
				(105,413)
127,085	(43,243)	379,958	105,413	569,213
2,325,255	931,041	3,441,614	8,688,005	61,462,941

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 28 JUNE, 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Sales from small businesses		8,158,604	7,855,447
Other revenues from operating activities		19,596,562	18,745,179
Interest and dividends received		405,291	414,195
Payments to employees		(14,254,622)	(13,364,815)
Interest paid		(5,752)	(49,670)
Payments for materials and contracts		(11,875,780)	(10,911,528)
Net cash generated from operating activities	19	2,024,303	2,688,808
Cash flows from investing activities			
Capital receipts		1,408,743	695,100
Proceeds from sale of property, plant and equipment		51,105	1,057,855
Proceeds from disposal of investments		1,204,648	1,466,083
Purchase of investments		(1,522,842)	(2,106,442)
Purchase of property, plant and equipment		(4,229,389)	(2,583,529)
Net cash used in investing activities		(3,087,735)	(1,470,933)
Cash flows from financing activities			
Proceeds from borrowings		500,000	-
Repayment of borrowings		(580,000)	(450,000)
Net cash used in financing activities		(80,000)	(450,000)
Net (decrease)/increase in cash held		(1,143,432)	767,875
Cash and cash equivalents at the beginning of the year		2,651,607	1,883,732
Cash and cash equivalents at the end of the year	4	1,508,175	2,651,607

NOTE 1 Statement of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Sovereign Hill Museums Association ('the Association') is a company limited by guarantee. The Association's reporting period is to the last Tuesday of the financial year. The 2015-2016 report covers the period 1st July 2015 to 28th June 2016.

New, revised or amending Accounting Standards and Interpretations adopted

The Association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Association.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – *Reduced Disclosure Requirements* of the Australian Accounting Standards Board and the *Division 60 of Australian Charities and Not-for-profits Commission Act 2012*.

The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting policies

(a) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Grant revenue is recognised in the profit or loss when the Association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of grant revenue as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the Statement of Financial Position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Association receives non-reciprocal contributions of assets from other parties at either a nil or a nominal value. These assets are recognised at fair values on the date of acquisition in the Statement of Financial Position with the corresponding value credited to the Collections Reserve.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive the dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and service tax (GST).

(b) Inventories

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

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, accumulated depreciation and impairment losses.

Property

The Association is an outdoor museum that represents Ballarat in the Victorian goldfields for the period 1851 to 1861. All the buildings exhibits have extensive ongoing maintenance to ensure their standards are in keeping with this 11-year time period. Consequently, the Directors believe that buildings will have an estimated useful life of 150 years and therefore depreciation has been calculated at 0.67% pa.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and any accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amounts of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight-line basis over their useful life to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of asset	Depreciation of asset
Buildings	0.67%
Plant, equipment and vehicles	2.5 - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset class' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss in the period in which they arise.

(d) Assets held for sale

Assets held for sale are valued at the lower of cost and net realisable value. Profits are brought to account on the signing of an unconditional contract of sale.

(e) Collections Assets

Collections Assets controlled by the Association are works of art and other heritage assets, including the property Narmbool, which have been donated to the Association. They are anticipated to have very long and indeterminate useful lives. Their future economic benefits have not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of them.

(f) Biological Assets

From 1 July 2013, the control of Narmbool farm operations has transferred to the Association. Biological assets consist of the following categories of sheep: Dohne Merino, Cross-bred and Rams. All biological assets are carried at fair value less costs to sell.

(g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date the Association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit and loss' in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit and loss

Financial assets are classified at 'fair value through profit and loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Borrowings are classified as current liabilities unless the Association has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(v) Available-for-sale investments

Available-for-sale investments (i.e. shares, hybrid securities, fixed interest, convertible and floating notes) are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

(vi) Impairment of financial assets

At the end of each reporting period, the Association assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available-for-sale financial assets, a significant or prolonged decline in the value of the instrument is considered to indicate that impairment has arisen. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

(vii) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying

value of the financial liability extinguished or transferred to another party and the fair value consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(h) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using assumptions that market participants would use when pricing an asset or liability, assuming they act in economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(i) Impairment of non-financial assets

At the end of each reporting period, the Association assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

(j) Compensation for impairment

Insurance compensation was recognised during the year for items of property, plant and equipment that were lost due to a bushfire that affected the Narmbool property in December 2015. The impairment of property, plant and equipment are recognised in accordance with *AASB 136 Impairment of Assets*. The derecognition of items of property, plant and equipment retired has been offset against the insurance recoup in Capital Receipts in the Statement of Profit or Loss and Other Comprehensive Income.

(k) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for these benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national corporate bonds with terms to maturity that match the expected timing of the cash flows.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

(l) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(m) Goods and service tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included in other receivables or other payables in the statement of financial position.

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

(n) Income tax

No provision for income tax has been raised as the Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(o) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(p) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(q) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(r) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

(s) Key judgements

Available-for-sale investments

The Association maintains a portfolio of securities with a carrying value of \$5,590,040 at the end of the reporting period. These valuations are the current market value on the stock exchange as at reporting date. The Directors believe there is no impairment of these investments.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 28 JUNE 2016

Note 2 Revenue

Revenue from Operating Activities

	2016 \$	2015 \$
- sale of goods	8,158,604	7,855,447
- interest and dividends received	405,291	414,195
- government grants *	738,709	795,940
- entrance takings	15,387,965	14,189,196
- rents and commissions	1,103,217	947,349
- other revenue (including accommodation and memberships)	3,154,439	2,510,526
Revenue from Operating Activities	28,948,225	26,712,653

Other Income

- gain on disposal of property, plant and equipment	40,167	533,313
- gain on disposal of available-for-sale financial assets	252,424	63,895
Other Income	292,591	597,208

Capital Receipts

- donations and collection assets donated	777,407	695,100
- insurance refunds	631,336	-
Less derecognition of affected items of property, plant and equipment	(415,599)	-
	215,737	-

Capital receipts includes donations, insurance refunds and collections assets donated

993,144 695,100

Total Revenue

30,233,960 28,004,961

* Government grants includes funding support from Creative Victoria.

353,000 353,000

Note 3 Operating Profit

Operating profit includes the following

Depreciation

- Land and Buildings	376,194	413,792
- Plant and Equipment	1,195,607	1,120,166
Total Depreciation	1,571,801	1,533,958

Auditor Remuneration

- Audit Services - external	54,600	55,600
- Audit Services - internal	1,000	1,900

Employee benefits expense:

- Contributions to defined contribution superannuation funds	1,127,195	1,091,807
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Interest paid on borrowings

5,752 49,670

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 28 JUNE 2016

	Note	2016 \$	2015 \$
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Significant Revenue and Expenses

Net gain on disposal of non-current assets

Investments

Proceeds on disposal

1,204,648

1,466,083

Disposals at written down value

(952,224)

(1,402,188)

Net profit on disposals

252,424

63,895

Property, Plant and Equipment

Proceeds on disposal

51,105

1,057,855

Disposals at written down value

(10,938)

(524,542)

Net gain on disposals

40,167

533,313

Note 4 Current assets - cash and cash equivalents

CURRENT

Cash at Bank

1,093,745

2,226,266

Cash on hand

414,430

425,341

1,508,175

2,651,607

Note 5 Current assets - trade and other receivables

CURRENT

Trade receivables

1,814,600

596,533

Other receivables

76,080

90,780

1,890,680

687,313

The Association does not have any material credit risk exposure to any single receivable or group of receivables.

The Association does not have any impaired debtors past due.

Note 6 Current assets - inventories

CURRENT

At lower of average cost and net realisable value

Stock

1,775,674

1,351,708

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 28 JUNE 2016

Note	2016 \$	2015 \$
Note 7 Current assets - biological assets		
CURRENT		
At fair value less cost to sell		
Sheep		
Balance at the beginning of the year	974,827	986,030
Net movement in valuation during year	(398,489)	(590,100)
Fair value movement of biological assets	504,537	578,897
Balance at end of year	1,080,875	974,827

Note 8 Current assets - other assets

CURRENT		
Prepayments	271,724	678,875

Note 9 Current assets - assets held for sale

Assets are presented as held for sale following the commitment of the Association's management to sell the assets. A settlement was concluded in 2016.

At 28 June 2016, the assets for sale comprised:

Property		
Balance at the beginning of the year	-	410,631
Allocation from Land & Buildings	-	-
Additions at cost	-	63,769
Disposals	-	(474,400)
Carrying amount at end of year	-	-

Note 10 Financial assets

CURRENT		
Held-to-maturity investments	963,778	727,745
- includes \$183,897 attributable to Sir Henry Bolte Trust		
- includes \$584,882 attributable to The Sovereign Hill Foundation		
NON CURRENT		
Available-for-sale financial assets	5,590,039	5,703,592
- includes \$701,455 attributable to Sir Henry Bolte Trust		
- includes \$3,124,183 attributable to The Sovereign Hill Foundation		

Available-for-sale financial instruments comprise shares, hybrid securities, convertible and floating notes in Corporations listed on a prescribed Stock Exchange at market value. There are no fixed returns or fixed maturity dates attached to these investments. Held-to-maturity investments comprise cash accounts with financial institutions. The financial assets attributed to the Sir Henry Bolte Trust and The Sovereign Hill Foundation are reserved for capital purposes (refer note 22).

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 28 JUNE 2016

Note

2016
\$

2015
\$

Note 11 Non-current assets - property, plant and equipment

LAND AND BUILDINGS

At cost	46,068,639	43,759,677
Less accumulated depreciation	(6,687,951)	(6,363,645)
Less impairment loss	-	(223,141)
Total land and buildings	39,380,688	37,172,891

PLANT AND EQUIPMENT

At cost	21,857,531	20,993,493
Less accumulated depreciation	(16,727,634)	(15,781,434)
Total plant and equipment	5,129,897	5,212,059

PROPERTY, PLANT AND EQUIPMENT	44,510,585	42,384,950
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COLLECTIONS ASSETS

At fair value	8,688,005	8,582,592
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Movements in Carrying Amounts	Land and Buildings \$	Plant and Equipment \$	Collections Assets \$	TOTAL \$
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2015

Balance at the beginning of the year	36,524,892	5,389,461	8,340,671	50,255,024
Additions at cost	1,299,978	977,860	241,921	2,519,759
Disposals	(15,926)	(298,182)	-	(314,109)
Impairment loss	(223,141)	-	-	(223,141)
Depreciation expense	(412,912)	(857,080)	-	(1,269,991)
Carrying amount at end of year	37,172,891	5,212,059	8,582,592	50,967,542

2016

Balance at the beginning of the year	37,172,891	5,212,059	8,582,592	50,967,542
Additions at cost	2,993,960	1,130,015	105,413	4,229,388
Disposals	(461,857)	(265,977)	-	(727,834)
Depreciation expense	(324,306)	(946,200)	-	(1,270,506)
Carrying amount at end of year	39,380,688	5,129,897	8,688,005	53,198,591

Note	2016 \$	2015 \$
Note 12 Current liabilities - trade and other payables		
CURRENT		
Trade payables	1,287,281	1,353,320
Other current payables	1,209,019	843,618
	2,496,300	2,196,938

Note 13 Current liabilities - borrowings

CURRENT		
Interest-only loan	500,000	580,000

Loan liability is secured by assets of the Association.

The total bank loans of \$500,000 is categorised in current liabilities as a result of a paragraph in the business letter of offers that states that the Bank can, at any time, reduce any limit, including a Facility Limit, Debtor Limit and a Component Limit. This is on the basis of a strict interpretation of the relevant accounting standard which requires that a liability is current where the Association does not have the unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

It should be noted however, that the facilities with the Bank are on an interest only basis for the next 12 months.

While the Association notes to the requirement of the Accounting Standard, in reality the loan from the bank is considered by the Association to be of a longer-term nature.

Note	2016 \$	2015 \$
Note 14 Current liabilities - provisions		
CURRENT		
Provision for employee benefits: annual leave	734,270	718,322
Provision for employee benefits: long service leave	498,713	438,735
	1,232,983	1,157,057
NON-CURRENT		
Provision for employee benefits: long service leave	587,313	524,061
	1,820,296	1,681,118
Analysis of Total Provisions		
Opening balance	1,681,118	1,561,334
Additional provisions raised during year	219,213	254,109
Amounts used	(80,035)	(134,325)
Balance at end of year	1,820,296	1,681,118

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect to long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

Note 15 Capital Commitments

Commitments for uncompleted capital projects at 28 June (matched by government grant and private fundraising)	737,034	603,545
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Note 16 Events after the Reporting Period

Sovereign Hill has been granted an allocation for upgrading of 'Blood on the Southern Cross' from the Victorian State Government's Regional Infrastructure Development Fund. The Association will also commit to carrying out extra capital works and other projects over the 2016/17 - 2018/19 period.

Note 17 Key Management Personnel Compensation

Key management personnel compensation	1,379,266	1,417,525
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Note

2016
\$

2015
\$

Note 18 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the year: a Board member was the senior manager of a company that provided insurance brokerage services to the Association totalling \$37,215; a Board member was the Director of a company that provided valuation services to the Association totalling \$1,815; and a Board member was the Director of a company that provided mine consultancy services to the Association totalling \$7,805.

Note 19 Cash Flow Information

Reconciliation of Cash flow from Operations with Profit after Income Tax

Operating Profit	1,632,782	1,118,693
Non-cash flows		
Depreciation	1,571,801	1,533,958
Impairment of non-financial asset	-	223,142
Increase in employee entitlements	139,178	119,785
Profit on sale of non-current assets	(292,591)	(597,208)
Changes in assets and liabilities		
Increase in inventories	(530,013)	(18,911)
(Increase)/decrease in receivables	(1,203,367)	302,168
Decrease/(increase) in other assets	407,151	(367,530)
Increase in trade and other payables	299,362	374,711
Cash flows provided by operating activities	2,024,303	2,688,808

The Association has a bank overdraft facility available to the extent of \$500,000.

Note

2016
\$

2015
\$

Note 20 Financial instruments

Financial risk management

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	1,508,175	2,651,607
Loans and receivables	1,890,680	687,313
Held-to-maturity investments	963,779	727,745
Available-for-sale financial assets	5,590,040	5,703,592
Total financial assets	9,952,674	9,770,257

Financial liabilities

Financial liabilities at amortised cost:

- trade and other payables	2,496,300	2,196,938
- borrowings	500,000	580,000
Total financial liabilities	2,996,300	2,776,938

Fair Values

- (i) For listed available-for-sale financial assets and financial assets at fair value through profit or loss, the fair values have been based on closing quoted bid prices at the end of the reporting period. In determining the fair values of the unlisted available-for-sale financial assets, the Directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).
- (ii) Fair values of held-to-maturity investments are based on quoted market prices at the ending of the reporting period.

Note 21 Fair Value Measurement

The Association measures the following assets and liabilities at fair value on a recurring basis:

- Financial assets
- Biological assets

(i) Fair value hierarchy

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value at 28 June 2016:

Recurring fair value measurements	Level 1	Level 2	Level 3
Available for sale financial assets	\$5,590,040	-	-
Biological assets	-	\$ 1,080,875	-

Fair value of the biological assets is based on valuation performed by independent, professionally-qualified valuers as at 28.6.16.

(ii) Transfers between levels of the hierarchy

There were no transfers between levels of the fair value hierarchy

(iii) Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

The significant inputs and assumptions are developed in close consultation with management. The valuation processes and fair value changes are reviewed by the Board of Directors at each reporting date.

Note 22 Reserves

The Sovereign Hill Foundation Reserve was established to grow the corpus to underpin Sovereign Hill's long-term financial viability.

The Sir Henry Bolte Trust Reserve is used as the main acquisitive fund for collections.

The General Fund Reserve exists to provide a major financial underpinning of Sovereign Hill's operations.

The Collections Reserve recognises collections assets controlled by the Association. They include works of art and other heritage assets which have been donated to the Association.

The Asset Revaluation Reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as available-for-sale.

Note 23 Entity Details

The registered office of the Association is:
The Sovereign Hill Museums Association
39 Magpie Street
Ballarat Vic 3350

The principal place of business is:
The Sovereign Hill Museums Association
39 Magpie Street
Ballarat Vic 3350

Note 24 Controlled Entity

Subsidiaries of The Sovereign Hill Museums Association:	Country of incorporation	Percentage owned	
		2016	2015
Sovereign Hill No.1 Pty Ltd	Australia	100%	100%

On 26 June 2014, The Sovereign Hill Museums Association acquired 100% interest in Sovereign Hill No. 1 Pty Ltd. No transactions have occurred in this company from the date of acquisition to 28 June 16.

Note 25 Members' Guarantee

The Association is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a company limited by guarantee. If the Association is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the Association. At 28 June 2016, the number of members was 1,305.

DIRECTORS' DECLARATION

The Directors of the Association declare that:

1. The financial statements and notes, as set out on pages 68 to 88 are in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards – *Reduced Disclosure Requirements*; and
 - b. give a true and fair view of the financial position of the Association as at 28 June 2016 and of the performance for the year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors

Dated this nineteenth day of September 2016.



J E Cowles
President

Report on the financial report

We have audited the accompanying financial report of The Sovereign Hill Museums Association (the Association), which comprises the statement of financial position as at 28 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

Directors' responsibility for the financial report

The Directors of the Association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – *Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*. We confirm that the independence declaration required by the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*, provided to the Directors of The Sovereign Hill Museums Association, would be in the same terms if provided to the Directors as at the time of this auditor's report.

Auditor's opinion

In our opinion the financial report of The Sovereign Hill Museums Association has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act)*, including

- a) giving a true and fair view of the Association's financial position as at 28 June 2016 and of its performance and cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards – *Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Regulation 2013*.



Crowe Horwath West Vic



John Gavens
Partner
Ballarat Victoria

Dated this nineteenth day of September 2016

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Publisher

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