

S O V E R E I G N H I L L

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*Our Mission is to collect, conserve and interpret
the material, cultural and environmental heritage
of the region. Our Mission is to educate
the public about the region's history and
culture.*



A N N U A L R E P O R T

Sovereign Hill's capacity to fund its own independent enterprise since opening in 1979 is a credit to the Museumists Association and the exceptional work of its management over many years. Facing the most critical challenge that our not-for-profit association is to maintain our ability and program a strong and base to preserve Sovereign Hill is important.

1976

S O V E R E I G N H I L L

A N N U A L R E P O R T

As we look forward to Javerign Hills 50th Anniversary, we do so with pride and a commitment to continuing the unique story told by our museums.



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M

MISSION

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





C H A R T E R

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.

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.

Responsibility

We will be a socially and environmentally responsible business and employer.

Sustainability

We will safeguard our financial viability and independence by using our resources efficiently and effectively.




 Staff and volunteers celebrated Sovereign Hill's success at the 2016 RACV Victorian Tourism Awards

Winner State and National Tourism Awards
for Major Tourist Attraction 2016



ACHIEVEMENTS



 Jeremy Johnson, Megan Anderson, David Foster, Janelle Burns and Naomi Holden posed proudly for a publicity shot with our awards trophies.



Devote Miss team and teacher, representative of the Red Hill Mine surface works, and the launch of the new Carriage House and extension to Hargrave's Accommodation.

Record single day attendance of
6,229 on Saturday, 15 July 2017



530,130 day attendances



\$1.4m operating profit

Record 119,439 visitation for
Christmas in July, Winter Wonderlights



Contributed \$269m and 1,665 jobs
to the Victorian economy

P

One of my first official duties in being elected as Sovereign Hill's 40th President was to attend the 2016 RSL Victorian Tourism and Sovereign Hill representatives in November and to help of Sovereign Hill the accolade of being named as the 2016 Tourist Attraction for the third consecutive year!

P R E S I D E N T ' S R E P O R T



ne of my first official duties on being elected as Sovereign Hill's 16th Board President was to attend the 2016 RACV Victorian Tourism Awards with Sovereign Hill representatives in November and to receive, on behalf of Sovereign Hill, the accolade of being named as the State's Major Tourist Attraction for the third consecutive year!

This meant Sovereign Hill was (for the second time) admitted to the Victorian Tourism Hall of Fame – a most prestigious achievement.

My good fortune only improved, as Sovereign Hill thereby became Victoria's nomination in the Major Attraction category of the 2016 Qantas Australian Tourism Awards to be held the following February, in Darwin. History now records that we won this national award for the second consecutive year – and the fourth time in the 32-year history of the awards.

It is a remarkable record of achievement for our cultural and heritage tourism attraction. As a fully-accredited and internationally acclaimed outdoor museum, we deliver excellence in the unique visitor experience which we present each day here in Ballarat. Full credit must go to our Chief Executive Officer, Jeremy Johnson, and his committed team of staff and volunteers.

A clear measure of the significance of Sovereign Hill as a business to the economies of both Ballarat and Victoria was seen in the official release of the independent Ernst & Young Economic Impact Study 2015/16. This showed that Sovereign Hill contributed \$260m and 1,665 jobs to the Victorian economy for that year. It is hard to imagine Ballarat without Sovereign Hill driving the visitor economy in our region.

The amazing 'Christmas in July: Winter Wonderlights' event continues to underpin this successful business activity and support our role as one of the region's major employers.

This year, the Board welcomed a new member in Chris Alizzi. Chris is a well-known Ballarat businessman and brings a very successful commercial skillset to the Board table.

On a sad note, the passing of a stalwart former Board member, Noel Edwards, and that of a wonderful Sovereign Hill supporter, Geoff Torney, is noted. Noel's particular love of the Diggings, the Mine, Steam Operations and our Horse Operations activities was legendary. We also lost a wonderful Narmbool benefactor with the passing of Loris Mason in July this year.

The role of Mayor of the City of Ballarat includes being a Civic Patron of Sovereign Hill, and I was privileged to present Cr Samantha McIntosh with her Patron's Badge at a ceremony in the United States Hotel Dining Room.

Our congratulations were extended to a number of Ballarat residents who were recognised with Australian Honours in the Australia Day and Queen's Birthday listings. These recipients included: Phil Roberts, Neville Oddie, Heather McCallum, John Richards, Morgan Murphy, Ted Lovett, Les Hotchin, Janet Torney, Frank Clark and Graeme Kent.

The Guest Speaker for the 2017 President's Dinner was Richard O'Brien, Ireland's Immediate-Past Ambassador to Australia. This dinner is always a popular event on our social calendar, and his address was both humorous and engaging.

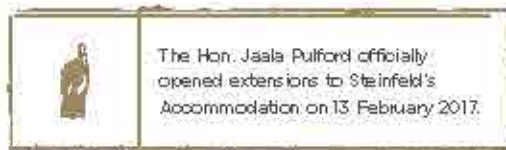
The year saw a number of new exhibits and facilities opened as resources within our museums. The Hon. Jaala Pulford, Minister for Regional Development, formally opened extensions to Steinfeld's Accommodation and the 'Bright Visions' exhibit in the Entrance Building. She also unveiled the Gold Seekers iBeacon project as a mobile telephone app in the Outdoor Museum.

Kieran Fitzpatrick, Chief Operating Officer of our catering contractors, Delaware North Companies Australia, donned an 1850s gentleman's outfit to officially open the spectacularly refurbished United States Hotel Dining Room. He took on the role of Henry Moody, a proprietor of the day, in showing off the new establishment on the goldfields!

Stars of 'The Doctor Blake Mysteries' ABC television program, Craig McLachlan and Nadine Garner were special guests at the launch of the Gold Museum's 'Doctor Blake's Ballarat' exhibition. This was one of the most successful Gold Museum openings in recollection, and the exhibition proved very popular with fans of the series.



One of my first official duties on being elected as Sovereign Hill's 16th Board President was to attend the 2016 RACV Victorian Tourism Awards in November and to receive, on behalf of Sovereign Hill, the accolade of being named as the State's Major Tourist Attraction for the third consecutive year!



Victoria's Minister for Energy, Environment and Climate Change, the Hon. Lily D'Ambrasio, officially opened the Gold Museum solar energy plant project. This saw over 100 panels installed on the roof, sufficient to supply almost 70% of the building's power needs.

Guest Speaker at the Gold Sovereigns Annual Luncheon was Bruce McKnight - a Past-President and Life Governor of Sovereign Hill and a Past-Mayor of the former City of Ballarat. His speech centred on the interactions between the City Council and Sovereign Hill over the years.

A number of our supporter groups enjoyed hosted events. The President's Club were treated to a very impressive horse and harnessing event at the R. Gibbings, Livery & Bait Stables. Corporate Members enjoyed drinks and canapés in the United States Hotel bar for the CEO's Business Update, key donors inspected some of our latest collection acquisitions at a cocktail party in the Theatre Retiring Room, and the Prospectors enjoyed a lively presentation of 'Stoked!' at Steam Operations. It was a privilege for me to welcome all guests to these popular events.

Bolte Trust member Stephen Elder was Guest Speaker at the Annual Sir Henry Bolte Trust Luncheon, held at Narmbool. This very successful event raised over \$16,000 to support the expansion of our collections.



At the 2016 AGM, Life Memberships to Sovereign Hill were presented to Steve Coltman, Bill Llewellyn, Bernie Stone and Tara Prowse. Life Memberships were also announced for Daryl Burt, Will Goodbourn, Rebecca Goodbourn, Patrick Goodbourn and David Thompson, who were unable to attend.

Our Board and Executive Management hosted the Board and senior managers from Phillip Island Nature Park. We share many issues in common, and it was a very rewarding interchange of experiences and initiatives.

The Board's Strategic Planning meeting this year focussed extensively on preparing the 2017-2020 Corporate Plan, which will incorporate Sovereign Hill's 50th Anniversary in 2020. We intend to seek major Government financial support for 'Sovereign Hill Beyond 50' - a \$50m suite of capital works on new exhibits and infrastructure to take us into the next 50 years of our development as one of Victoria's iconic tourism destinations.

Sovereign Hill enjoys considerable support from Creative Victoria for the Gold Museum's operations and from the Department of Education & Training Victoria and the Catholic Education Commission Victoria for our education programs. These are critical partnerships for Sovereign Hill in pursuing its mission.

We also acknowledge with appreciation our strong relationships with the City of Ballarat and Federation University Ballarat.



Narmbool was an idyllic setting for the Sir Henry Bolte Trust Luncheon, where guests were greeted by Richard Nicholson, Jeremy Johnson, Stephen Eber and Adrian Doyle.



Adrian Doyle and Jeremy Johnson were honoured to welcome Richard O'Brien as Guest Speaker for the President's Dinner.

It is also wonderful to see the recovery at Narmbool after the disastrous 2015 bushfire. This has been greatly assisted by our Narmbool Patrons, Andrew and Robin Ferry.

I acknowledge with gratitude the input of Sovereign Hill's Board members. Their exemplary volunteer efforts are an essential component of the organisation's proper governance and guide its ongoing viability. I also particularly thank Ross Wilkie (Sovereign Hill Foundation Chairman) and Richard Nicholson (Sir Henry Bolte Trust Chairman) for their leadership roles.


Finally, I am indebted to my partner, Jacqueline, for her wonderful support for me over the past year in this very enjoyable role as Sovereign Hill's Board President.

Adrian Doyle
Board President

It has been a year of major transition for our CEO, Jeremy Johnson, and his new Senior Management Team. He has led this process of change with thoughtfulness and distinction, and we welcome the four new Directors, each of whom has already made a most impressive contribution to the work of our museums.

We are also pleased to report that Jeremy has recently been made an Honorary Fellow of the Association of European Open Air Museums - a fitting acknowledgement of his 12-year contribution to that organisation.

Our loyal volunteers have contributed an amazing total of 28,883 hours' input - it is hard to see how Sovereign Hill could manage without the work of the Friends of Sovereign Hill and the Gold Museum Society.



Our volunteers and staff are wonderful contributors to Sovereign Hill's ongoing success, and I gratefully acknowledge their efforts. As we look forward to

Sovereign Hill's 50th Anniversary, we do so with pride and a commitment to continuing the unique story told by our museum.

CEO'S REPORT

The past year has certainly been one of major transition for Sovereign Hill's Senior Management Team! Four of the departmental Directors have either retired or moved into new positions, necessitating huge, but also exciting, changes in personnel and in our leadership structure.

The quality of the new Directors whom we have welcomed to Sovereign Hill's Senior Management Team is more than impressive. Each has brought a skillset that will strengthen our resources and also the refreshing enthusiasm that accompanies such career transitions.

I enjoyed long and wonderful working relationships with the previous departmental Directors – Garry Burns (Marketing), John Zulic (Creative & Design), John Lewis (Engineering & Infrastructure) and Richard Berman-Hardman (Commercial & Operations). Each was a key contributor to Sovereign Hill's success over the past decade and beyond. Creating new relationships with their successors – Jennifer Ganske (Marketing), James Baker (Creative & Design), Chris Hutton (Engineering & Infrastructure) and Will Flamsteed (Commercial & Operations) – continues to be most stimulating and enjoyable.

In addition to these changes, we established a Leadership Group within the Senior Management structure. This initiative sought to deepen the delegation of decision-making and organisational control. It is proving most successful, with admirable commitment demonstrated by all members of the new group.

It is very pleasing to report that our financial results and attendances for the reporting year have again reached near record levels. The strengthening of Sovereign Hill's financial position through the generation of an impressive annual operating profit of \$1,480,310 and the growth in our Reserve Funds has been a very satisfying year's work.

Our peer group of museums is not found here in Australia or, indeed, the Southern Hemisphere, but in Europe and the United Kingdom. For that reason, it is particularly satisfying to have established the strongest of working relationships through staff exchanges with Beamish (UK), Skansen (Sweden), Jämtli (Sweden) and Den Gamle By (Denmark). Each of our Sovereign Hill staff participating in these exchanges has brought back a wealth of knowledge and an expansion of their own skill base that can only be to our advantage.

In turn, the participation of staff from these museums in the exchange program has enabled the sharing of ideas on how outdoor museums can better interpret their missions and enrich the story telling that underpins our role as educators.

Sovereign Hill's capacity to fund its own independent existence since opening in 1970 is a credit to the vision of its founders and the exceptional work of its management over many years. Indeed, the most critical challenge that our not-for-profit Association faces is to maintain our viability and provide a strong financial base to pursue Sovereign Hill's important mission as a museum.



Our volunteers and staff are wonderful contributors to Sovereign Hill's ongoing success, and I gratefully acknowledge their efforts.



Gathered around our statue of Sir Henry Bolte to promote the inaugural Sir Henry Bolte Trust Classic Car Tour were Justin Mitchell, Richard Nicholson, Peter Wilmot and Jeremy Johnson. Dr Blake's 1936 Standard Coventry joined them for the occasion!

It is incumbent upon the present generation of management to ensure that the infrastructure renewal program for exhibitions, buildings and services is properly and responsibly delivered. These assets are essential to the future of Sovereign Hill.

As Chief Executive Officer, my primary responsibility is therefore to ensure that Sovereign Hill remains a strong business entity. Generating the resources to enable our talented staff and volunteers to do their jobs as well as possible must remain a key focus.

It was gratifying to have been associated with the success of our Redcoats Appeal (led by Board members Annmaree Perry and Judy Verlin) that provided the funds to replace the Regiment's costume with such an impressive wardrobe.

Likewise, it was most satisfying to have successfully generated funds for a number of other initiatives: the Narmbool Education Program scholarships; the replacement of the Victoria Theatre piano through a Freemasons donation; municipal support for the 'Christmas in July: Winter Wonderlights' season; and, the sourcing of major events funding from Visit Victoria for 'Doctor Blake's Ballarat'.

In 2016, it was a privilege to accompany Victoria's State Premier, the Hon. Daniel Andrews, on a major trade mission to the Chinese city of Chengdu, in the Province of Sichuan. The Premier and representatives of the Provincial Government signed a Memorandum of Understanding that will generate an extremely significant economic relationship for Victoria, and particularly for tourism, with Sichuan Province.



Adrian Doyle and Jeremy Johnson joined Cameron Bird, from Ernst & Young, for the launch of the Sovereign Hill Economic Impact Study 2015/16.

The Board has continued its support of my involvements with external bodies such as the Council of Australasian Museum Directors, the Victorian and Australian Chambers of Commerce & Industry and the Victorian Visitor Economy Ministerial Advisory Committee, which reports to The Hon. John Eren, Victoria's Minister for Tourism and Major Events. These are key policy development bodies, and the ability to influence their deliberations on supporting a regional museum such as Sovereign Hill is a significant outcome.

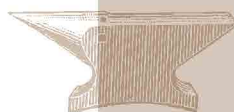
At the 2016 Annual General Meeting, Jane Cowles stepped down after a very successful two-year term as Board President of our Association. Adrian Doyle, her successor, has served on the Board since 2010, and most recently as Vice-President.



Jeremy Johnson and Jane Cowles, then President, were delighted to have Sovereign Hill host Ashley Bell, second left, and Matthew Henderson, who visited on a staff exchange from Bearnish Museum in the UK.



The Victoria Theatre has a new piano thanks to the generosity of Freemasons Victoria. Pictured here are Jeremy Johnson, Bruce Bartrop, Peter Bond, Tim Corrigan and Brian McDowell.



Once again, I am deeply appreciative of the support given by my Senior Executive Assistant, Janelle Burns, and my Executive Assistant (Fundraising), Sue Tatham. They are very talented employees with an admirable work ethic.

Our volunteers and staff are wonderful contributors to Sovereign Hill's ongoing success, and I gratefully acknowledge their efforts.

As we look forward to Sovereign Hill's 50th Anniversary, we do so with pride and a commitment to continuing the unique story told by our museums.

Dr Jeremy Johnson
Chief Executive Officer



*Sovereign Hill has been rightly rewarded for its
excellence as a cultural and heritage tourism attraction in
a range of national and state awards.*

M





MARKETING



*Hill has been richly rewarded for its
as a cultural and heritage tourism attraction*

*For
excess*



Sovereign Hill has been richly rewarded for its excellence as a cultural and heritage tourism attraction in a range of national and state awards.

It is a credit to the Marketing Team that Sovereign Hill's outstanding success in the RACV Victorian Tourism Awards and the Qantas Australian Tourism Awards has reached extraordinary levels - especially over the past three years. An amazing effort has gone into preparing the submissions underpinning this recognition.

Sovereign Hill also won the Museums Australia (Victoria) Museums & Galleries National (MAGNA) Awards category for Large Museums for our pursuit of Outstanding Initiatives in Sustainability.

We received a Special Commendation at the AMAZE Community Awards 2016 and a Certificate of Excellence in Business Leadership for our work with children on the autism spectrum.

Our 'Gnarrwurring Ngiti/Learning Together' Festival was recognised by the Museums Australia MAGNA award for an Indigenous Project or Keeping Place and a HART Award recognising our contribution towards reconciliation.

'A Victorian Silhouette', an event presented by our Costume Department as part of the Virgin Australia Melbourne Fashion Festival, was also Highly Commended at the MAGNA Awards.



Internationally, Sovereign Hill was a finalist in two categories of the 2017 Westpac Australia-China Business Awards, presented in Beijing, in May. (There were only 37 finalists from almost 150 applicants in the eight award categories.)

Certificates of Excellence on the social media site TripAdvisor were received. This is a very important online resource, as most consumers visit such sites for product information and user feedback before booking.

Of the domestic marketing initiatives during the year, by far the greatest driver of visitation was 'Christmas in July: Winter Wonderlights'. This event was extended to 30 days in 2016 and saw an unparalleled success in attracting over 110,000 visitors for the month. Our research indicates that over 43% stay overnight in the



A snowy Main Street appears in a very different light with over 20 facades illuminated for a 'Winter Wonderlights' evening



Daily 'snowfalls' delighted visitors to 'Christmas in July: Winter Wonderlights'



region, making the event a key driver of overnight regional tourism dispersal for the visitor economy. The exceptional creative work by Peter Milne's Electric Canvas has been strongly supported by input from immediate-past and present Sovereign Hill Directors - John Zulic and James Baker (Creative & Design) and Garry Burns and Jennifer Ganske (Marketing).

We worked very closely with the City of Ballarat and Visit Ballarat who combined to present the 'Ballarat Winter Festival', complementing Sovereign Hill's major event in 2017.

The Victoria Racing Club successfully toured the Melbourne Cup as a promotional activity throughout regional Victoria in the lead-up to the 2016 event. The Cup took pride of place at Sovereign Hill when we hosted the VRC entourage.



Our sponsorship of the Western Bulldogs' Luke Dahlhaus Program was enhanced by their success in winning the AFL Premiership after a 62-year wait. This program supports disadvantaged youth and children from Melbourne's Western Suburbs migrant community.

Our celebration of the 2017 Victorian Seniors Festival saw Sovereign Hill's Pioneer Pass Holders invited to a series of theatre presentations, garden tours and topical lectures, all complemented by tea and coffee at our New York Bakery.

We actively participated in Tourism Australia and Visit Victoria sales missions, including Walkabout South America, an initiative of Tourism Australia to create new markets in Chile, Argentina and Brazil. These are supported by new direct airline routes to Australia, offered following the Brazil 2016 Olympic Games.

Similarly, we strengthened our position in Europe, the UK, China, South-East Asia and India through these promotional opportunities.

As part of a Visit Victoria initiative, Janelle Burns delivered specific product training workshops for the New Zealand trade market. This traditional Western market is a strong source of visitation for Victoria, particularly for sporting and cultural events, exhibitions and concerts.



The Marketing Department's staffing resources were bolstered by the recruitment of Sarah McKenzie to help plan and deliver major events. Danielle Neil was recruited as Functions & Events Manager, filling a position transferred to Sovereign Hill from our catering partners Delaware North. These resources were well-utilised in dealing with the 3,000 Chinese visitors who came to Sovereign Hill in June on an incentive visit by the Perfect (China) Company of Taiwan.

Social media has become the major means to disseminate information and marketing messages for Sovereign Hill. It also hosts the most accessible and up-to-date visitor feedback. The work done by Samantha Mackley in managing this area is an essential task for our successful marketing.



Perfect (China) delegates relaxed over lunch in a spacious marquee conveniently located adjacent to the Outdoor Museum.



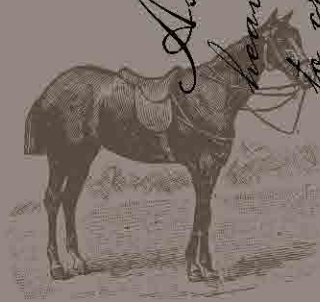
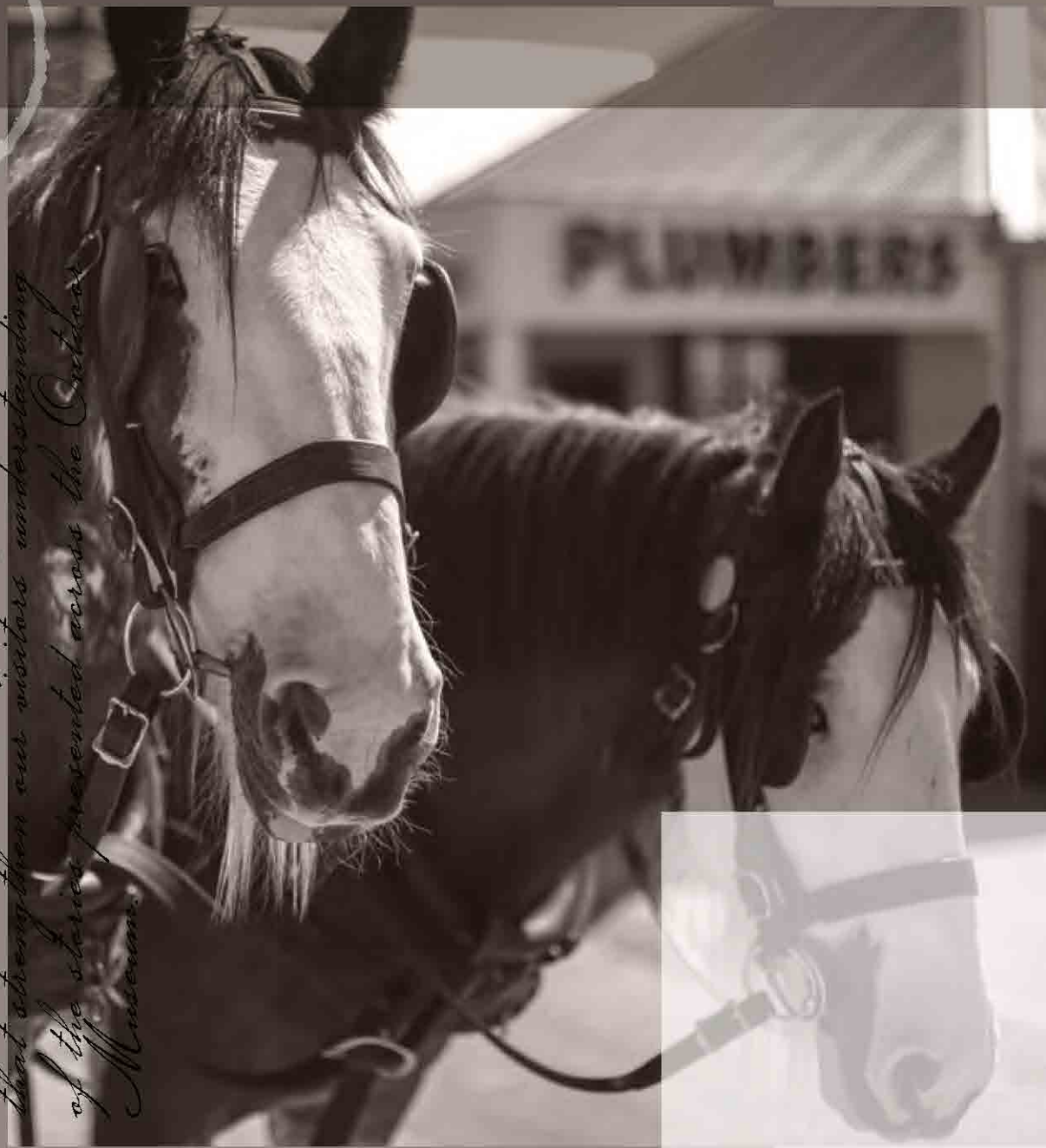
Panning for real gold was a key attraction for Perfect (China) visitors.

The change of Marketing Director from Garry Burns to Jennifer Ganske has been successfully effected. (Following new representative consultancy arrangements entered into with Garry Burns and Jessica Xue for the China and South-East Asia markets, and with Garry Burns for India, their collective expertise in these growth markets will still be available to us.) Jennifer's immediate priorities include the very exciting delivery of our new brand: 'The Story Lives On'.

Sovereign Hill's marketing is sophisticated, targeted, engaging and effective and has been most capably managed and delivered over successive administrations as a key business resource for the organisation.

OM

As a living museum, Sovereign Hill relies heavily on its Interpretive Theatre staff to create theatrical programs and activations that strengthen our visitors' understanding of the stories presented across the Outback Museum.

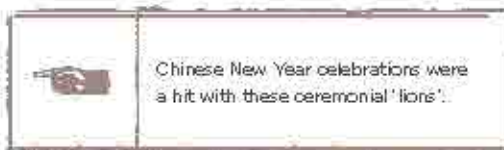




O U T D O O R M U S E U M



*As a living museum, Sovereign Hill
can help its Interpretive Theatre staff*



As a living museum, Sovereign Hill relies heavily on its Interpretive Theatre staff to create theatrical programs and activations that strengthen our visitors' understanding of the stories presented across the Outdoor Museum. Supported by thorough research and comprehensive training, our interpreters present high quality visitor programs in a professional style.

Again, the year was book-ended by the 'Winter Wonderlights: Christmas in July' program. And again, to accommodate growing visitor numbers, we increased the number and variety of entertainments offered across the site.

This year's new pantomime was 'Jack and the Beanstalk', and the new play was 'Oliver Twisted'. Developed in-house, both shows were performed daily in school holidays and for evening school groups.

Natasha Naughton, a Master of Museum and Heritage Studies student from Australian National University (ANU), requested a residency at Sovereign Hill. During that placement, she wrote a theatre piece entitled 'Who'd Marry a Redcoat?' This was performed during the January 2017 summer holiday program, following the launch of the new Redcoat uniforms.

In partnership with the Arts Academy of Federation University, we staged a competition for Performing Arts students to create a new performance piece for Sovereign Hill. The winning group was then paid to develop and perform their show in the Outdoor Museum.



Sovereign Hill's international reputation for museum interpretation resulted in an unsolicited invitation from the Danish National Museum! Our Interpretive Programs Manager, Barry Kay, worked at Kronborg Castle, a Royal Palace Museum, to direct characters of Shakespeare's 'Hamlet' in scenes of daily life to be presented in their open-air museum.

Interpretive training and coaching is ongoing. In particular, with the introduction of new Redcoat uniforms, it was timely to refresh staff knowledge of correct military protocols and etiquette.

As the financial year came to a close, we brought together existing staff into a new group called Interpretive Programs. Led by Barry Kay and Lucy McNeil, our interpreters will further refine and improve their programs for visitors.



New uniforms for the 'Redcoats' were produced by Sovereign Hill's Costume Department and supported by a very successful appeal raising \$90,000.



Lucy McNeil, Carly Ellis and Naomi Holden presented 'A Victorian Silhouette' in exquisite style.

Another initiative in daily programming was the introduction of a two-day cycle of activities, so that visitors enjoying our two-day admission ticket can see different presentations on their second day.

We have faced some Occupational Health and Safety challenges this year and will be intensifying our OH&S safety compliance regime accordingly.

Costume Department highlights for the year included the delivery of the new 40th Regiment of Foot uniforms in December and the staging of 'A Victorian Silhouette' at Melbourne Museum, during the Virgin Australia Melbourne Fashion Festival in March. 'A Victorian Silhouette' went on to receive High Commendations at the 2017 Museums & Galleries National Awards (MAGNAs) and the 2017 Museums Australia (Victoria) Museum Awards!

The Costume Department has outfitted Sovereign Hill's 530 ongoing costumed staff and volunteers, issuing over 2,000 items throughout the year - as well as costume for growing numbers of seasonal staff and performers.



Weston Bate, Janice Bate, Barbara Davison and Graeme Davison, who was Guest Speaker for the 2016 Weston Bate Lecture.

It also continued to support the Costumed Schools program by providing and fitting costume for 1,100 visiting teachers, as well as costuming staff employed by our catering partner, Delaware North Companies Australia.

A distinctive red gingham costume was developed for the Confectionery Team and delivered in March, just in time to feature in three short promotional films for 'The Story Lives On', Sovereign Hill's new brand campaign (for which the Costume Department also became 'Wardrobe').

Rigorous academic research forms a foundation that sets Sovereign Hill apart from many other heritage attractions. Sovereign Hill's historians, Dr Jan Croggon and Anna Kyi, contribute a wealth of knowledge to the development of exhibits, costumes and interpretive activities, ensuring they are thoroughly researched and historically accurate. Our historians also devise and present 'Big Picture' training sessions to keep staff and volunteers informed of significant mid-19th century events, people and technologies from around the world.

The annual Weston Bate Lecture marked History Week. Our Honorary Music Historian, Dr Terence FitzSimons, joined Barry Kay, Andre Prenc and guest pianist Vicki Rowe to present a light-hearted musical introduction entitled 'Cities, Settlers and Songs', before the address by Graeme Davison, Emeritus Professor of History, Monash University, who spoke on the topic of his new book, 'City Dreamers: the Urban Imagination in Australia'.

This event was held during the National Week of Deaf People. The evening's proceedings were expertly translated into Auslan by sign-interpreters Sue Izard and Pauline Lillie - a service much appreciated by guests who were deaf.



Proudly modelling their new confectioner's costumes are Jackson Ford, Will Hoskin, Rob Pitman, Matthew Deeks, Tony Gaurts, Jason Gibson, Ben Bignell, David Osborne, Carl Smith, Darryl Ware and Michael Durham.

MINING

In the Quartz Mine, a huge reinvestment in recent years has delivered a safer and more engaging exhibit for visitors choosing an underground mine adventure.

Connecting the underground Farr & Hancock Stope to its surface shaft opening, adjacent to the Candle Works, has been a very strong interpretive move. The original 1880s workings are now complete and linked in their presentation. It is a great story and unique to Sovereign Hill!

A key underground exhibit, 'Trapped' tells the tragic story of the 1882 Creswick Mine disaster, just 20 km from Ballarat. First opened in 2009, this exhibit has been refurbished to maintain its first-class presentation.

Major works in both the Sovereign Quartz Mine and the Red Hill Mine have kept our Engineering and Infrastructure Department extremely busy. In the Quartz Mine, replacement of the mine train tracks has been completed, with all new rail installed on a concrete base. The original secondhand rails;



Chris Cummings, Dan Kraus and Ian Grace were members of a large maintenance crew who worked in difficult conditions to replace the Quartz Mine railway.



laid in 2001, had seen extensive service as part of underground mine tours. The train carriages have been replaced, and a new prime mover train unit will be in place by October to provide a more reliable resource. Above ground, protective improvements to the poppet head included works on its stair treads and balustrading.

The Red Hill Mine surface infrastructure has also been refurbished to create a most impressive presentation. This project encompassed the poppet head, the flume and water flow to the tank and puddler, and the Nagle steam engine. The stairs into the mine were re-capped, and a new handrail installed.

This year saw Sovereign Hill host the inaugural meeting of the Australian Tourist Mine Operators Association, attended by representatives from attractions across Australia including: Hannans North Gold Mine (Western Australia); Wheel Watkins Silver Mine and Blinmans Heritage Copper Mine (South Australia); and, Walhalla Long Tunnel Extended Gold Mine, Wonthaggi State Coal Mine and Central Deborah Gold Mine (Victoria).



Pictured at the new Carriage Store are Chris Hutton, Peter Dunn, Matthew Van Gaans and John Lewis.

Our Mine Operations Manager, Serena Ioannucci, and the mine guides work closely with Steam Operations staff to ensure safety is paramount in the delivery of a great visitor experience.

We thank the Board's Outdoor & Mining Museum Committee, chaired by Peter McCarthy, and our mine engineering consultant, Peter Darveniza, all of whom work with Chris Hutton, Director - Engineering & Infrastructure, to keep this key exhibit in optimum condition.



Members of the Steam Operations Team include Philip Thorn, Adam Sandry, Craig Ashman, Terry Hazell and Andrew Tink.

Steam Operations

One of Sovereign Hill's key responsibilities as an outdoor museum representing the era of the great Australian gold rushes is to ensure that the mammoth steam-driven plant and equipment associated with the underground mine and its infrastructure is always at its operational peak.

Our obligations under OH&S legislation are enormous in this regard. Each year, the massive boilers are shut down in rotation for a major overhaul to ensure that they are in full working order. As they are each more than a hundred years old, and must consistently meet their licensing certification, this commitment cannot be treated lightly. Under the watchful eye of Steam Operations staff, each boiler is very carefully tended so that visitors can see first-hand how these extraordinary mining installations underpinned the Victorian, and indeed, the Australian economy as company mining took over from the alluvial mining of early goldrush days.

One significant project has been the modification of the Nagle steam engine in the Red Hill Mine surface works. Once static, the engine is now a dynamic exhibit - thanks to the installation of a concealed electric motor and the persistence and skill of a talented group of Sovereign Hill staff.

Steam Operations also pooled their talents to create a popular interpretive presentation, 'Stoked!' offers visitors a thoroughly interesting tour of the boiler house and the engine house, and demonstrates how their interlinked machinery drives the mine's operations in de-watering, cage operation and in the battery house.

Our Steam Operations Manager, Craig Ashman, leads an extremely competent team who are expert in their day-to-day management of this popular area of the Outdoor Museum.

The Gold Museum Shop, which has Chinese-speaking staff, was popular with Perfect (China) delegates seeking gold nuggets and souvenirs.



Costumed staff such as Zara Jarvis added colour to the Late 19th Century Shopping and Christmas celebrations in December.



Retail Operations

The retail world within Sovereign Hill is a fascinating visitor experience, with thirteen small business exhibits representing shops and factories present on the Ballarat goldfields. Their success provides Nicole Roberts, Senior Retail Operations Manager, with a unique challenge. They are a key source of revenue, but must also provide visitors with a convincing interpretation of an 1850s shopping experience.

Behind-the-scenes, staff strive to provide an historical connection, sourcing stock to represent items available locally in the 1850s. Interesting and perhaps unusual stock items provide staff with inspiration as they discuss snippets of goldfields life with visitors, whose museum experience is thereby enhanced.

Sovereign Hill continues to drive growth in sales of stock items such as the confectionery and candles that visitors see being made in the traditional manner during daily demonstrations. Raspberry drops remain the best seller, both onsite and in our growing wholesale market. Candles dipped by visitors as a hands-on experience supervised by the candle maker come a close second!

Creating such links between our goldfields story and a visitor's retail experience is the key to success – and something that our small businesses continue to do very well.

In the wider world, like our three contemporary gift shops, they remain impacted by market trends such as the attraction of online shopping and general consumer expectations of an experience commensurate with the price paid.



L.J. Chawech, a work experience student from Mt Clear Secondary College, found making boiled sweets a surprisingly 'dusty' job.



Administration

It is often easy to overlook the important behind-the-scenes work going on daily in the Bright View Administration Office.

Telephone and public reception is an obvious cornerstone of this activity; however, a wide range of other duties must be done in an accurate and timely way for the business of Sovereign Hill to operate successfully.

Payment of creditors for supply and delivery of goods and services is a huge process involving ordering, logistics, invoicing, reconciliation and authorisation of this documentation and, of course, final payment.

The Human Resources Department, which operates from Bright View, has an extensive range of obligations, including recruitment, induction and records keeping for all employees, with accurate weekly costing and processing of the payroll perhaps the most critical task. Training programs are another significant responsibility.



Zaire Wilson was introduced to the mysterious 'Nodding Donkey' during work experience at the Candlemaker's.

Supervision of the organisation's Information Technology & Communications is carried out under the watchful eye of Matthew Kaess. This is a vital component of Sovereign Hill's successful management, underpinning the smooth operation of many essential processes.

Pat Clifford's role as Director - Finance & Corporate Services is vital to the Department's operations. Pat is also Company Secretary for The Sovereign Hill Museums Association.

After a number of years of audit services from Crowe Horwath, the Ballarat accounting firm of MOR Accountants has been appointed as the Association's Auditors.



Present at the signing of the creative contract for the new sound-and-light show were Richard Nicholson, Andrew Walsh from Acoolade Event Management, Adrian Doyle, Jeremy Johnson, and David Jellings and Bruce Brown, representing Mental Media.



Delaware North Companies Australia, our catering partners, provide delicious menu options for 'Blood on the Southern Cross' evening meals.

Blood on the Southern Cross

Development of the proposed new \$8m nightly sound-and-light show has entered its exciting creative phase.

After a most extensive and competitive tender process, the Ballarat firm of Acoolade Communications Pty Ltd was appointed as successful bidder for this project.

The proposed capital works timetable will see the new show launched at the end of 2018. In the meantime, 'Blood on the Southern Cross' remains popular, especially for schools, as part of their curriculum activity.

We will undertake a strong marketing call as this show draws to the end of its life. It has been a remarkably successful product for Sovereign Hill since its launch to the public in 1993. Over two million visitors have enjoyed this unique experience, and it has driven overnight visitor dispersal for our Ballarat region in that time.

Bookings staff and show guides, led by Justin O'Gorman, have done a remarkable job, together with our Technical Services crew, in presenting the show over the past year.



Sovereign Hill Hotel

After a most effective period of ten years as Sovereign Hill Hotel Manager, Neil Robbins left our employment in early August.

Neil was a thorough professional in this vital customer service role. He oversaw a range of significant improvements to our accommodation facilities, including for our domestic overnight and commercial markets, as well as our extensive school market.

The introduction of a full cooked breakfast for guests has been a most popular and financially successful innovation by our catering contractors, Delaware North Companies Australia.

The refurbishment of the Canadian Gully Barracks has been completed, and we now have a very versatile resource there for guests to enjoy.

Conferencing facilities in the Hotham Room have represented a significant investment by Sovereign Hill. A similar upgrade is underway for the upstairs area at Steinfeld's. An additional 36-bed extension to Steinfeld's has allowed the school market to occupy a defined, secure area of this facility without impinging upon the commercial use of the four motel rooms at the front of the building and the first class reception and meeting area on the upper floor.



Creative & Design

In a major change, 2017 saw James Baker succeed John Zulic as Director - Creative & Design.

Again, Design worked closely with the Marketing Department and external contractors, Town Square (our creative agency) and The Electric Canvas (projection specialists) to deliver 'Christmas in July: Winter Wonderlights'. Featuring new projection themes and visuals, and supported by print and digital advertising and promotions, this annual event has grown even further, attracting 110,430 visitors over the month.

Development of Sovereign Hill's new brand, 'The Story Lives On', saw extensive collaboration with the Marketing Department and Town Square. The brand will be introduced throughout all aspects of Sovereign Hill's print and digital presence.

The Sovereign Hill website is undergoing a major upgrade involving external agencies Carter Digital and erpWERX. Stage 1 will integrate online bookings into our bookings and accommodation engine providing visitors with a world-class service.



The opportunity to don period costume for a souvenir photograph (taken here by Dylan Leak) is a popular option for visitors.



In conjunction with Sovereign Hill's IT Department, Stage 2 is also underway. The new site will offer more functional flexibility and commercial opportunities.

With over 80% of visitors searching the website prior to visiting, its performance and audience targeting are paramount. As website views average just three-and-a-half minutes, optimum performance and the targeting of audiences through customisation will help convert online viewing to actual sales.

In the publications area, Design is responsible for the creation and production of 'rush' magazine and for the editing, photography and creative output associated with this Annual Report. Both remain high quality productions.

The designers have produced complementary visual collateral for special occasions such as the President's Dinner and the Sir Henry Bolte Trust Luncheon. For the very popular 'Dr Blake's Ballarat' exhibition, at the Gold Museum, Design's contribution included print and online advertisements, invitations, billboards, brochures, website presence, point-of-sale, merchandise and the editing of exhibition text.

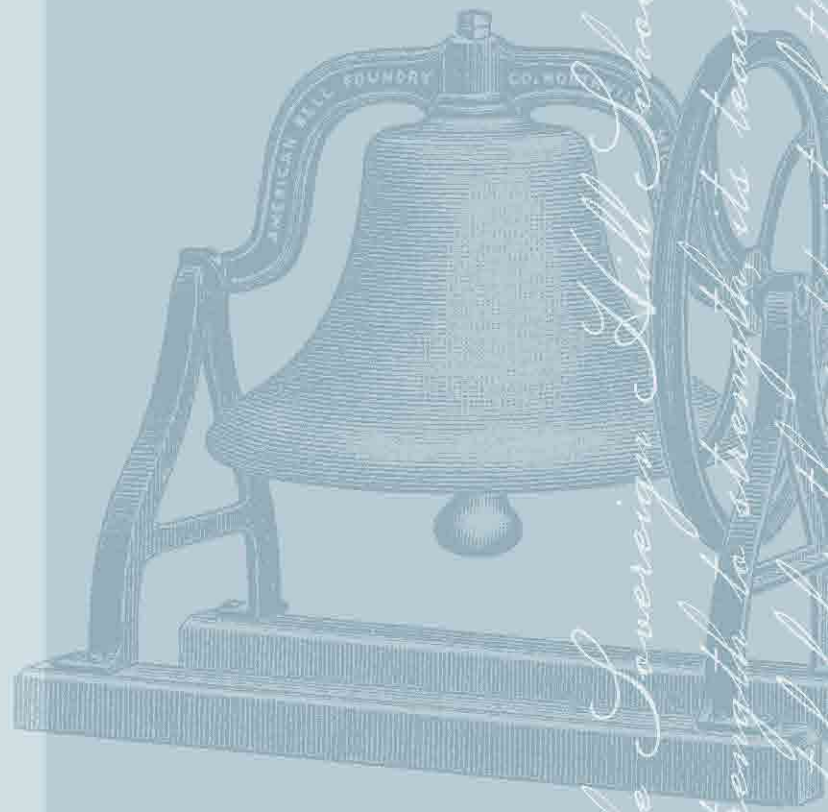
The premium visitor experience offered by Red Hill Photographic Rooms (also within James Baker's portfolio) will soon be enhanced by the addition of an itinerant photographer. A photographer's handcart, built by Barry Hore and our skilled wheelwrights, will move along Main Street, offering a VIP express souvenir photograph as an alternative to a fully costumed studio sitting.

Orders for the very professional school photographs provided by Red Hill Photographic Rooms remain strong, with online ordering convenient for schools and parents.

At Narmbool, work continued on the stables precinct to extend the story of horses on this historic property. With structural works nearing completion, the focus has moved to internal spaces and interpretive presentations ranging from the physiology, feeding and care of horses to their working roles. These will be developed in consultation with Sovereign Hill's teachers at Narmbool, to ensure that Victorian education curriculum requirements will be fulfilled.

...a, everyone, our members are very young, for me, support
of the School Council, Sovereign Hill staff and
volunteers who provide classroom interaction and site
orientation for visiting students.





E D U C A T I O N



*As the Sovereign Hill School goes
from strength to strength, its teachers are
gladly doing their part.*



As part of the 'Gnarwurring Ngitj/Learning Together' Festival, local Wadawurrung people performed a corroboree highlighting Wadawurrung dance and culture.



S

overeign Hill is the proud recipient of two prestigious awards for our 'Gnarwurring Ngitj/Learning Together' Festival - a national award (MAGNA) for the best Indigenous Keeping Place or Project with a budget under \$20,000 and a HART Award celebrating the efforts of Victorian local governments and community groups in Helping Achieve Reconciliation Together. We particularly thank Wadawurrung Elder Bryon Powell and the Wathaurung Aboriginal Corporation for their incredible generosity. We also recognise the dedication of Alice Barnes, from Sovereign Hill Education, in making the festival such a success. The 2017 Festival featured an inspiring lecture from Dr Janice Newton, a popular professional learning program for teachers, and a spectacular corroboree.

New programs and resources were introduced for the 2017 year. In response to the new Victorian Curriculum, we published a number of documents explaining how teachers can use the resources of The Sovereign Hill Museums Association to deliver both History and cross-curriculum standards.

At the Gold Museum, 'Wrapped in Red' is based on the Pern Collection of Aboriginal and Pacific Island artefacts. Aimed specifically at new standards in Year 7 History, the program gives students rare access to the Collections Manager who conducts a behind-the-scenes tour of the Gold Museum and explains the role of museums in collecting and keeping cultural artefacts.



Alice Barnes, second left, accepted a HART Award on behalf of Sovereign Hill. She is pictured here with The Hon. Natalie Hutchins, Victoria's Minister for Aboriginal Affairs, Cr Belinda Coates, Cr Marg Attley and Belinda Duarte.

Resources published in response to the introduction of a VCE Geography unit on Tourism feature short interviews with Sovereign Hill management focussing on economic, socio-cultural and environmental sustainability. Workshops and field trips supported Geography teachers developing fieldwork for this course, and an article was contributed to 'Interaction', the journal of the Geography Teachers' Association of Victoria.

The movie 'Welcome to Sovereign Hill' explains the historical background and layout of Sovereign Hill's Outdoor Museum to Years 5 and 6 students, and provides positive tips about having an enjoyable learning experience.

Our ever-popular special events programs marked the Horse's Birthday, Christmas, Eureka Day and Chinese New Year. Emeritus Bishop Peter Connors conducted a special mass at St Alipius' Diggings School to celebrate Ballarat Catholic Education Week.



Elizabeth Marsden, Collections Manager, introduces Year 7 students to the Fern Collection at the Gold Museum.



Wadawurrung Elders Bryon Powell and Brett Dunlop welcomed Dr Janice Newton, who presented the 2017 'Gnarwurring Ngiti/Learning Together' Lecture at Sovereign Hill on National Sorry Day.

Professional learning activities continue to attract teachers to our resources and programs. Workshops showcasing Sovereign Hill were conducted at conferences held by the History Teachers' Association and the Geography Teachers' Association. Book Week events were very well attended, and we provided special programs for Federation University Australia (Ballarat) and Australian Catholic University pre-service teachers. Popular new programs included 'We're all Custodians' (conducted alongside the Wathaurung Aboriginal Corporation) and 'Teaching Democratic Responsibility through History', organised in conjunction with the Museum of Australian Democracy at Eureka, provided teachers with the opportunity to view 'Blood on the Southern Cross'.

Education at Sovereign Hill has seen some personnel changes this year. With Crystal Wallace on parental leave, Karen Bodman is Assistant Bookings Officer. Marion Littlejohn retired after a stellar career as an educator at Sovereign Hill. We wish them all well.

Finally, we thank the volunteers, staff and replacement teachers who help make the Sovereign Hill adventure so exciting for students, and we are very grateful to the Department of Education and Training Victoria, and the Catholic Education Commission of Victoria for their continued support of Sovereign Hill Education.

The Education team at Sovereign Hill has been ably led by Peter Hoban and Annemarie Kieroe.



Narmbool Education

Narmbool Education has undergone major changes, from personnel and infrastructure to planning and content delivery. We farewelled two dedicated Education Officers when Janelle Spierings and Scott Walker accepted school teaching positions. Along with Matthew Dowler, they contributed to a record year in 2016, with 63 camps, 6 new schools and over 7,150 student and teacher education days - a 7% increase on 2015!

In October 2016, Damon Minotti accepted the new role of Narmbool Education and Operations Manager, combining management of the grounds, site and teaching staff into one cohesive unit. Kim Sharp has also joined us as an Education Officer.

As the property regenerates, Narmbool Education has seen several exciting developments. A review of our offerings relative to the new 2017 Victorian Curriculum reinforced the quality of existing programs. The team have therefore focussed on enriching student and teacher learning with additional activities linking historical and current farming practices, and Indigenous and European land usage and culture with the ongoing sustainability and biodiversity of Narmbool's unique landscape and ecosystem.

New educational facilities are developing apace, with a re-development of the stables and a new interpretive centre telling the story of horses at Narmbool. Planning continues for Mannas Outstation (destroyed in the fire) and a new observatory. After 10 years of school camps, Narmbool Lodge is being refurbished.



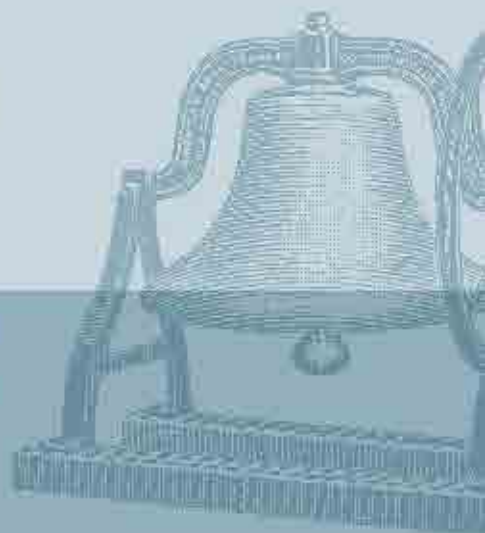
Catholic Education Week was celebrated by mass in St Alipius' Diggings School. Guests included Adam Cameron, Jeremy Johnson, Adrian Doyle, Emeritus Bishop Peter Connors, Annmarie Perry, Terry Lloyd, Annmarie Kieroe, Peter Hoban, Sue Crowe and the St Alipius Ballarat School Choir.



Geoff McArthur introduced Charlotte Ahnland Berg to his 1850s classroom at the Red Hill National School. Charlotte, who was participating in a staff exchange program, visited from Skansen, the world's oldest open air museum, in Sweden.

Narmbool Education continued to support Sovereign Hill Education in its Professional Learning programs, hosting a national field trip for the Australian Geography Teachers' Association and the 'Narmbool Walk', to provide an Indigenous perspective on our beautiful property as part of 'Gnarrwiring Ngiti' during National Reconciliation Week. Over 30 teachers attended the annual Ballarat Science Teacher Education Network conference, which provided professional learning content from supporting agencies including CMA Waterwatch, ResourceSmart Schools and Earth Ed.

Narmbool staff are looking forward to once again showing off this stunning property and its impressive garden at the Narmbool Open Day on 19 November this year.



The Sovereign Hill Costumed Schools

Now in their 38th year, Sovereign Hill's Costumed Schools continue to provide a memorable educational experience for children visiting from across Victoria and further afield.

The Costumed Schools program offers upper primary school students an unforgettable experience as they live the lives of goldfields children in our meticulously re-created school environments. This two-day immersive program is believed to be unique with intense demand for bookings (taken over a year in advance). In Term Four this year, the exciting addition of our fifth school, the Wesleyan Day School, will extend the availability of this program.

Bookings remain strong as ever with our teachers presenting over 300 programs for almost 7,000 eager students. While the vast majority come from Victorian schools, an increasing number are from South Australia and New South Wales. A large proportion of groups (representing Government, Catholic and Independent sectors) stay on-site at the Sovereign Hill Hotel.

In addition to developing the Wesleyan Day School, a significant priority this year has been a major investment in new costume, which will see school staff working with Sovereign Hill's Costume Department to acquire 380 full student outfits over the next three years.

Other priorities have included enhancing booking and communication processes and systems, and improving support for visiting school organisers in preparing students and managing the operational details of their visits.

Our costumed goldfields schools function within The Sovereign Hill School, a joint venture between the Victorian Department of Education and Training and The Sovereign Hill Museums Association. School operations are overseen by the School Council. Led by its President, Ann Campbell, Council works closely with the Principal, Geoff McArthur, and Sovereign Hill's Museums Director, Brett Dunlop, to ensure that the School's broad direction and vision meet Departmental guidelines. Council's role further extends to strategic planning, policy development and budgets.

As the Sovereign Hill School goes from strength to strength, its teachers are very grateful for the support of the School Council, Sovereign Hill staff and FOSH volunteers who provide classroom interaction and site orientation for visiting students.

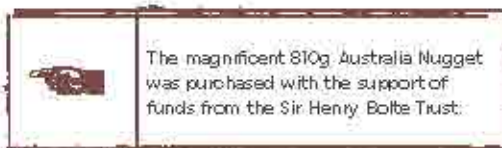
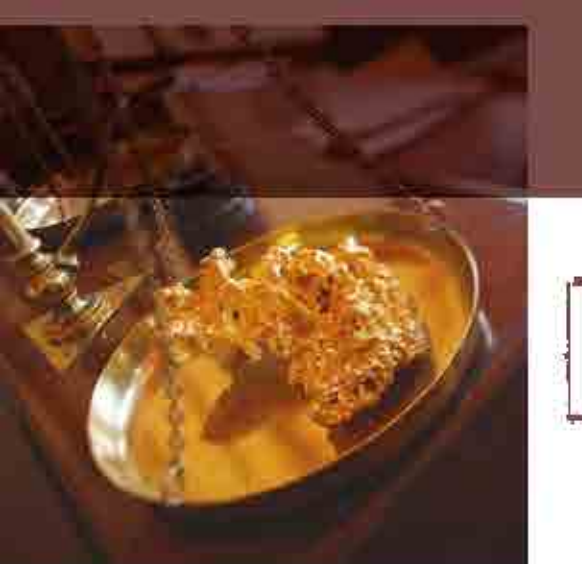
The Sovereign Hill Museums Association, as well as
providing a range of high quality exhibitions, public programs
and professional development opportunities.



GOLD MUSEUM

GM

*Museum manages the significant
of The Sovereign Hill Museums*



The Gold Museum manages the collections held by The Sovereign Hill Museums Association, as well as delivering a range of high quality exhibitions, public programs and professional development opportunities.

The highlight for the year was the launch of 'Doctor Blake's Ballarat', an exhibition developed in collaboration with December Media, the production company behind the popular television series, 'The Doctor Blake Mysteries'. This immersive and entertaining exhibition, accompanied by innovative and engaging public programs and promotional events, created new audiences and a pleasing growth in visitation to the Gold Museum.

Judicious and careful acquisitions continue to enhance the Association's collections, and the support of private financial donors and the Sir Henry Bolte Trust has assisted in making some significant purchases. These included the 1852 Gold Escort Muster Roll, a number of excellent goldfields engravings and a poster featuring a Chinese translation of the 1875 Mining Regulations. An early 19th century tea set that arrived on the Victorian goldfields in the 1850s is an outstanding donation, as is the 1890s children's high chair made by a local Ballarat furniture company. Over 16,000 new or enriched records have been added to the online catalogue; for many of the object records, this has included additional and enhanced photographs.



With funding support from the National Library of Australia Cultural Heritage Program, the Centre for Cultural Material Conservation completed a 'Preservation Needs Assessment', providing a comprehensive overview of the conservation issues and priorities across the 150,000 objects that make up The Sovereign Hill Museums Association Collection. This document is an invaluable tool in prioritising conservation and preservation activities, as well as supporting subsequent grant applications to the Cultural Heritage Program.

In May 2017, the Gold Museum obtained funding (\$9,957) from the Anzac Centenary Community Grant Program for a film featuring descendants of World War One veterans. Descendants have been selected based on the veterans' collections housed



Craig McLachlan and Nadine Garner, stars of 'The Doctor Blake Mysteries', were VIP guests at the launch of 'Doctor Blake's Ballarat'. Dr Blake saw fit to check Jeremy Johnson's vital signs while he was in attendance.



Amelia Marra, Curatorial Project Officer, was assisted by Mark Jones in setting up 'Doctor Blake's Ballarat'.

at the Museum. These veterans include Samuel and Hedley Tong-Way (Chinese Anzacs), Roy Holloway (a Prisoner of War) and Charles Reakes (a Gallipoli survivor). The grant is administered by the Department of Premier & Cabinet's Veterans Branch (Victoria).

The Victorian Chamber of Commerce funded three tertiary Museum Studies student internships in 2016, and the program has continued in 2017 with a further three interns selected for project work in late 2017. Working in collections and exhibitions, the interns have been valuable additions to the team. Of those who worked with the Gold Museum in 2016, all have gone on to employment in the industry, including Amelia Marra who returned to the Museum as the Curatorial Project Officer for 'Doctor Blake's Ballarat'. This program is unique in Australian museums and the quality of participants has been excellent.



School holiday activity trails have encouraged children and their families to look a little more closely at the important collections within the Museum's permanent exhibitions by having them adopt the persona of pirates or explorers to search for mystery clues across the displays. Four hundred Ballarat Year 7 & 8 History students participated in an innovative education program entitled 'Aboriginal History at the Gold Museum' that included a tour of the predominantly Indigenous Pern Collection with the Collections Manager; this pilot program allowed students to meet a museum professional and view the Museum's back-of-house operations.

The Paul and Jessica Simon Gold Pavilion underwent the first stage of a series of planned upgrades and now features a space dedicated to telling the story of Paul and Jessica Simon and their contribution to Ballarat. New paintwork, repairs to lights and interactive elements, and the replacement of faded transparencies and redundant text have given the Pavilion a fresh and attractive aspect.

With a new approach of temporary exhibitions that focus on the local region and the rich collections held by the Gold Museum, the 'House of Lucas' opened in November 2016. Telling the story of the city's iconic Lucas clothing company, the family-owned firm that operated from 1888 until 1968, the exhibition shared the rich fabric of Ballarat's fashion past. A tribute to the personalities that shaped the firm and its innovative production techniques, the exhibition featured important pièces from the Lucas Collection.



Heather MacLeod, Lynne Jones and Monica Wain joined a back-of-house tour conducted by Elizabeth Marsden for the Gold Museum's first 'Gold Bar' event.



'Gold Bar' guests Jacqueline Downing and Angela Carey enjoyed watching Lucy McNeil's flowing locks transformed 1950s style by Lexi DeRook from 'Yankee Sweetheart'.

The inaugural 'Gold Bar' evening was held in conjunction with this exhibition, attracting 60 enthusiastic participants who toured back-of-house collection stores, learned all about the art of beauty from Lola Montez and peeked under crinolines to explore the underwear worn by ladies of the Victorian era. This enjoyable and informative event won Highly Commended in the category of Heritage Innovation at the Ballarat Heritage Awards 2017.

The Gold Museum also received funding (\$5,722) to carry out filmed oral history interviews with former employees of E Lucas & Co. Local company Wind & Sky produced the film, which was shown in the Museum theatre during 'House of Lucas'. The grant was issued by the Department of Premier and Cabinet (Victoria), part of the Local History Grants program.



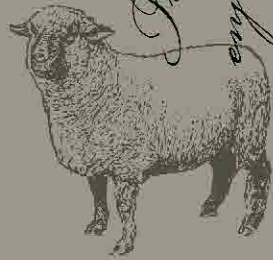
'House of Lucas' was launched by Ballarat fashion designer Claire Schreenan. The exhibition gave visitors the opportunity to appreciate items from the Lucas Collection.



Snjez Cosic, Rosalie Price and Michelle Smith gathered to admire Rosalie's 1959 House of Lucas couture wedding dress.

'Doctor Blake's Ballarat', designed by the television show's own production designer, Carrie Kennedy, and curated by the Gold Museum, ran from 10 April to 3 September 2017. Including vintage costuming worn in the show, Dr Blake's 1937 'Blakemobile' and a complete re-creation of the living room set, the exhibition celebrated the international success of the hit television series, which was set against a backdrop of Ballarat's most visited locations. Generous support from the cast and crew at the exhibition's media launch and public program events has contributed to significant growth in brand awareness and audience satisfaction for the Gold Museum.

The guidance of the Gold Museum Committee and its Chair, Dr Judy Verlin, is gratefully acknowledged, as is the work of the Gold Museum Society and the 'Doctor Blake's Ballarat' volunteers.



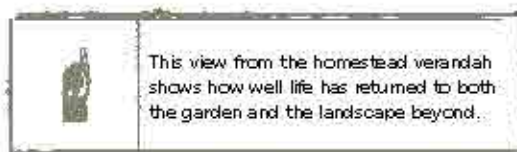
It is pleasing to report that wool sales have enjoyed a rise in the market prices paid for quality produce, and the demand for fat lambs has remained strong over the past 18 months.

N





N A R M B O O L



Narmbool has had another year of active recovery from the disastrous bushfire of December 2015. In this, we have been assisted by the exceptional support of the Association's Insurance Brokers, Adroit Insurance Group of Ballarat. We were also very pleased to show the Hugh D T Williamson Foundation Trustees through the property to see its regeneration. The Foundation has been a very generous benefactor of Narmbool's education programs since their inception.

The property has been re-fenced into more manageable paddocks, and farming plant and infrastructure have been updated. Our Farm Manager, Peter Rooney, and his assistant, Anthony Lewis, have worked miracles in juggling carrying capacities, stock replacement and renewal of the breeding flock.

It is pleasing to report that wool sales have enjoyed a rise in the market prices paid for quality produce, and the demand for fat lambs has remained strong over the past 18 months.

Recovery of the beautiful homestead garden has reaped the reward of kind spring rainfall and a cooler summer, enabling new plantings to settle in and thrive. Our gardeners, Narmbool Manager Damon Minotti and Site Managers, Mick and Gillian Armstrong, have worked hard to deliver this revival. Similarly, the Narmbool teachers made an excellent contribution in revising their education programs in response to the fire damage.

Work on the new stables exhibit, adjacent to the homestead, has continued and will provide a fascinating addition to Narmbool's interpretive story.

As always, Sovereign Hill is indebted to its Patrons, Andrew and Robin Ferry, and other donors for their very generous financial support of various activities and developments at Narmbool. Without these resources, it would not be possible to deliver such a successful outcome there.



New terracing, pergolas and fresh plantings are features of the lower homestead garden.



We are very grateful that Narmbool staff and a number of fire brigades were able to save Narmbool's historic homestead.

Construction of the Elaine and Lal Lal Wind Farm in the general locality will change the rural landscape permanently. We are working with the developers of this installation to reduce the visual impact of the huge wind turbines.

Narmbool's Open Garden Day for 2016 was suspended while restoration work continued. This year, we are delighted to be staging this popular event again - and in an extended format! The day will showcase all that Narmbool has to offer, from its reconstructed gardens and event spaces with food, entertainment and information services, to its educational assets, beautiful panoramas and community involvement.



 Chris Alizzi, Richard Nicholson,
Mahee Thompson, David Thompson




Will Flansted, John Davis,
Tim Chandler



SPECIAL OCCASIONS



 Justine Linley, Anthony Schink,
Or Samantha McIntosh



 Peter McCarthy, John Zullo



Justin Bentley, Brad Wootton,
Steve Colman, Rod Unmack

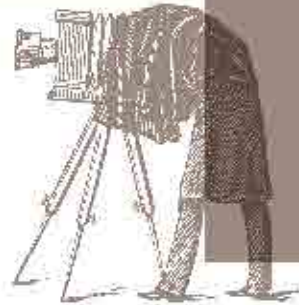
Sue Lloyd, Terry Lloyd 



Paul O'Donohue, John Lewis,
Julie O'Donohue



Judy Verlin, Bill McGregor



Damien Butler, Doug Sarah,
Jane Cowles



Kieran Fitzpatrick, Annmarie Perry,
Helene Sexton

Jennifer Ganske, Anne Johnson,
Jacqueline Downing, Simon Read



Darnian Moran, Cathy Patterson,
Pat Clifford

THE SOVEREIGN HILL FOUNDATION

Established in 1996, as an internal fund of The Sovereign Hill Museums Association, The Sovereign Hill Foundation provides a capital base for investment to support Sovereign Hill's long-term financial viability.

We are most appreciative of the leadership of Foundation Chairman Ross Wilkie and the generosity of those who have donated to the Foundation's Named Accounts, which are listed below, as at 30 June 2017.

| | 2017 \$ | 2016 \$ |
|--|------------------|------------------|
| General Funds | 2,302,549 | 2,152,566 |
| Named Accounts | | |
| The Peter and Richard Nicholson Family Gift | 52,414 | 48,255 |
| Jane Cowles Bequest | 53,700 | 49,438 |
| The Isobella Foundation | 61,008 | 56,167 |
| Delaware North Companies Australia | 46,319 | 42,644 |
| McDonald's Australia | 109,147 | 91,279 |
| D & J McKenzie Account | 129,489 | 119,214 |
| Bruce & Kay McKnight Bequest | 44,697 | 41,150 |
| The Colin & Shirley Prowse Family Gift | 55,902 | 51,466 |
| GH & A J Troon Account | 49,803 | 45,851 |
| S J Weir (Ballarat) Pty Ltd Account | 9,673 | 8,905 |
| Ross & Elizabeth Wilkie | 53,483 | 49,239 |
| Voi Williams Family Gift | 47,669 | 41,423 |
| The Barry James Account | 48,192 | 44,368 |
| The John & Catherine Davis Account | 83,100 | 69,653 |
| Jim and Betty Gay Family Gift | 39,937 | 36,768 |
| Jeremy & Anne Johnson Family Gift | 39,679 | 36,531 |
| JG King Pty Ltd | 49,173 | 45,271 |
| Terry & Sue Lloyd Gift | 42,545 | 39,168 |
| Jim & Irene Stephen Account | 46,357 | 42,679 |
| Gull & Company Gift | 39,990 | 36,817 |
| Adroit Insurance Group (Joe Agostino) | 36,739 | 33,823 |
| Doug Sarah & Penny Russell (Win Sarah Memorial) Gift | 44,415 | 40,890 |
| Dorothy & David Baird and Family Gift | 41,946 | 38,618 |
| Sophie and Steven Coltman Family Gift | 28,896 | 24,757 |
| Neil & June Jens Family Account | 33,341 | 30,696 |
| John Collier Bequest | 37,223 | 34,269 |
| Alizzi Family Named Account | 23,572 | 17,098 |
| Bruce & Adela Bartrop Account | 33,416 | 30,765 |
| Rod & Melinda Unmack Family Gift | 16,838 | 10,673 |
| Dean & Pauline Stevens Family Gift | 11,029 | 5,337 |
| Bentley Family Gift | 28,065 | 25,838 |
| | 3,740,308 | 3,441,614 |

MAJOR SPONSORS, GRANTS, DONORS & CORPORATE MEMBERS

Major Sponsors & Grants

| | | |
|----------------------|------------------------------|--|
| City of Ballarat | Nestlé Peters | Regional Development Victoria's Regional |
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| Lion Nathan | Creative Victoria | Department of Education & Training |
| McDonald's Australia | Catholic Education Melbourne | |

Donors

(from 01/07/2016 to 20/06/2017)

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| Clark B & B | King J G | Ramsay D & N |
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| Dunlop B | Mattei D | Russell P |
| Federation University Australia | McGregor W & R | Sarah A D |
| Ferry A & R | McKenzie D & J | Selkirk J & V |
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| Freemasons Foundation Victoria | Nicholson R & P | The Hugh D T Williamson Foundation |
| Hassett B | Nolan K | |
| Hinchey R & N | Paterson J | |
| Hiscock P | Perry A & N | |

Corporate Members

Sovereign Hill is fortunate to enjoy the support of a diverse range of Corporate members from Ballarat and further afield. We have solid business links with many of them, and members' functions held at Sovereign Hill present opportunities to develop their business objectives.

| | | |
|---|---|--|
| A W Nicholson Pty Ltd | Commonwealth Bank | Mercedes Benz Ballarat |
| Adroit Insurance Group | Cops 'n' Kids - Ballarat Police Station | Morton Dunn Architects |
| Ballarat Coachlines | Crawford Dowling Pty Ltd | Mulcahy & Co |
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| Bell Tower Inn | Federation University Australia | Premier Plumbing Service |
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| C E Bartlett Pty Ltd | Fund Long Pty Ltd | Rural Press Printing Ballarat |
| Catholic Education Commission of Victoria | Harwood Andrews | Selkirk Brick Pty Ltd |
| Cave Hill Creek | Haymes Paint | Sovereign Press Pty Ltd |
| Central Highlands Surgeons | Honeyman & Paton Pty Ltd | The Diggers Hut |
| Chinese Australian Cultural Society | HS Social Club | The Haymarket |
| Ballarat Inc | Imerys Minerals Australia | Victorian Chamber of Commerce & Industry |
| City of Ballarat | J B Cameron Pty Ltd | W & D Finance |
| Colliers International | Lake Imaging | |
| | Lifestyle Travel Ballarat | |

SOVEREIGN HILL PROSPECTORS & SIR HENRY BOLTE TRUST

Sovereign Hill Prospectors

Our Prospectors enjoyed a number of special events over the past year, including an exclusive evening at Steam Operations to experience our popular 'Stoked!' presentation. They were also special guests at our annual Christmas Late Night Shopping event and at an exclusive preview of the 'Doctor Blake's Ballarat' exhibition at the Gold Museum.

Patrons

Bate W Moneghetti S

Members

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

Sir Henry Bolte Trust

The sixth Sir Henry Bolte Trust Luncheon was held at Narmbool, our beautiful rural property, and featured a most interesting oration from Stephen Elder, the late Sir Henry's nephew.

It was also a wonderful opportunity for supporters to see the magnificent work done with the gardens by our team at Narmbool since the devastating bushfire of December 2015.

This annual lunch is the major fundraiser for the Sir Henry Bolte Trust, with proceeds used to directly support our Museum acquisitions program.

Our next fundraising event will be the inaugural Sir Henry Bolte Trust Classic Car Tour, to be held on 19 November this year.

The Sir Henry Bolte Trust is an internal fund of The Sovereign Hill Museums Association.

We thank the volunteer committee members who oversee the work done by the Trust:

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

THE SOVEREIGN HILL MUSEUMS ASSOCIATION

Patrons

| | |
|--------------------------|-------------------------|
| The Hon. John Cain | The Hon. John Brumby |
| The Hon. Jeffrey Kennett | The Hon. Denis Napthine |
| The Hon. Steve Bracks | The Hon. Ted Baillieu |

Civic Patrons

Mayor of the City of Ballarat, Cr Samantha McIntosh (from 07/11/2016)
Chancellor of the University of Ballarat, Dr Paul Hemming

Patrons of Narmbool Trust

| | |
|--------------|-------------|
| Andrew Ferry | Robin Ferry |
|--------------|-------------|

Board Members

| | |
|---------------------------|-------------|
| President – Doyle A | Lloyd T |
| Vice-President – Butler D | McCarthy P |
| Alizzi C | Nicholson R |
| Carey A | Perry A |
| Coltman S | Verlin J |
| Cowles J E | |

SENIOR MANAGEMENT

Chief Executive Officer

Johnson J

Directors

| | |
|--|----------------------------------|
| Director – Commercial & Operations | Berman-Hardman R (to 17/10/2016) |
| Director – Commercial & Operations | Flamsteed W (from 15/05/2017) |
| Director – Creative, Design & Special Projects | Zulic J (to 01/01/2017) |
| Director – Creative & Design | Baker J (from 01/01/2017) |
| Director – Engineering & Infrastructure | Hutton C |
| Director – Finance & Corporate Services | Clifford P |
| Director – Marketing | Burns G (to 23/12/2016) |
| Director – Marketing | Ganske J (from 12/12/2016) |
| Director – Museums | Dunlop B |

Leadership Group

| | |
|-------------|---------------|
| Baker J | Karlovic M |
| Clifford P | Lewis-Jones T |
| Dunlop B | Page J |
| Flamsteed W | Roberts N |
| Ganske J | Smith M |
| Hutton C | |

Special Projects

| | |
|---------|---------|
| Lewis J | Zulic J |
|---------|---------|

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 | Doyle A K |
| Fundraising Committee | Nicholson R |
| Narmbool Committee | Lloyd T |
| Sir Henry Bolte Trust | Nicholson R |
| The Sovereign Hill Foundation | Wilkie R |

Community Support

We are grateful for the ongoing 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 | MOR Accountants |
| 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 | Spierings J (to 15/08/2016) |
| Dowler M | Minotti D (from 03/10/2016) | Walker S (to 30/01/2017) |
| Hoban P | Sharp K (from 19/04/2017) | Willison M |

Sovereign Hill School

| | | |
|------------|------------------------------|---------------------------|
| McArthur G | Littlejohn M (to 28/04/2017) | Steele K |
| Beckwith P | Middleton A | Young G (from 18/04/2017) |
| Borner L | Rosestone S | |

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

(at 30/06/2017)

THE SOVEREIGN HILL MUSEUMS ASSOCIATION

Staff

| | | | | | |
|--------------------|----------------|-------------|---------------|-----------------|---------------|
| Aliciati L | Croggon J | Grace I | Kennedy L | O'Connor R | Taylor L |
| Alvarado T | Cummings C | Graham L | Kennedy P | Offer L | Taylor L |
| Armstrong G | Curran B | Gray S | Kent E | O'Gorman J | Terrill K |
| Armstrong M | Cuthbertson K | Greenbank K | Knight O | Olver M | Thompson J |
| Armstrong M | Dalrymple B | Griffith C | Koch E | Osborne D | Thompson M |
| Ashman C | Dalton L | Grima A | Kraus D | Oswin E | Thorn P |
| Bailey C | Dando M | Grootveld R | Kyi A | Oxlade H | Tian J |
| Baker K | Darveniza P | Grossi L | Lacy M | Padgett C | Tink A |
| Beacham H | Dean C | Gu J | Larkins A | Page J | Tonkin D |
| Beckwith P | Deeks M | Haldane C | Leak D | Paine B | Treloar J |
| Bellingham D | Demunk K | Hall K | Lee B | Payne N | Treloar L |
| Beman Z | Donovan D | Hammond R | Li Y | Peach J | Treloar N |
| Bennett D | Drake J | Hancock E | Liu Y | Pender M | Treneman M |
| Bennetts A | Drew E | Hansen K | Lloyd T | Perkins D | Tseng A |
| Bevan K | Duffin D | Harris T | Lo Y | Perkins K | Ure J |
| Bignell B | Durham M | Harrison A | Long A | Pezzutti R | Van De Wouw M |
| Bignell T | Economou M | Harvey R | Mackley S | Phillips C | Waight K |
| Billerwell R | Edgington B | Hazell T | Madden R | Pike J | Walker K |
| Billing T | Edmonston L | Heinrich T | Mao M | Pitman R | Wang X |
| Bishop G | Elliott P | Henderson A | Marsden E | Porteous J | Wang Y |
| Blobel T | Evans P | Henriksen C | Marshall B | Prenc A | Ware D |
| Bodman K | Featherstone J | Henriksen E | Martin K | Prendergast R | Warr S |
| Booth M | Feng Z | Henriksen S | Matheson J | Ramsay L | Warwarek X |
| Borner L | Ferguson J | Hill K | Matheson J | Ranjel D | Watson A |
| Bourke L | Filmer M | Hodges A | McCann J | Rankin J | Watson S |
| Bradley L | Flannagan G | Holden N | McGarry A | Read S | Weatherston M |
| Broadway J | Flood M | Hollywood D | McKenzie S | Richardson J | Webb T |
| Brodrick V | Flowers C | Hope T | McNeil L | Riddiford M | Webster Z |
| Brown C | Forbes S | Hore B | Memon S | Robinson T | Weng L |
| Buckland-Shelton A | Ford J | Hoskin W | Meng Q | Romeyn C | Wheatland M |
| Burke C | Ford J | Howse D | Middleton A | Rowe C | White B |
| Burnett M | Ford R | Huang X | Mitchell A | Russell J | Whitehouse D |
| Burton I | Forster N | Hughes P | Mitchell S | Ryan D | Whyte E |
| Butler G | Foster D | Hui N | Mooney L | Sandry A | Wilkinson S |
| Caig R | Freeman S | Hurst M | Morcombe K | Santamaria E | Willison M |
| Callaghan A | Freeman W | Ibbotson J | Morganti A | Schaper P | Wilson A |
| Cameron A | Gallop S | Ingram S | Morshead W | Schenk R | Winstone K |
| Carlin R | Gamble P | Ioannucci S | Moss K | Scott W | Woollacott K |
| Caruana S | Gao B | Jackson K | Mould M | Sharp K | Wu Q |
| Cassidy G | Gardner C | Jarvis K | Mroczkowski Z | Simmons S | Wu R |
| Chandler A | Gardner K | Jarvis Z | Mrowiec D | Simpson H | Wu S |
| Clarke S | Garvey H | Jenkins S | Murphy E | Slater S | Ye J |
| Cluff M | Gear P | Jensen L | Murphy S | Smith C | Young G |
| Cody S | Gervasoni J | Johnson L | Neale C | Smithers H | Yuan L |
| Collins J | Geurts A | Johnston M | Neil D | Stoneman D | Zhang L |
| Collins M | Gibson J | Jones M | Nikoloff D | Stowe K | Zhang Y |
| Cornwell K | Gillett E | Jovanovic A | Nunn M | Strange A | Zhong L |
| Corrigan T | Gillett E | Kaess M | Nuridin J | Szentandrassy V | Zou G |
| Cosic S | Glisson E | Kay B | Oakley P | Tatham S | |
| Coulson T | Golding J | Keirl D | O'Brien K | Taylor C | |

(at 30/06/2017)

THE SOVEREIGN HILL MUSEUMS ASSOCIATION

Friends of Sovereign Hill

The Friends of Sovereign Hill (FOSH) enrich storytelling and interpretation, responding to visitor needs and creating an engaging, informative Sovereign Hill experience. For volunteers, too, there are many benefits as they acquire new skills, join a community interested in heritage interpretation and meet people from across the world.

Across the Outdoor Museum, FOSH offer hands-on activities including domestic and industrial technology, gold panning, horse care, rope splicing, scrimshaw, whittling and sewing. They also support the Sovereign Hill Costumed Schools and Sovereign Hill Education programs, guiding orientation tours, demonstrating and teaching trades and crafts, conducting 'A Woman's Work is Never Done' for secondary-school girls, participating in kindergarten visits and supporting Sovereign Hill's teachers.

Kelly Bevan, Manager of Volunteer Programs, has been focussing on a strategic plan which has involved identifying recruitment needs according to Sovereign Hill's business requirements, while still providing the fulfilment that today's volunteers seek. Individuals with specialised skills and interests took on short-term roles for specific projects and events, for example guiding during 'Doctor Blake's Ballarat' at the Gold Museum and volunteering for the very busy 'Christmas in July: Winter Wonderlights' season. New roles also supported back-room work at Sovereign Hill in research, interpretation and training, assisting both staff and volunteers to build their knowledge and understanding of our historical period.

We welcomed Sharon Murrihy as Volunteer Coordinator. Sharon brings much experience from an extensive career in training and education. She is supported by a valuable FOSH Committee. Led by President Stephen Barber, the Committee includes Lorraine Sheppard, Michael Keaney, Leonie Balfour, Neville Whetton, Marilyn Thomas and Roger O'Connor.

We thank all our volunteers for their continued service!

| | | | | | |
|-------------|-------------|-----------------|--------------|---------------|-----------------|
| Allen K | Clark R | Gellis V | Kucera K | Newey B | Schmidtke R |
| Anderson K | Clark S | Gellis-Skaras I | Learmonth M | Newey C | Schmidtke R |
| Anset B | Clark S | Gillespie P | Leviston D | O'Callaghan D | Schmidtke S |
| Ashford M | Clark V | Gingell L | Llewellyn W | O'Connor R | Segaert C |
| Ashley A | Cooper A | Gingell L | Maberly E | O'Loughlin H | Sevior E |
| Ashley C | Corden H | Gladman B | Macey S | Parry S | Sheppard L |
| Ashley E | Crump L | Gunston P | MacKay K | Pegg A | Sjogren G |
| Ashley G | Davis D | Haley C | Maggi D | Pennell D | Slattery A |
| Ashley T | Douglas M | Haley G | Maloney M | Phillips J | Spall W |
| Baker M | Downs M | Haley H | Matthews S | Pierotti L | Stickland S |
| Balfour L | Drever Y | Haley T | McCallum R | Pitman A | Suttie R |
| Barber C | Duthie M | Hill J | McCausland B | Powell M | Thomas J |
| Barber S | Ellis C | Hogbin M | McClean A | Rayner M | Thomas M |
| Barnes M | Fahey J | Holmes G | McClean G | Reus B | Thorne A |
| Baum L | Fawcus V | Howard J | McCracken N | Rhodes H | Thorne I |
| Bischarde A | Filmer J | Howes B | McErvale M | Rhodes I | Thorne K |
| Bischarde V | Fithall C | Howlett C | McGill J | Richardson J | Thorne N |
| Black J | Fithall J | Howlett N | McGill M | Robe L | Thorne T |
| Black N | Freeman C | Howse A | McGreehan R | Roberts L | Thorpe L |
| Bone R | Freeman E | Humphries B | McKenzie C | Rothe D | Twyfold-Smith K |
| Brae J | Freeman E | Hutton L | Meadows L | Ryan C | Wawn C |
| Brennan E | Freeman F | Jacks L | Meadows Z | Ryan P | Wheaton R |
| Briscoe M | Freeman J | Jamali E | Meng V | Schmidtke A | Whetton N |
| Brodrick K | Freeman L | Johannsen L | Mewett D | Schmidtke C | Whitelaw K |
| Bull J | Freeman L | Jones M | Miller J | Schmidtke D | Wojciechowski R |
| Campbell J | Fromholtz P | Jordan C | Milton A | Schmidtke H | Young G |
| Campbell T | Gavan B | Jordan R | Moreton A | Schmidtke J | Zilveris E |
| Carter S | Gaylor A | Keaney M | Morse S | Schmidtke J | |
| Chenery K | Gaylor A | Khadem P | Moss V | Schmidtke M | |
| Clark M | Gekas G | Kilby G | Mould P | Schmidtke R | |

THE SOVEREIGN HILL MUSEUMS ASSOCIATION

Gold Museum Society

Gold Museum Society volunteers make an invaluable contribution to the role of the Gold Museum as a provider of public programs and as a repository for a large and significant collection of some 150,000 items relevant to the history of Ballarat and our region. In the galleries, our volunteers act as an informal visitor information service, they engage visitors in conversation about the mysterious collection items displayed on the touch trolley and they provide daily tours of the exhibition galleries. They also present programs for the 8,000 school students who visit annually.

Back-of-house, other members work on collections with Volunteer Coordinator Joanne Gervasoni. Their contribution includes cataloguing, data entry, scanning, photography, transcription of documents, indexing, auditing and exhibition research – all of which significantly improve public access to the collection via the Gold Museum website. Throughout the year, 14,600 records were improved by the addition of images and information.

We congratulate Society member Doug Bradby who received a High Commendation in the Award for Excellence (Volunteer) at the 2017 Museums Australia (Victoria) Awards.

The Gold Museum Society working committee is chaired by President Elaine Maberly. Their year includes a busy schedule of meetings and training sessions as well as induction of new members.

| | | | | | |
|----------------|-------------|-------------|-------------|--------------|------------|
| Ashford M | Curnow M | Johannsen L | McGill M | O'Loughlin K | Taylor P |
| Backhouse N | Cuttle M | Lacy B | McGregor W | Peterson L | Taylor R |
| Ball A | D'Angri N | Llewellyn B | McMillan J | Philips J | Taylor S |
| Beggs Sunter A | D'Angri V | Llewellyn N | McPherson B | Pratt D | Tong N |
| Blythman M | Derrick M | Lowe V | Mitchell P | Prowse S | Tudball V |
| Bond P | Douglas D | Luhrs M | Moss V | Roberts D | Wheadon J |
| Bradby D | Effrett I | Maberly E | Muir H | Robertson B | Williams K |
| Butcher D | Eldridge R | Maidment T | Netherway N | Robins C | Wilson L |
| Christie B | Gadsden L | Manning D | Newey B | Smith I | Zamurs F |
| Christie H | Grant D | Martin Z | Newey C | Smith M | |
| Clark M | Hamilton J | May P | Noonan R | Spielvogel D | |
| Cowles J I | Henderson J | McCracken N | Nunn B | Spielvogel V | |
| Crick A | Jeffery L | McGill J | O'Brien T | Stone W | |

Ballarat Historical Society

The Sovereign Hill Museums Association acknowledges its long and productive relationship with the Ballarat Historical Society, guided by a 1976 Memorandum of Understanding. The Society's collection is held by the Gold Museum, and members meet there monthly. A number of Historical Society volunteers are also members of the Gold Museum Society and regularly assist in cataloguing and digitising the collection.

Michelle Smith, Manager/Senior Curator of the Gold Museum, contributes regularly to 'Lamplight', the Society's quarterly newsletter, and the Museum hosted the first of two back-of-house tours, in June, to showcase work undertaken in caring for the BHS collection. These tours ensure that Society members remain connected to the collection and view the best practice activities carried out in its preservation.

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

'Doctor Blake's Ballarat' Volunteers

This year, a separate group of over thirty volunteers (representing the Gold Museum Society, Friends of Sovereign Hill and the local community) combined, as fans of the Doctor Blake series, to provide a friendly welcome and assistance for visitors to 'Doctor Blake's Ballarat'.

16
17

SOVEREIGN HILL

The Association measures its own performance through the use of the Sovereign Hill measures. Museum Association

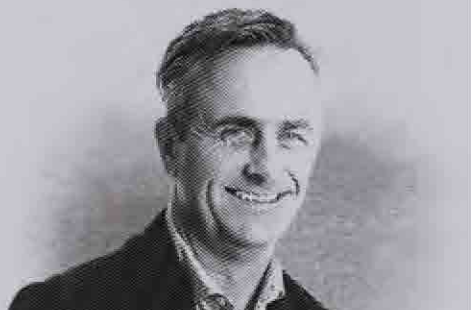
Indication A.B. 87 565 563 651 in the Association's Corporate Heritage. Now and are very the same. However, the financial responsibility of the Association is a short term

FINANCIAL REPORT



THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651

Directors, Chief Executive Officer and Company Secretary



Mr D E Butler – Vice-President

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.



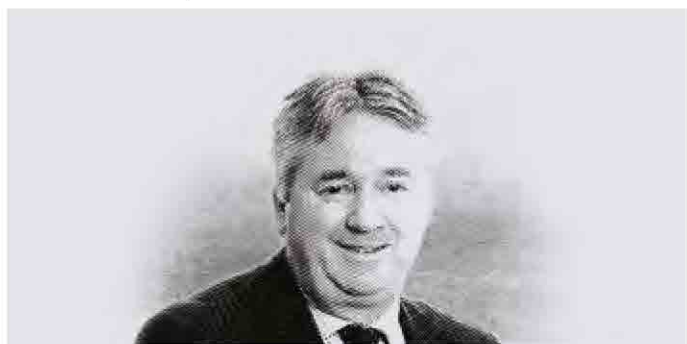
Mr C J Alizzi

Appointed to the Board in 2017. Member of the Finance & Risk Committee. Automotive Dealer Principal.



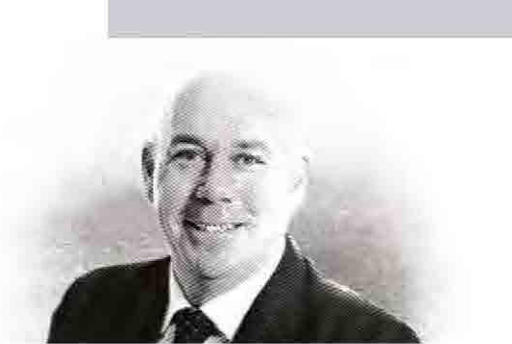
Mrs A L Carey

Elected to the Board in 2016. Member of the Gold Museum Committee and The Sovereign Hill Foundation. Consultant.



Mr P A Clifford – Company Secretary

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



Mr S O Coltman

Elected to the Board in 2003. A Past-President. Member of the Fundraising Committee and The Sovereign Hill Foundation. Insurance Advisor.



Ms J E Cowles

Elected to the Board in 2003. A Past-President. Member of the President's Advisory Committee, Outdoor & Mining Museum Committee and Fundraising Committee.



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 & Industry. Past-Chairman, Victoria Tourism Industry Council.



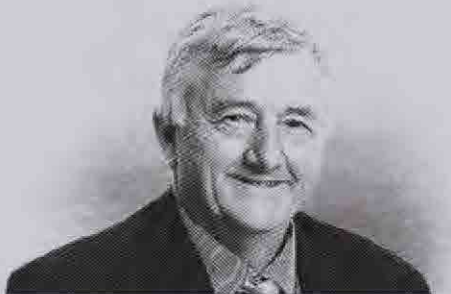
Emeritus Prof. T M Lloyd

Elected to the Board in 2007.
A Past-President, Chairman of the Narmbool Committee, Member of the Finance & Risk Committee, Consultant. Former Deputy Vice-Chancellor of the then University of Ballarat.



Mr A K Doyle - President

Elected to the Board in 2010.
Chairman of the President's Advisory Committee.
Ex-officio member of all Board Trusts and Committees. Certified Practising Valuer.
Director of a Property Consulting Firm.



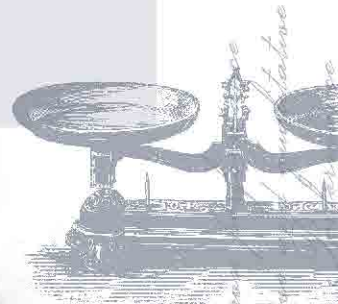
Mr P L McCarthy

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



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 Finance & Risk Committee and The Sovereign Hill Foundation. Civil Engineer and Company Director. Graduate, AICD Company Directors Course.



The Association measures its success through the use of both quantitative and qualitative measures. These Strategic Key Performance Indicators (KPIs) are used to measure the Association's performance against its strategic objectives.



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 27 June 2017.

The names of each person who has been a Director during the year and to the date of this report are:

A K Doyle President

D E Butler Vice-President

C J Alizzi (from 20/2/2017)

A L Carey

S O Coltman

J E Cowles

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 and Sir Henry Bolte Trust
- Strategy 2 – Review Corporate Strategic Plan 2017-2020
- 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 2017-2020
- 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 \$1,480,310.

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 \$5,704,026 from \$61,462,941 as at 30 June 2016, to \$67,166,967 in 2017.

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. Motor vehicle sales and services supplied to the Association by a firm of which Mr C J Alizzi is a Director;
2. Insurance brokerage services supplied to the Association by a brokerage firm of which Mr S O Coltman is a Senior Manager;
3. Mine consultancy services supplied to the Association by a firm of which Mr P L McCarthy is a Director;
4. Valuation services supplied to the Association by a valuation firm of which Mr A K Doyle is a Director; and
5. Membership services supplied to the Association by the Committee for Ballarat of which Mrs J A Verlin is 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 other audit services during the year in respect of acquittal of a government grant.

THE SOVEREIGNTY HILL MUSEUMS ASSOCIATION - ANNUAL REPORT 2017

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 27 JUNE 2017

The Attendances of each Director of the Association at meetings for the period July 2016 to June 2017 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 |
| C J Alizzi (from 20/2/2017) | 5 | 4 | 2 | 2 | - | - | - | - | - | - | - | - | - | - |
| D E Butler | 7 | 6 | 5 | 5 | 10 | 8 | - | - | - | - | 4 | 4 | - | - |
| A L Carey | 7 | 6 | - | - | - | - | - | - | 1 | 0 | - | - | - | - |
| S O Coltrane | 7 | 6 | - | - | - | - | - | - | - | - | - | - | 2 | 0 |
| J E Cowles | 7 | 6 | 1 | 1 | 10 | 10 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| A K Doyle | 7 | 7 | 4 | 4 | 10 | 10 | 2 | 2 | 3 | 1 | 3 | 3 | 1 | 1 |
| T M Lloyd | 7 | 7 | 4 | 3 | 3 | 3 | - | - | - | - | 4 | 4 | - | - |
| P L McCarthy | 7 | 5 | - | - | - | - | 3 | 3 | - | - | - | - | - | - |
| R W Nicholson | 7 | 7 | 4 | 4 | - | - | - | - | - | - | - | - | 2 | 2 |
| A P Perry | 7 | 7 | - | - | - | - | 3 | 3 | - | - | 4 | 3 | - | - |
| J A Verlin | 7 | 5 | - | - | - | - | - | - | 3 | 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 27 June 2017 has been received and can be found on the opposite page.

Dated this eighteenth day of September 2017.



A K Doyle
President

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651

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 27 June 2017 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.



D G Abbott
Partner
MOR Accountants
406 Dana Street, Ballarat

Dated this eighteenth day of September 2017

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651

Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 27 June 2017

| | Note | 2017 \$ | 2016 \$ |
|--|------|------------------|------------------|
| Revenue from Operating Activities | 2 | 31,778,447 | 28,948,225 |
| Other Income | 2 | 175,088 | 292,591 |
| Employee benefits expense | | (15,179,462) | (14,393,800) |
| Depreciation | 3 | (1,701,883) | (1,571,801) |
| Administration, Marketing, Maintenance expense | | (10,638,672) | (8,794,051) |
| Cost of Sales | | (2,107,553) | (2,614,389) |
| Other expenses | | (845,655) | (233,992) |
| Operating Profit | 3 | 1,480,310 | 1,632,782 |
| Capital receipts | 2 | 3,889,969 | 993,144 |
| Result for the year attributable to the members of The Sovereign Hill Museums Association | | 5,370,279 | 2,625,926 |
| Other comprehensive income | | | |
| Fair value (losses)/gains on available-for-sale financial assets | | 333,748 | (448,138) |
| Total comprehensive income for the year attributable to the members of The Sovereign Hill Museums Association | | 5,704,027 | 2,177,788 |

Statement of Financial Position as at 27 June 2017

| | Note | 2017 \$ | 2016 \$ |
|--------------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 4 | 3,091,470 | 1,508,175 |
| Trade and other receivables | 5 | 1,571,876 | 1,890,680 |
| Inventories | 6 | 1,624,827 | 1,775,674 |
| Biological Assets | 7 | 1,756,700 | 1,080,875 |
| Other Current Assets | 8 | 859,935 | 271,724 |
| Financial Assets | 9 | 673,184 | 963,779 |
| TOTAL CURRENT ASSETS | | 9,577,992 | 7,490,907 |
| NON-CURRENT ASSETS | | | |
| Financial Assets | 9 | 6,502,600 | 5,590,040 |
| Property, plant and equipment | 10 | 46,367,978 | 44,510,585 |
| Collections Assets | 10 | 8,767,370 | 8,688,005 |
| TOTAL NON-CURRENT ASSETS | | 61,637,948 | 58,788,630 |
| TOTAL ASSETS | | 71,215,940 | 66,279,537 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 2,266,010 | 2,496,300 |
| Borrowings | 12 | - | 500,000 |
| Short term provisions | 13 | 1,209,786 | 1,232,983 |
| TOTAL CURRENT LIABILITIES | | 3,475,796 | 4,229,283 |
| NON-CURRENT LIABILITIES | | | |
| Long term provisions | 13 | 573,177 | 587,313 |
| TOTAL NON-CURRENT LIABILITIES | | 573,177 | 587,313 |
| TOTAL LIABILITIES | | 4,048,973 | 4,816,596 |
| NET ASSETS | | 67,166,967 | 61,462,941 |
| EQUITY | | | |
| Retained Earnings | | 50,578,942 | 45,881,437 |
| Reserves | | 16,588,025 | 15,581,504 |
| TOTAL EQUITY | | 67,166,967 | 61,462,941 |

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651

Statement of Changes in Equity for the Year Ended 27 June 2017

| | Retained Earnings | Asset Revaluation Reserve ## |
|-------------------------------------|----------------------|------------------------------------|
| | \$ | \$ |
| 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 |
| Total comprehensive income for year | 5,370,279 | 333,748 |
| Transfers (to)/from reserves | | |
| - General Reserve | (185,828) | |
| - The Sovereign Hill Foundation | (298,694) | |
| - Sir Henry Bolte Trust | (108,887) | |
| - Collections | (79,365) | |
| Transfers from retained earnings | | |
| Balance at 27 June 2017 | 50,578,942 | 529,337 |

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

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651

Statement of Changes in Equity for the Year Ended 27 June 2017

| General Reserve | Sir Henry Bolte Trust | The Sovereign Hill Foundation | Collections Reserve | Total |
|------------------|-----------------------|-------------------------------|---------------------|-------------------|
| \$ | \$ | \$ | \$ | \$ |
| 2,198,170 | 974,284 | 3,061,656 | 8,582,592 | 59,285,153 |
| | | | | 2,177,788 |
| | | | | (127,085) |
| | | | | (379,958) |
| | | | | 43,243 |
| | | | | (105,414) |
| 127,085 | (43,243) | 379,958 | 105,414 | 569,213 |
| 2,325,255 | 931,041 | 3,441,614 | 8,688,005 | 61,462,941 |
| | | | | 5,704,027 |
| | | | | (185,828) |
| | | | | (298,694) |
| | | | | (108,887) |
| | | | | (79,365) |
| 185,828 | 108,887 | 298,694 | 79,365 | 672,774 |
| 2,511,083 | 1,039,928 | 3,740,308 | 8,767,370 | 67,166,967 |

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651

Statement of Cash Flows for the Year Ended 27 June 2017

| | Note | 2017 \$ | 2016 \$ |
|--|------|--------------|--------------|
| Cash flows from operating activities | | | |
| Sales from small businesses | | 9,068,953 | 8,158,604 |
| Other revenues from operating activities | | 24,016,782 | 19,596,562 |
| Interest and dividends received | | 415,325 | 405,291 |
| Payments to employees | | (15,216,796) | (14,254,622) |
| Interest paid | | (662) | (5,752) |
| Payments for materials and contracts | | (15,766,700) | (11,875,780) |
| Net cash generated from operating activities | 18 | 2,516,902 | 2,024,303 |
| Cash flows from investing activities | | | |
| Capital receipts | | 3,889,969 | 1,408,743 |
| Proceeds from sale of property, plant and equipment | | 24,045 | 51,105 |
| Proceeds from disposal of investments | | 1,565,396 | 1,204,648 |
| Purchase of investments | | (1,679,487) | (1,522,842) |
| Purchase of property, plant and equipment | | (4,233,530) | (4,229,389) |
| Net cash used in investing activities | | (433,607) | (3,087,735) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings | | - | 500,000 |
| Repayment of borrowings | | (500,000) | (580,000) |
| Net cash used in financing activities | | (500,000) | (80,000) |
| Net (decrease)/increase in cash held | | 1,583,295 | (1,143,432) |
| Cash and cash equivalents at the beginning of the year | | 1,508,175 | 2,651,607 |
| Cash and cash equivalents at the end of the year | 4 | 3,091,470 | 1,508,175 |

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 2016/2017 report covers the period 29 June 2016 to 27 June 2017.

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 in the museum precinct have extensive ongoing maintenance to ensure their standards are in keeping with this 11-year time period. Consequently, the Directors believe that historic 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 - historic | 0.67% |
| Buildings - other | 2% - 10% |
| 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 Services 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 \$6,502,600 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.

| | 2017 \$ | 2016 \$ |
|---|------------|------------|
| NOTE 2 REVENUE | | |
| Revenue from Operating Activities | | |
| - sale of goods | 8,251,648 | 8,158,604 |
| - interest and dividends received | 415,325 | 405,291 |
| - government grants* | 896,112 | 738,709 |
| - entrance takings | 18,015,570 | 15,387,965 |
| - rents and commissions | 1,045,845 | 1,103,217 |
| - other revenue (including accommodation and memberships) | 3,153,947 | 3,154,439 |
| Revenue from Operating Activities | 31,778,447 | 28,948,225 |
| Other Income | | |
| - gain on disposal of property, plant and equipment | 962 | 40,167 |
| - gain on disposal of available-for-sale financial assets | 174,126 | 252,424 |
| Other Income | 175,088 | 292,591 |
| Capital Receipts | | |
| - donations and collection assets donated | 2,446,915 | 777,407 |
| Less expenditure against capital receipts | (261,310) | - |
| | 2,185,605 | 777,407 |
| - insurance refunds | 1,704,364 | 631,336 |
| Less derecognition of affected items of property, plant and equipment | - | (415,599) |
| | 1,704,364 | 215,737 |
| Capital receipts includes donations, insurance refunds and collections assets donated | 3,889,969 | 993,144 |
| Total Revenue | 35,843,504 | 30,233,960 |
| * 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 | 448,769 | 376,194 |
| - Plant and Equipment | 1,253,114 | 1,195,607 |
| Total Depreciation | 1,701,883 | 1,571,801 |
| Auditor Remuneration | | |
| - Audit Services - external | 41,500 | 54,600 |
| - Audit Services - other | 1,050 | 1,000 |
| Employee benefits expense: | | |
| - Contributions to defined contribution superannuation funds | 1,151,836 | 1,127,195 |
| Interest paid on borrowings | 662 | 5,752 |

| | Note | 2017 \$ | 2016 \$ |
|---|------|-------------|------------|
| Significant Revenue and Expenses | | | |
| Net gain/(loss) on disposal of non-current assets | | | |
| Investments | | | |
| Proceeds on disposal | | 1,565,396 | 1,204,648 |
| Disposals at written down value | | (1,391,270) | (952,224) |
| Net profit (loss) on disposals | | 174,126 | 252,424 |
| Property, Plant and Equipment | | | |
| Proceeds on disposal | | 24,045 | 51,105 |
| Disposals at written down value | | (23,083) | (10,938) |
| Net (loss)/gain on disposals | | 962 | 40,167 |

NOTE 4 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

| | | | |
|--------------|--|-----------|-----------|
| CURRENT | | | |
| Cash at Bank | | 2,916,242 | 1,093,745 |
| Cash on hand | | 175,228 | 414,431 |
| | | 3,091,470 | 1,508,175 |

NOTE 5 CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

| | | | |
|-------------------|--|-----------|-----------|
| CURRENT | | | |
| Trade receivables | | 1,566,432 | 1,814,600 |
| Other receivables | | 5,444 | 76,080 |
| | | 1,571,876 | 1,890,680 |

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 | | 1,624,827 | 1,775,674 |

| | Note | 2017 | 2016 |
|--|------|------------------|-----------|
| | | \$ | \$ |
| NOTE 7 CURRENT ASSETS - BIOLOGICAL ASSETS | | | |
| CURRENT | | | |
| At fair value less cost to sell | | | |
| Sheep | | | |
| Balance at the beginning of the year | | 1,080,875 | 974,827 |
| Net movement in valuation during year | | (435,901) | (398,489) |
| Fair value movement of biological assets | | 1,111,726 | 504,537 |
| Balance at end of year | | 1,756,700 | 1,080,875 |

NOTE 8 CURRENT ASSETS - OTHER ASSETS

| | | | |
|-------------|--|----------------|---------|
| CURRENT | | | |
| Prepayments | | 859,935 | 271,724 |

NOTE 9 FINANCIAL ASSETS

| | | | |
|--|--|------------------|-----------|
| CURRENT | | | |
| Held-to-maturity investments | | 673,183 | 963,778 |
| - includes \$188,923 attributable to Sir Henry Bolte Trust (refer note 21) | | | |
| - includes \$484,260 attributable to The Sovereign Hill Foundation (refer note 21) | | | |
| NON CURRENT | | | |
| Available-for-sale financial assets | | 6,502,600 | 5,590,039 |
| - includes \$855,287 attributable to Sir Henry Bolte Trust (refer note 21) | | | |
| - includes \$3,679,653 attributable to The Sovereign Hill Foundation (refer note 21) | | | |

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.

| | Note | 2017 | 2016 | |
|--|--------------------------|---------------------------|--------------------------|-------------|
| | | \$ | \$ | |
| NOTE 10 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT | | | | |
| LAND AND BUILDINGS | | | | |
| At cost | | 48,162,381 | 46,068,639 | |
| Less accumulated depreciation | | (7,106,237) | (6,687,951) | |
| Total land and buildings | | 41,056,144 | 39,380,688 | |
| PLANT AND EQUIPMENT | | | | |
| At cost | | 23,226,135 | 21,857,531 | |
| Less accumulated depreciation | | (17,914,301) | (16,727,634) | |
| Total plant and equipment | | 5,311,834 | 5,129,897 | |
| PROPERTY, PLANT AND EQUIPMENT | | 46,367,978 | 44,510,585 | |
| COLLECTIONS ASSETS | | | | |
| At fair value | | 8,767,370 | 8,688,005 | |
| Movements in Carrying Amounts | Land and Buildings \$ | Plant and Equipment \$ | Collections Assets \$ | TOTAL \$ |
| 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 | 53,198,590 |
| 2017 | | | | |
| Balance at the beginning of the year | 39,380,688 | 5,129,897 | 8,688,005 | 53,198,590 |
| Additions at cost | 2,696,031 | 1,458,134 | 79,365 | 4,233,530 |
| Disposals | (571,805) | (23,083) | - | (594,888) |
| Depreciation expense | (448,769) | (1,253,114) | - | (1,701,883) |
| Carrying amount at end of year | 41,056,144 | 5,311,834 | 8,767,370 | 55,135,348 |

| | Note | 2017 | 2016 |
|---|------|------------------|------------------|
| | | \$ | \$ |
| NOTE 11 CURRENT LIABILITIES - TRADE AND OTHER PAYABLES | | | |
| CURRENT | | | |
| Trade payables | | 1,858,756 | 1,287,281 |
| Other current payables | | 407,254 | 1,209,019 |
| | | 2,266,010 | 2,496,300 |
| NOTE 12 CURRENT LIABILITIES - BORROWINGS | | | |
| CURRENT | | | |
| Interest-only loan | | - | 500,000 |
| Loan liability is secured by assets of the Association. | | | |
| Loan facility was not required in 2017. | | | |
| NOTE 13 CURRENT LIABILITIES - PROVISIONS | | | |
| CURRENT | | | |
| Provision for employee benefits: annual leave | | 651,146 | 734,270 |
| Provision for employee benefits: long service leave | | 558,640 | 498,713 |
| | | 1,209,786 | 1,232,983 |
| NON-CURRENT | | | |
| Provision for employee benefits: long service leave | | 573,177 | 587,313 |
| | | 1,782,963 | 1,820,296 |
| Analysis of Total Provisions | | | |
| Opening balance | | 1,820,296 | 1,681,118 |
| Additional provisions raised during year | | 143,266 | 219,213 |
| Amounts used | | (180,599) | (80,035) |
| Balance at end of year | | 1,782,963 | 1,820,296 |

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 | 2017 | 2016 |
|--|------|------|------|
| | | \$ | \$ |

NOTE 14 CAPITAL COMMITMENTS

| | | | |
|---|--|------------------|---------|
| Commitments for uncompleted capital projects at 27 June 2017 (matched by government grant and private fundraising) | | 1,183,839 | 737,034 |
|---|--|------------------|---------|

NOTE 15 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 2017/18 – 2018/19 period.

NOTE 16 KEY MANAGEMENT PERSONNEL COMPENSATION

| | | | |
|---------------------------------------|--|------------------|-----------|
| Key management personnel compensation | | 1,403,207 | 1,379,266 |
|---------------------------------------|--|------------------|-----------|

NOTE 17 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 \$38,577; a Board member was the Director of a company that provided valuation services to the Association totalling \$1,540; a Board member was the Director of a company that provided vehicle sales and service to the Association totalling \$41,156; and a Board member was the Director of a company that provided mine consultancy services to the Association totalling \$4,467.

| | Note | 2017 | 2016 |
|--|------|-----------|-------------|
| | | \$ | \$ |
| NOTE 18 CASH FLOW INFORMATION | | | |
| Reconciliation of Cash flow from Operations with Profit | | | |
| Operating Profit | | 1,480,310 | 1,632,782 |
| Non-cash flows | | | |
| Depreciation | | 1,701,883 | 1,571,801 |
| (Decrease)/increase in employee entitlements | | (37,333) | 139,178 |
| Profit on sale of non-current assets | | (175,088) | (292,591) |
| Write-down of non-current assets | | 571,806 | - |
| Changes in assets and liabilities | | | |
| Increase in inventories | | (524,978) | (530,013) |
| Decrease/(increase) in receivables | | 318,804 | (1,203,367) |
| (Increase)/decrease in other assets | | (588,212) | 407,151 |
| (Increase)/decrease in trade and other payables | | (230,290) | 299,362 |
| Cash flows provided by operating activities | | 2,516,902 | 2,024,303 |

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

| Note | 2017 | 2016 |
|------|------|------|
| | \$ | \$ |

NOTE 19 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 | 3,091,470 | 1,508,175 |
| Loans and receivables | 1,571,876 | 1,890,680 |
| Held-to-maturity investments | 673,183 | 963,779 |
| Available-for-sale financial assets | 6,502,600 | 5,590,040 |
| Total financial assets | 11,839,129 | 9,952,674 |

Financial liabilities

Financial liabilities at amortised cost:

| | | |
|------------------------------------|------------------|------------------|
| - trade and other payables | 2,266,010 | 2,496,300 |
| - borrowings | - | 500,000 |
| Total financial liabilities | 2,266,010 | 2,996,300 |

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 20 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 27 June 2017:

| Recurring fair value measurements | Level 1 | Level 2 | Level 3 |
|-------------------------------------|-------------|--------------|---------|
| Available for sale financial assets | \$6,502,600 | - | - |
| Biological assets | - | \$ 1,756,700 | - |

Fair value of the biological assets is based on valuation performed by independent, professionally-qualified valuers as at 27 June 2017.

(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 21 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 22 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 23 CONTROLLED ENTITY

| Subsidiaries of The Sovereign Hill Museums Association: | Country of incorporation | Percentage owned | |
|--|--------------------------|------------------|------|
| | | 2017 | 2016 |
| 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 27 June 2017.

NOTE 24 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 towards meeting any outstandings and obligations of the Association. At 27 June 2017, the number of members was 1,287.

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 27 June, 2017 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 eighteenth day of September, 2017.



A. K. Doyle
President

Opinion

We have audited the accompanying financial report of The Sovereign Hill Museums Association (the Association), which comprises the statement of financial position as at 27 June 2017, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes comprising to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the financial report of The Sovereign Hill Museums Association is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including

- (a) giving a true and fair view of the Association's financial position as at 27 June 2017 and of its performance for the period ended on that date; and
- (b) complying with Australian Accounting Standards – *Reduced Disclosure Requirements* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for our Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The other information comprises the information included in the registered entity's Annual Report for the year ended 27 June 2017, but does not include the Financial Report and our auditor's report thereon. The Directors are responsible for the other information in the Annual Report. Our opinion on the Financial Report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the other information, and report only if the other information is materially inconsistent with the Financial Report. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The Directors of the Association are responsible for the preparation and fair presentation of the Financial Report in accordance with Australia 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Report, the Directors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intend to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.



D G Abbott
Partner
MOR Accountants
406 Dana Street, Ballarat

Dated this eighteenth day of September 2017

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Publisher

The Sovereign Hill Museums Association
ABN 87 565 053 651
39 Magpie Street
Ballarat Victoria 3350
Tel 03 5337 1100
Fax 03 5331 1528
Email enquiries@sovereignhill.com.au
www.sovereignhill.com.au

Producer

Jeremy Johnson

Art Director

James Baker

Creative & Design

Rehee Madden
Glenn Bishop

Editor

Helen Smithers

Photographers

Robert Geary Photographer
Tony Evans Photography
Andrew Wilson Photo Design
Red Hill Photographic Rooms
James Henry
Jeremy Bannister
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