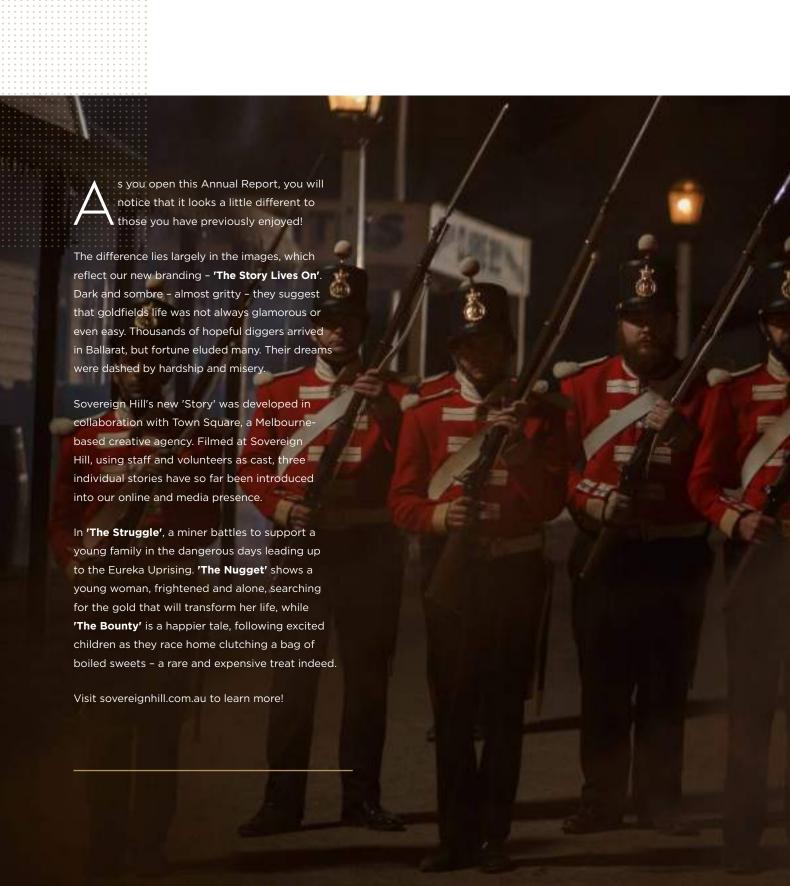
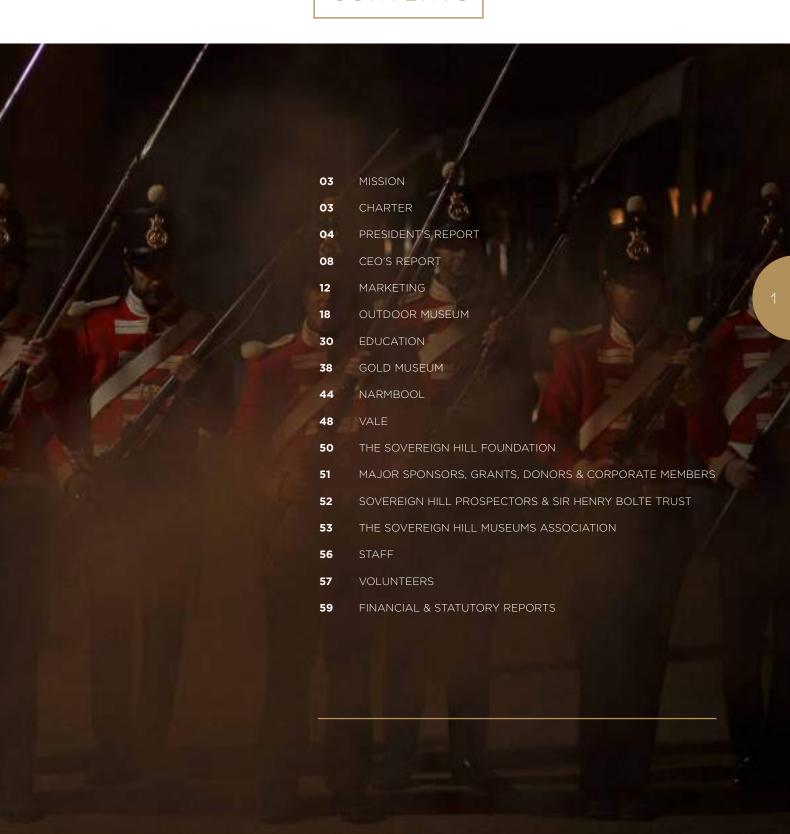


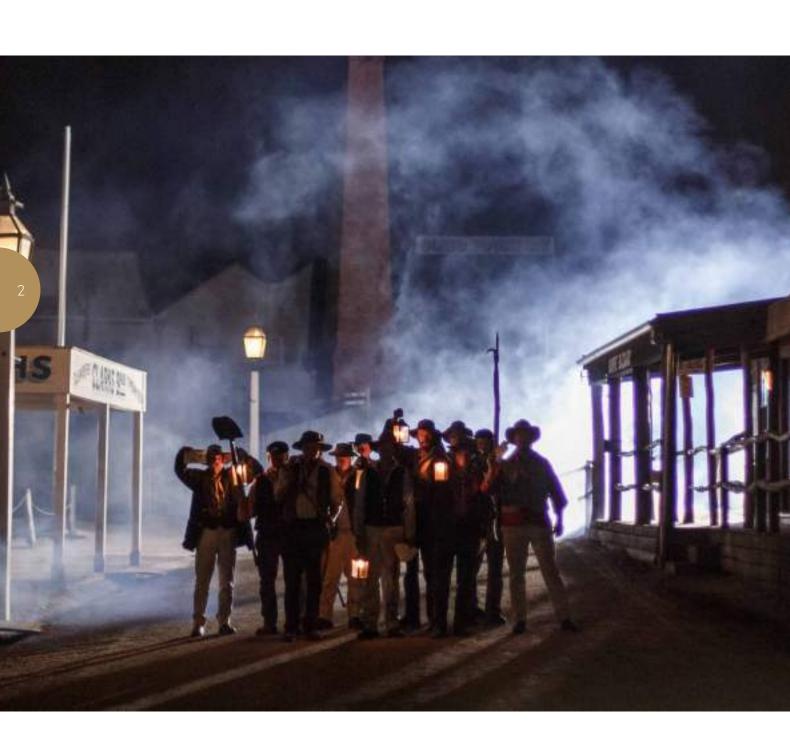
# ANNUAL REPORT

THE SOVEREIGN HILL MUSEUMS ASSOCIATION



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# MISSION



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



# CHARTER

#### 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.

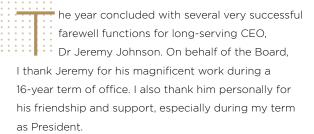
#### RESPONSIBILITY

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.

# PRESIDENT'S REPORT



The Board has appointed Emeritus Professor Terry Lloyd as CEO while we seek a suitable long-term candidate to fill the position. Terry is a Past-President and former Board Member of Sovereign Hill, who had resigned from the Board only this year. The search for a new CEO is currently underway, and it is hoped that an announcement will be made in October 2018.



Jeremy's record tenure as CEO (2002-18) saw Sovereign Hill achieve success for the fourth consecutive year at the RACV Victorian Tourism Awards, where Sovereign Hill was named Victoria's Major Tourist Attraction. Industry accolades continued as we won the Silver Award at the Qantas Australian Tourism Awards after winning the Gold Award for two consecutive years. We therefore just missed being admitted to the Australian Tourism Hall of Fame. It was a great honour to be accompanied on this occasion by our Civic Patrons, Cr Samantha McIntosh, Mayor of the City of Ballarat, and Dr Paul Hemming Ao from Federation University Australia (Ballarat).

This success recognises an amazing, sustained effort in excellence by our staff and volunteers – and our commitment to delivering the highest quality visitor



Adrian Doyle, Jeremy Johnson and Cr Samantha McIntosh at a Civic Reception held in Jeremy's honour.

Jeremy Johnson, left, Adrian Doyle and new Life Member, The Hon. John Pandazopoulos.



experience. However, we must now stand aside from entering this category to give others the opportunity to win.

Shared with VIP guests and supporters, the President's Dinner is always a convivial celebration of the year's achievements. This year, we welcomed a most engaging Guest Speaker, The Right Honourable Sally Capp, Lord Mayor of the City of Melbourne. Ms Capp's speech focused on the changing role of cities.

The Hon. James Merlino, Victoria's Education Minister, opened the Wesleyan Day School on 25 October. We were also delighted to host the Irish Ambassador to Australia, His Excellency, Mr Breandan O'Caollai, and the Irish Minister for Justice and Equality, Mr Charles Flanagan, in March.

It was most gratifying to see so many visitors enjoying Narmbool on the first Open Day since the 2015 bushfire disaster. Narmbool's recovery has been nothing short of miraculous – thanks to the great generosity of a number of private donors and much hard work.

Last October, we invited the Mayor, Councillors and their key staff to dinner with the Board to strengthen the bonds between Council and Sovereign Hill in our much-valued working relationship. A Memorandum of Understanding has secured Council's funding support for the next three years. Another key relationship arises from Sovereign Hill's Affiliate status with Federation University Australia (Ballarat).



Sovereign Hill is supported by many generous advocates, donors (both corporate and individual), and members. Over the year, we hosted: the Gold Sovereigns luncheon where Jeremy Johnson spoke about 'Sovereign Hill: Beyond 50'; the President's Club for a 'Sweet Experience' in the refurbished Brown's Confectionery Factory; the Prospectors for a garden tour; Corporate Members for a business update; and, Pioneer Pass holders during Victoria's Seniors Festival.

Life Memberships were awarded to several advocates and supporters: former State Tourism Minister, the Hon. John Pandazopoulos; Stephen Elder, Director of Catholic Education Victoria; submission consultants Pam Kershaw and Natalie Pickett; and, heritage upholsterers Chris and Angelo Christofi.

We also congratulated several recipients of Australia Day and Queen's Birthday honours for 2018: Dr Paul Hemming Ao, Jane Smith AM, Peter Mansfield OAM, Kathleen Hobson OAM, Don Moss OAM and Garry Taylor OAM.

We welcomed a new Board Member, Janelle Ryan, who brings with her expertise in community engagement and public relations.



Mt Clear Secondary College on work experience.

Adrian Doyle, The Right Hon. Sally Capp and Terry Lloyd.

President's Club preview of the 'Sweet Experience' with Jackson Ford and Tony Geurts.

Earlier this year, Ms Susan Halliday, former Sex
Discrimination Commissioner and workplace cultural
assessment expert, conducted an independent
investigation following media allegations of harassment
and discrimination at Sovereign Hill.

While our organisation has comprehensive policies and procedures to deal with incidents of workplace harassment and discrimination, we understand and acknowledge that enhancements can be made to assist Sovereign Hill to move beyond mere compliance to best practice.

Sovereign Hill will redouble its efforts to ensure that we continue to operate our renowned tourism destination

with distinction into the future, and to ensure that our Board, senior management, employees and volunteers remain committed to providing a first-class historical experience for the thousands of visitors who continue to pass through our gates every day.

On a very sad note, we record the passing of some great supporters of Sovereign Hill – Janet Cowles OAM, a much-esteemed Life Governor, and Professor Weston Bate OAM, our History Consultant and official historian for the City of Ballarat. Obituaries for these wonderful ambassadors for Sovereign Hill will be found further into this Report. We remember with great fondness two more long-time friends and supporters – Penny Russell passed away in May and, most recently, Bruce Clark OAM, former Assistant Commissioner to the City of Ballarat and a respected former Board Member of Sovereign Hill, passed away in August.

As I approach the end of my two-year term, I must thank many people: my Board colleagues for their expert contribution to the governance of Sovereign Hill and for their personal support; CEO Terry Lloyd and the Executive Management Team; Ross Wilkie (Foundation Chairman); Richard Nicholson (Sir Henry Bolte Trust Chairman); our staff and volunteers; and finally, my partner Jacqueline, who has been a great ally in my two wonderful years as Board President.

Adrian Doyle

Board President

## CEO'S REPORT

s we acknowledge the retirement in May of our longest-serving CEO, Jeremy Johnson, it is most satisfying to record another excellent business year, with an operating profit of \$1,296,356 and record day attendances of 546,000.

Planning is well underway with 'Sovereign Hill: Beyond Fifty', a project to celebrate Sovereign Hill's Golden Anniversary in 2020 by undertaking extensive upgrades of our historical, entertainment and commercial product to meet our contemporary visitors' expectations.

The project will see a new expanded Entrance Precinct linking the Outdoor and Gold Museums, and the creation of a multi-use space holding up to 500 people. Innovative experiences will comprise stories from the mining history of the land on which Sovereign Hill stands. Outdoor Museum plans include new exhibits, and the Gold Museum exhibition galleries will see major upgrades.

This ambitious \$50m project represents an exciting opportunity to drive visitation to 1 million by 2025. As these key developments will secure not only our own future, but also that of the regional economy and its tourism product, we will seek government funding to support the project.

We gratefully acknowledge the Victorian Government's assistance with our new \$8m sound-and-light show, and site works and technical installations are well underway. An interim evening experience, the Lamplight Tour, was launched in August to underpin accommodation, meals and staffing until the new show opens.

Maintenance and infrastructure renewal across the Outdoor Museum saw major works along lower Main Street façades and the refurbishment of several key diggings exhibits.

The new Play Space is being installed and will provide improved facilities for young families to relax quietly.









Terry Lloyd pictured at the Ballarat Mechanics' Institute where he is Board President.

Large crowds enjoyed Narmbool's Open Day.

Feeding the lion for Chinese New Year.



Our staff exchange program with peer museums overseas has been extended to include Black Country Living Museum in Dudley, UK. Sharing ideas and experiences has been mutually beneficial, and we are encouraging staff to take up these opportunities.

Successful fundraising saw Redcoat uniform appeal donors attend an exclusive lunch to meet and be photographed with our Redcoats wearing their new military uniforms.

Designed to support the conservation of our rare Chinese processional objects and textiles, the 'Awaken the Dragon' Appeal is on-going. We report proudly that the 'Re-awakening the Dragon' exhibition enjoyed success at the Ballarat Heritage Awards.

Our major fundraiser for the Sir Henry Bolte Trust was a guided car tour through 'Bolte country' finishing with lunch at Narmbool where Open Day visitors admired beautifully maintained classic vehicles. Trust funds support collections acquisitions such as gold jewellery, an 1848 traveller's journal, gold licences, engravings and a selection of rare books relating to the early history of the goldfields.

Through WorkSafe Victoria, we completed our annual Mine Verification audit and achieved pleasing outcomes overall in our OHS and risk management practices.

Hub-making at the Wheelwright's Plant.

William Mong's descendants loaned images for 'Re-awakening the Dragon'.



We also conducted a successful mine familiarisation exercise with Victoria Police Search and Rescue personnel.

Following an independent investigation by Ms Susan Halliday into media allegations of harassment and discrimination at Sovereign Hill, Ms Halliday will work closely with us to provide the administrative and educative tools to help us achieve best practice. Sovereign Hill has achieved a WorkSafe Gender Equality Top 130 ranking, and work has commenced on a White Ribbon Accreditation program.

Museums Director Brett Dunlop left us to pursue new employment and travel opportunities.

Brett's contribution to Sovereign Hill included management of the 'Bright Visions' Orientation Centre and Wesleyan School projects, the Hidden Histories App and Accessibility and Inclusion initiatives.

Our new Museums Director is Jillian Marsh who has extensive museums experience in Australia and overseas. Most recently, Jillian was Deputy Chief Executive Officer and Director Public Engagement for Queensland Museum in Brisbane.

In March, we farewelled two long-serving and loyal staff from our retail area – Jenny Ure and Tony Long – who had been with us for over 28 and 30 years respectively.

There has been increased reliance on the Board's expertise over recent months, and they have given generously of their time. Our President, Adrian Doyle, has provided dedicated leadership and much valued counsel. I acknowledge his outstanding contribution as well as the support provided by his partner, Jacqueline. Adrian's two-year term ends in October this year.

I also thank the Management Team and the Executive Assistants in the office of the CEO for their professionalism as I have settled in as CEO. Finally, I thank the staff and volunteers who make Sovereign Hill such a special place to work and visit.

Emeritus Professor Terry Lloyd

Chief Executive Officer







he reporting year began with the spectacular success of the 2017 'Christmas in July:
Winter Wonderlights' season. The associated promotional campaign featured a new mascot - a mischievous Gingerbread Man who kept young visitors entertained as they tracked him around Sovereign Hill by day, only to discover that he had popped himself into the 'Wonderlights' as well.

Several Sovereign Hill departments including Gardening, Technical Services, Building & Maintenance, and Design supported Marketing and our contractors, The Electric Canvas Pty Ltd, in the overall co-ordination and implementation of this massive event, which achieved record attendances of 109,000.

The success of 'Christmas in July: Winter Wonderlights' underpinned our success in state and national tourism industry awards.

'Christmas in July: Winter Wonderlights' also received accolades in its own right, winning silver in the Major Festivals and Events category at the 2017 Victorian Tourism Awards and first place for a 2016 Victorian event at the Australian Event Awards held in September 2017.

A major effort to reinforce our position with western markets saw Marketing Director Jennifer Ganske join international trade missions to: Japan, China, England, Europe, South America and the USA. Sovereign Hill must continue to present our visitor experience in

Our 'Christmas in July: Winter Wonderlights' season continues to attract







the Free Independent Traveller (FIT) markets like the UK, Europe, New Zealand and North America as these markets are growing strongly.

In partnership with the newly-established Cultural Tourism Signature Series Association, sponsored by Tourism Australia. We have also been working to establish an alliance of 18 iconic Australian attractions that offer unique and inspirational cultural and educational experiences to high yield international travellers who are willing to travel to Australia in pursuit of particular interests or passions.

Group markets from China remain extremely important and there is a growing, yet very competitive, FIT market as well coming out of the Tier 1 cities, such as Beijing, Shanghai and Guangzhou. Our challenge in China is to keep growing the group market from new Tier 2 cities, while developing our appeal to FIT visitors in the more mature inbound market destinations.

In October, we welcomed an important LatAm South American Familiarisation group representing Peru, Chile, Argentina and Brazil. Qantas and Lan Airlines (Chile) now have commercial direct flights between Santiago and Melbourne. This 'family', coordinated by Visit Victoria, had media crews from these Latin American countries here to celebrate the first Santiago to Melbourne flight.

During April and May, we hosted five Asian incentive groups, including 300 from Cathay Life who experienced a range of signature Sovereign Hill activities, such as gold panning and a Chinese-language gold pour, over a full day.

National television coverage resulted from a 'Postcards' visit in early June and, later, the 'Today' show filming their weather cross segments with us. 'Today' presenter Natalia Cooper donned costume to join in the spirit of 'Christmas in July', trying her hand at lolly making and standing in the 'snow' to meet our Redcoat soldiers and volunteers. The iconic R M Williams 'Outback' magazine featured our Wheelwrights, Coachbuilders and Harness-makers in a six-page photographic feature story.

At local level, 4,300 local residents enjoyed free entry to our traditional Christmas Shopping Night, and our Pioneer Members enjoyed free entry and entertainment during Victorian Seniors Week festivities.

The Narmbool function and event market has grown pleasingly. In May, a promotional opportunity offered as part of the 'Festival of Love' weddings event saw several relaxed weddings held on the same day in Narmbool's beautiful surrounds. The promotion achieved considerable media attention and a subsequent rise in wedding bookings. High teas, once seasonal events, have been so popular that they are now offered year-round. Looking forward, our marketers will be busy at Narmbool with the annual Open Day in December and a busy wedding season.















'Today' was filmed at Brown's Confectionery Factory with Nine's Natalia Cooper and Sovereign Hill's Ben Bignell.

Lena Weng taught goldpanning to Cathay Life delegates.

Young visitors love the 'Sweet Experience' of rolling butterscotch.





he Outdoor Museum is brought to life by a skilled group of historical interpreters whose close working relationship with our historians and costume staff was formalised during the year. The interpreters now report to Interpretive Programs, bringing all three groups into the Museums area.

The annual 'Christmas In July: Winter Wonderlights' season saw the delivery of an extensive holiday program in the Victoria Theatre: 'Little Red Robin Hood', a mixed-up pantomime; 'St Nicholas and Old Horse', a traditional mummers' play; 'The Emperor's New Clothes'; and, a Victorian shadow puppet performance with 'A Visit from St Nicholas'. A lively goldfields animal tour and the launch of the new 'Sweet Experience' lolly-making activity in Brown's Confectionery Factory rounded out a busy holiday season.

Three new productions interpret goldfields law and order: 'Queen Versus Hayes', 'Sale of a Wife' and 'Arrest Due to Telegram', while a revised diggings tour features an expanded tour guiding role and 'hands-on' interaction for visitors.

'Irish Jane' is a colourful new street character researched and presented by Lisa Treloar to represent the stories of Irish immigrant women in Ballarat. Alone and destitute, the fictitious Jane enjoys a drink and a joke as she captivates visitors with her sad story.



The arrival of the mail is another engaging activity.

As the Post Mistress catches a bag tossed from the coach, a flurry of excitement reminds visitors that the 1850s was not a world of instant communication. News from 'home' in England and Europe was rare and very precious!

Launched in August this year, our latest interpretive activity is the result of months of research, scripting and training. The Lamplight Tour is a 60-minute guided walking tour

Lamplight Tour patrons learn about the darker side of goldfields life when they visit Hugh Simpson, the undertaker.



introducing visitors to the darker elements of goldfields. This pre-booked activity, with a dinner option, is being offered while we await our new sound-and-light show.

Overseas museum exchanges remain an effective means of staff development. This year, Frej Darger from Frilandsmuseet, Denmark, proved an enthusiastic and talented interpreter in the three weeks he spent with general services and interpretive staff.

Mark Wallis of 'Past Pleasures', the UK's oldest professional costumed historical interpretation company, visited again, offering training and assistance with the development of new characters and scenarios.

Our historians, costume staff and historical interpreters joined forces to produce improved uniforms and an enhanced interpretation of the mounted goldfields police or 'troopers'.

Extended fields of research introduced new primary sources and a refined understanding of the role of the goldfields mounted police within the emerging world of civil policing in Australia.





The original Shand Mason pumper and its crew are set for action.

The Costume Department produced this 1850s day dress referencing an original fashion plate of the era.



In preparation for activating the fire brigade engine house and interpreting the nature of 1850s fire-fighting, our historians developed resources and interpretive activities for our 'Friends of Sovereign Hill' volunteers to engage visitors. Preparations for staff training included the installation of a water tank for operating the fire pump.

Historian Carissa Goudy completed a valuable resource documenting horse-drawn vehicles used on the Victorian goldfields between 1851 and 1861.

The annual Weston Bate Lecture for 2017 was delivered by Dr Benjamin Mountford, the David Myers Research Fellow in History at La Trobe University. In an engaging and enlightening lecture entitled 'The Sydney Ducks are Cackling in the Pond' – Colonial Australia and the Making of the California Gold Rush, Dr Mountford recounted the Australian participation in the California Gold Rush.



The Weston Bate lecture was initiated in 2010, our 40th Anniversary year, to honour the contribution made to local history by Professor Weston Bate who was Ballarat's official historian. His 'Lucky City' and 'Life after Gold' are the recognised authoritative publications on Ballarat's fabulous golden history. Sadly, Weston passed away shortly after attending the 2017 lecture with his family. We will continue to highlight his connection to Sovereign Hill by delivering the annual Professor Weston Bate Memorial Lecture, arrangements for which are coordinated by historian Dr Jan Croggon.

Another on-going role for our historians is to organise and facilitate the 'Big Picture' training, which keeps staff and volunteers informed on topics relevant to historical interpretation across the Outdoor Museum.

Work by the Costume Department underpins our interpretive programs, activities and visitor experiences. For the 'Victorian Silhouette' exhibition at the Gold Museum, costume staff collaborated with curatorial and collections managers to make replica costume based on original collection items.

The Costume Department had its own success as VAMFF Fashion Film Award Winner for its short film 'A Victorian Silhouette' – a presentation extending our research and interpretation of 19th century fashion.

Costume Manager Erin Santamaria completed a professional development visit to Skansen and Jamtli Museums in Sweden, acquiring new knowledge and experiences to benefit Sovereign Hill. The Costume Department also hosted internships for Royal Melbourne Institute of Technology and Gordon Institute students.

The new Wesleyan Day School is the fifth of our renowned costumed goldfields schools. It represents part of our \$12.81m enhancement project, 'Sovereign Hill by Day and by Night', supported by an \$8m grant from Regional Development Victoria. The project involved several Sovereign Hill departments. The Sovereign Hill School Council, Principal Geoff McArthur and staff played a leading role in development and funding. Historian Dr Jan Croggon and Education Officer Marion Littlejohn were key researchers, and our in-house engineers and builders worked on the school building and associated facilities.



Other capital works for in-house teams included refurbishment of the Butcher's Shamble in the diggings and significant work to façades along the bottom of Main Street – the auctioneer's, coach office and stables exhibits and the photographic rooms.

Representing another department with a very diverse skillset, our wheelwrights and coachbuilders attended a rare trades fair at Kyneton, with a view to publicising their heritage skills and the services they provide off-site.

In September, Sovereign Hill and the Gold Museum participated in Independence Australia's annual 'Accessibility Weekend', which sees attractions offer free entry to people who have a disability and use a wheelchair, as well as their carers.







The colourful Butcher's Shamble is based on an image by goldfields artist S T Gill.

Quartz mining was dangerous and dirty work.



### MINING

A total of 204,625 visitors took a fully-guided underground tour of the Sovereign Quartz Mine, and the free, self-guided Red Hill Mine experience attracted 126,088 visitors. A total of 330,713 visitors (64% of Sovereign Hill attendances) therefore enjoyed an underground mine experience during the 2017/18 financial year.

In the Quartz Mine, major works at Platform 2 were completed over two separate closures of the South Drive in November, with minimal disruption to tours thanks to Mine Operations Manager Serena loannucci, our skilled Maintenance staff and our external mining contractor, Mancala.

Platform 2 had been rigorously monitored for several years with weekly inspections

by independent mining engineer, Peter Darveniza. Works now completed have enabled Mining Consultants AMC to remove the need for further remedial works in this area for years to come.

Lathing is a continuous requirement with mine areas sectioned according to risk assessments. The East Drive underwent additional lathing and the North Drive bypass will be next.

Sovereign Hill hosted the second day of the 2017 Women in Mining & AusIMM Symposium, 'The Modern Miner', which opened at Federation University. Multiple speakers, mine tours and a display of core samples from Fosterville attracted some 100 industry professionals.

## Steam Engine Drivers, including Andrew Tink, keep the surface works of the Sovereign Quartz Mine working smoothly.

Lisa Graham gently 'shushes' children in the sweet shop!









## STEAM **OPERATIONS**

Above and below ground, the Sovereign Quartz Mine and its infrastructure rely on Steam Operations to generate sufficient power to operate a large, working display of 19th century quartz mining plant and equipment.

Recent projects for Manager Craig Ashman and his team have included work to fit two Cornish boilers with new cast steel check valves to complement the previously fitted cast steel main stop valves. This replacement of the original cast iron valves constitutes a significant improvement to operational safety in the Boiler House.

Underground mine tours commence by transporting visitors deep into the mine on an Inclined Tramway. The automatic control system for the trams has been upgraded and the inverters that are required to power them have been replaced. The tram carriages are now entirely low voltage, which equates to a safer and more economical tram control system.

We are grateful for the assistance of the Board's Outdoor & Mining Museum Committee who work with our Engineering Director, Chris Hutton, in overseeing developments in this area.





# RETAIL OPERATIONS

Retail Operations have completed another successful year. Within the Outdoor Museum, thirteen small businesses function as both historical exhibits and retail outlets. They finished the financial year 9% up on gross sales from their 2016/17 result.

Confectionery operations, in particular, had an outstanding year with a 19% increase in sales. The expansion of our confectionery range distribution into Woolworths Supermarkets through its Gourmet Brands has proven very successful, with orders growing monthly.

The Confectionery Factory's new 'Sweet Experience' has been well received by visitors who pay an additional fee for an exclusive activity in which they make their own butterscotch and take it home packed in a traditional-style Brown's Confectionery tin, unique to Sovereign Hill.

Yarrowee Soap & Candle Works, which also offers visitors an additional 'hands-on' paid experience with candle dipping, was the other strong performer in the historical businesses.

Our new sound-and-light show will retain the Eureka Hotel, an iconic feature of 'Blood on the Southern Cross'.





# BLOOD ON THE SOUTHERN CROSS

Since December 1992, 'Blood on the Southern Cross' entertained over 2 million patrons.

By its 25th year, this unique sound-and-light show experience had certainly outlived its original life expectancy of eight years!

'Blood on the Southern Cross' was presented for the last time on 29 July 2018. A new incarnation of sound-and-light will go live within weeks. Supported by funding from Regional Development Victoria, the new show will highlight the amazing story of gold in all its wondrous forms and recognise the Indigenous presence.



## SOVEREIGN HILL HOTEL

Sovereign Hill Hotel occupancy rates remained above average for both education and public markets over the year.

We have, this year, completed a major refurbishment of Steinfeld's accommodation. A complete renovation of the kitchen and guest lounge, heating and cooling upgrades and room renovations will enable better servicing for both schools and general occupancy.

Technical Services staff have also implemented a major upgrade of hot water systems in the Northern Barracks, Officers' Quarters, Residence and Superintendent's wings of the Hotel, while Esmond Terrace has been painted and has had internal fixtures upgraded.



## CREATIVE & DESIGN

The Design Team, led by its Director, James Baker, has been involved with a wide range of projects extending across all Sovereign Hill's sites and business operations.

A major role in print and online publishing has been to guide the on-going development of our new brand, 'The Story Lives On', through the visitor experience, brochures, maps, holiday programs, fliers, website, 'rush' magazine and this Annual Report.

Working with the IT Team, the Design Team projectmanaged the upgrade of Sovereign Hill's online bookings system, redesigning its consumer interface and its integration with Sovereign Hill's financial operations. This project now moves to an upgrade of our website, so that it aligns with our branding and caters to a wide array of browsing devices.

For 'Christmas in July: Winter Wonderlights', Design collaborated with Marketing to further develop projection images and extend them to the top of Main Street.

Stalls were designed for the European Christmas Market, and a wide range of signage was produced across the Outdoor Museum.

The year included work on several buildings and their fit-out. Brown's Confectionery Factory underwent a major refurbishment in a collaboration involving Engineering, Building & Maintenance, Technical Services and Retail Operations. Other Outdoor Museum projects included the new stairway at Steinfeld's and a revitalisation of the shared façade of Bath's Stables, Alex Kelly's and Cobb & Co. and, across the street, the Red Hill Photographic Rooms façade. Wallpapers were replaced in the Tinsmith's, Speedwell Street residences and the Apothecaries' Hall.

The Photographic Rooms, managed within the Design portfolio, had a busy year with increased school bookings, growing online orders, a costume audit and replacement program, and upgrading of photographic and printing equipment.







## SOVEREIGN HILL EDUCATION

Sovereign Hill Education offers a comprehensive program of activities for all year levels from Kindergarten to VCE, with teacher feedback providing positive reminders of the powerful learning opportunities available at Sovereign Hill.

We gratefully acknowledge funding support from: the Catholic Education Commission of Victoria (including special funding for St Alipius' Diggings School, which operates as one of Sovereign Hill's Costumed Schools); and the Victorian Department of Education Strategic Partnership Program. The latter provided additional funding for a new Gold Museum education program. Sara Pearce, the Museum's first Education and Public Programs Officer, has hosted some 4,000 students and

introduced facilitated student programs and self-guided worksheets. Teacher appraisals have been most positive.

Sovereign Hill Education constantly updates its programs in response to curriculum changes and schools' priorities. 'Simple Machines' for Years 3 and 4 helps teachers deliver Science, Technology, Engineering and Mathematics (STEM) curriculum outcomes, and 'Aboriginal People on the Goldfields' provides new understandings of Aboriginal history for Years 5 to 10.

Special events marking the Horse's Birthday, Book Week, Christmas, Eureka Day and Chinese New Year remained popular. The annual mass at St Alipius' Diggings School required extra seating as we celebrated our relationship

Sovereign Hill Education offers visiting students plenty of fun in immersive learning activities across the entire Outdoor Museum and at

Annemarie Kierce.





with Catholic Education. Conducted in partnership with the Wadawurrung Corporation, the Gnarrwirring Ngitj Lecture treated 100 guests to a stimulating lecture by Professor Ian Clark, from Federation University.

In June, our teachers published a 'digibook' with ABC Education, in a partnership allowing us to share Sovereign Hill's story, our expertise and enthusiasm with a wide school audience. We particularly thank Tim Purdie from ABC Education who captured the professionalism and passion of Sovereign Hill staff, alongside Wadawurrung and Dja Dja Wurrung Elders, to bring the story of colonisation to life. The result will be a very valuable resource for schools.

After 23 years' service, Annemarie Kierce retired from Sovereign Hill Education in April 2018. Her contribution to Catholic Education was acknowledged by an award from the Ballarat Diocese. Andrew Pearce has now joined our teaching team.

Bookings Officers are integral to Sovereign Hill Education, delivering bespoke programs for every visiting school. Their role covers education programs, accommodation, evening entertainment and catering. As well, this year, they have done an exceptional job in implementing new online components of the booking system.

### NARMBOOL FDUCATION

Narmbool Education programs continue to evolve in line with changing priorities of the Victorian Curriculum and the Catholic Education Commission of Victoria.

In addition to the many Ballarat and district schools who visit annually, Narmbool welcomed several new participants. Thanks to the exemplary on-going support of the remainder of Sovereign Hill Education, Narmbool hosted programs for 31 primary schools, 22 secondary schools and a number of adult education groups.

New partnerships have been developed with local schools and the Ballarat Tech School, a State Government initiative that opened in early 2018, to expose students to new and innovative technologies.

The Macpherson Smith Rural Foundation returned in July and then January for their two-week leadership camps, gathering some of the best and brightest young people from across regional Victoria. This year, participants also made significant contributions to the Narmbool landscape, creating garden beds and planting trees.

In July, the last sections of the Growling Grass Frog Project were completed, and there is now an area dedicated to suitable habitat for this threatened species. We thank our partners, Leigh Catchment Group and Central Highlands Environmental Consultancy, for their



assistance and look forward to providing frog census data as part of our evening activities for schools.

Throughout the year, staff have been busy outside their core educational role, working with groups such as the Green Army, Conservation Volunteers Australia (CVA), Gordon TAFE and the AYCE Education Network to provide practical opportunities for land management activities. They, in turn, have contributed to our

Damon Minotti inspects a silcrete deposit much prized by the Aboriginal people who lived on the land now known as Narmbool.

Mathew Dowler leads students on an environmental discovery trail.



revegetation programs. As a result of collaboration with CVA, we received a grant of \$100,000 from the Federal Government's 20 Million Trees project to plant out 20,000 trees and grasses, and create a corridor linking Narmbool waterways and Growling Grass Frog habitats. Several schools are booked to help with this program, continuing the post-fire recovery work that has been very much part of life at Narmbool in recent years.

For Narmbool Education, the greatest step forward in the post-fire recovery process was the return of the first school to the Tea Tree Gully Bush Camp. Significant access and safety works made the camp operational in time for Ballarat High School to bring their Year 10 Outdoor Education students for a two-night experience in May. The formula of one night at the Lodge and a second night hiking out to pitch tents and have a genuine bush experience was extremely successful, and one we will repeat.

With a new gardening team, new programs such as Indigenous Food Discovery, and infrastructure either opening or re-opening soon, Narmbool Education is facing an exciting future.







Play breaks feature 1850s games such as 'cup-and-ball' for costumed school students.

Mark Filmer is a stern District Inspector at the Red Hill National School.





## SOVEREIGN HILL COSTUMED SCHOOLS

The Sovereign Hill Costumed Schools program has expanded with the opening of a Wesleyan Day School, last October. Since then, costumed school bookings have risen by over 25%, with almost 9,000 students booked for 2018.

Outdoor Museum staff and FOSH volunteers who support program activities have generously increased their involvement to meet demand.

Led by costumed teacher Stephanie Rosestone and developed by local firm Small Dog Design, the major project to streamline and centralise the booking process and communication system is nearing completion.

At the end of Term 2, the School farewelled its Principal, Geoff McArthur, extending best wishes for his retirement after more than 40 years' service in the Department of Education.

Geoff's dedication to the Costumed Schools has left a lasting legacy.

The Sovereign Hill School consists of five costumed goldfields schools which operate under the auspices of an agreement between The Sovereign Hill Museums Association and the Victorian Department of Education.

Governed by a School Council, led by President Ann Campbell, the Sovereign Hill School is a Department of Education Special Purpose School.

Council's role is to review and provide direction on policies, budgets and strategic direction. Its members represent a range of local educational institutions and offer a wealth of knowledge and experience to assist the School. The School also appreciates the support of the Sovereign Hill Board and Management.







old Museum exhibitions highlighted important and unseen parts of The Sovereign Hill Museums Association Collection. 'Re-Awakening the Dragon' focused on Ballarat's internationally significant processional and temple assemblage, featuring objects not seen collectively for nearly five decades. The Victorian-era women's wear displayed by 'A Victorian Silhouette' provided new insights into the intersection of work by our Costume Department with the original collection. In the Gold Pavilion, 'Gems and Jewels' now showcases our extensive collection of goldfields and Victorian-era jewellery, including an important new acquisition, the California Brooch.

Funded by private donors and the Sir Henry Bolte Trust, the Association continues to enhance its collection strengths and fill gaps. Amongst jewellery acquisitions were a gold emu scarf pin that may have belonged to Lola Montez and a stunning gold brooch featuring Australian iconography – an emu and a kangaroo. Found in California, it is a tantalising connection to the many American gold-seekers on the 1850s Ballarat goldfields.

Four Ballarat Chinese temple boards and two temple gates were re-united with the temple assemblage already held. These pieces had been in private hands since the local temple was demolished in 1962. 'Re-Awakening the Dragon' publicity prompted the return by donation of three boards and the gates. A fourth temple board with excellent research potential was purchased. Its face features many small, engraved Chinese letters – possibly naming donors to the original temple.

'Re-Awakening the Dragon' was a complex and important exhibition featuring some of our most significant and fragile collection objects (made of papier mâché, cane and silk).





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The Gold Museum holds precious Chinese artefacts such as the dragon, 'Loong', a delicate ceremonial headdress and the magnificent garments shown to Sandra Thai and Margaret Webster by Elizabeth Marsden.





The exhibition project was a finalist in two categories at the Ballarat Heritage Awards and a joint winner in the Communicating, Promoting and Celebrating Heritage Category. Extraordinary work by the Gold Museum Collections Management Team, supported by Sovereign Hill's Maintenance Team, also achieved finalist status in the Excellence in Heritage Skills category – a tangible recognition of new skillsets in the creative development of exhibition and storage mounts. 'Awakening the Dragon', our on-going appeal, has so far raised \$12,000 to support the extensive conservation designed to consolidate these fragile objects and ensure their longevity.



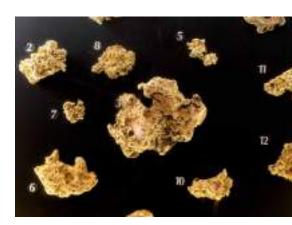
New awareness of the Chinese Collection led to several outcomes that continue to develop. Already, after the exhibition project being presented at 'Dragontails 2017', a conference on Chinese Diaspora History and Heritage, several experts in Australia's Chinese diaspora history have viewed the Collection. Two projects have commenced, including translation of the entire temple assemblage and further research on the history of local Chinese temples. This process has already determined that the temple assemblage is potentially the most complete 19th century collection of its type – in China as well as Australia.

Many Gold Museum visitors are from Mainland China or Chinese-speaking countries. Although it was not bilingual, the exhibition resonated with these visitors who instantly recognised the Chinese iconography. The dragon, 'Loong', was constantly photographed and featured in many 'selfies'; Chinese visitors examined the textiles in minute detail and translated the temple boards.

The continuing partnership with the Victorian Chamber of Commerce and Industry funded three paid tertiary Museum Studies student internships in 2017, and three for 2018. The interns' work in collections and exhibitions







S T Gill's lively watercolours, William Bardwell's magnificent Ballarat panorama and impressive displays of solid gold nuggets help present the fabulous story of Ballarat as a city 'built on gold'.

has been valuable, and many have gone on to new positions within the industry. Unique in Australian museums, the program has attracted excellent applicants.

For over thirteen years, Gold Museum Society volunteer Doug Bradby managed the schools program on a volunteer basis, but lobbied for a paid educator. In early 2018, the Gold Museum succeeded in gaining Victorian Department of Education and Training funding to support a part-time, paid educator for three years. Sara Pearce joined the Gold Museum as Education and Public Programs Officer in February, and Doug was delighted to facilitate a smooth transition.

The Gold Museum continues to work closely with its collection partners, including the Ballarat Historical Society, who base their activities and monthly meetings at the Museum. Other groups storing their collections at the Gold Museum under a Memorandum of Understanding and regularly working with the Museum to improve research and access to those collections are: Ballarat Apex; Ballarat Arts Foundation; Ballarat National Theatre; Ballarat Region Girl Guides; Ballarat Sports Museum; the City of Ballarat; the National Trust Ballarat; and, Zonta Ballarat.

The support of the Gold Museum Committee is gratefully acknowledged, as is the on-going work of the Gold Museum Society volunteers.





The pond and boardwalk were untouched by the bushfire disaster.

Gardener Jason Ibbotson and Robin Ferry inspired a large team who restored fire-ravaged areas of the garden to their former glory.

n Sunday, 19 November 2017, Narmbool hosted its first community Open Day since the 2015 bushfire devastation.

Overwhelmingly positive feedback from over 1,500 attendees indicated the success of the recovery process.

Narmbool Manager Damon Minotti and Site Managers Mick and Gillian Armstrong have had a busy year overseeing a number of activities across Narmbool.

While sometimes challenging, the garden re-build and continued works around the homestead have been appreciated by increasing numbers of visitors. Themed high teas have attracted record attendances. Wedding bookings continue to grow thanks to staff commitment and the innovative 'Festival of Love' pop-up wedding day, successfully trialled in May. Significant investment into revitalising the Garden Room function space will ensure Narmbool's future relevance to events and conferences markets.

Farm Manager Peter Rooney, ably assisted by Anthony Lewis, has again delivered positive results from farming operations. A successful post-fire re-stock and breeding program has been followed by prime lamb prices moving into record market territory and wool prices continuing to rise. Fencing replacement has been completed, and Peter has also made time to pass on his considerable expertise with visiting education and conference groups, including Agronomists Australia.

The staged refurbishment of Narmbool Lodge and its accommodation complex was completed in November 2017 with a focus on sustainability and renewal of existing assets rather than the wastage associated with replacement. All lounge furniture was re-upholstered, and bedding upgraded. Feedback from schools has been very











positive. With the stables interpretation and the observatory projects coming to fruition, Narmbool will have two more innovative attractions to engage the schools market.

Narmbool welcomed a new gardening team this year with Marty
Van De Wouw moving from Sovereign Hill to commence a
landscaping apprenticeship and Julian Sunter starting as Team
Leader in April. The combined efforts of Narmbool staff have
improved the sustainability of the property with new bush food
garden spaces, tree races and habitat areas created. These activities
will be extended as new funding is sourced.

As always, Narmbool's progress has been made possible by the extremely generous and inspirational support of our Narmbool Patrons, Robin and Andrew Ferry. We also thank the Hugh D T Williamson Foundation for another substantial donation that will allow us to complete the replacement of Mannas Outstation – now to be known as the Hugh D T Williamson Field Centre.





## WESTON BATE OAM

n 31 October 2017, Sovereign Hill's distinguished History Consultant, Professor Weston Bate, passed away aged 93. In Sovereign Hill's infancy, Weston advised the fledgling Historical Formation Group, arguing strongly for Ballarat's goldrush history as the focus. Two weeks before his death, he attended the annual Weston Bate Lecture at Sovereign Hill, where he was, as always, an esteemed Guest of Honour.

Following an impressive school career, Weston flew Lancaster bombers. A man of boundless energy, he returned from war and completed an MA at Melbourne University while writing a history of Brighton and raising a family with his wife, Janice. He taught at Brighton Grammar, Melbourne Grammar and Melbourne University and was appointed Foundation Professor of Australian Studies at Deakin University in 1978, retiring there in 1989.

Not the retiring sort, Weston chaired the Museums Advisory Board and sat on the Royal Historical Society of Victoria Council for fifteen years (serving twice as President and contributing frequently to its journal). He initiated Victoria's Maritime Museums Inc. and from 1978 to 2004, served on Sovereign Hill's Gold Museum Committee, opening several exhibitions there, at the Art Gallery of Ballarat and the Museum of Victoria – all with keen enthusiasm. He was also a Patron of Sovereign Hill's Prospectors from their 1991 inception.

Published in 1978, Weston's prize-winning history of Ballarat, 'Lucky City', became a superb resource. When we introduced an interpretation of the Eureka Rebellion at the Gold Museum, Weston worked with our curator and narrated an excellent audio-visual. He was also a key adviser for the City of Ballarat's first iteration of the Eureka Interpretive Centre.

In the mid-eighties, Sovereign Hill built 'Voyage to Discovery' - an innovative Orientation Centre. Weston worked with our Steering Committee and external consultants, The Shirley Spectra - a consultative model later replicated with a project which had a major impact on Sovereign Hill's museum reputation - the ground breaking sound-and-light show, 'Blood on the Southern Cross'. Weston was central to its fruition, and also our interpretation of the Red Hill Mine, which drew heavily on a chapter in 'Lucky City'.

Weston's prose was lyrical, and he wrote extensively, including the histories of Melbourne and Geelong Grammar Schools. To borrow from Blake, he never ceased from 'mental fight'. Nor did his sword 'sleep' in his hand. Only weeks before his death, he spoke on a planning issue in Brighton.

Weston Bate touched many museums, large and small. His unerring ability to define an issue with clarity, and to argue it with passion, remained always. We remember him with great affection and respect.

PETER McL. HISCOCK AM



In 1995, Janet Cowles opened the Gold Museum's Douglas Cowles Gallery (formerly the Historical Pavilion) in honour of her late husband.

## JANET COWLES OAM

In the mid-1960s, Janet Cowles was the very supportive wife of Douglas Cowles, an aspiring young businessman leading the formation of the historical park that became The Sovereign Hill Museums Association. Janet also joined the Interiors Committee, a group of volunteer ladies assisting with fitting-out our early buildings.

Not content with raising three young daughters and helping Doug host Sovereign Hill meetings at her home, Janet dreamed of farming. In 1975, the Cowles purchased a 2,500-acre property near Stuart Mill, in the Wimmera. The property needed improving and stocking, and the original 1840s residence required serious renovation. Sovereign Hill architect, Ewan Jones, did a first-class job to make it liveable and elegant. Janet tackled this, as all things, with focus and gusto.

Following her husband's death, Janet worked hard as Chairman of The Sovereign Hill Foundation to raise funds for Sovereign Hill.

Her daughter, Jane, joined the Board and was elected President in 2014. Janet was immensely proud that both her husband and her daughter had served as Board President.

The Cowles family have remained generous supporters of many Sovereign Hill projects. When the Gold Museum and the Government Camp accommodation complex required expansion, Janet reached deep into her own pockets and encouraged her family to assist.

For almost six decades, Janet was a dignified presence at Sovereign Hill events. Whether she was meeting royalty, politicians or other dignitaries, her demeanour was always imbued with kindness and charm. She became one of only a few people honoured to be named a Life Governor of the Association.

Throughout her life, Janet also maintained an active interest in the National Trust, St Arnaud heritage projects, Ballarat Botanical Gardens and Buninyong Botanical Gardens. An enthusiastic traveller, she used these experiences to offer Sovereign Hill useful advice for improving its product. For services to the community and Sovereign Hill, Janet was awarded a Medal of the Order of Australia in 2009.

Janet was an avid reader, with an impressive knowledge of world affairs. She enjoyed many genres, and we constantly exchanged reading matter - often linked to American and early Australian history.

In later years, Janet was a regular volunteer guide at the Gold Museum, and enjoyed watching the progress of her three daughters, six grandchildren and a new great-grandson.

In all, Janet Cowles was a woman of great energy, wisdom and generosity. It is unlikely that anyone will exceed what she and her family have contributed to the development of Sovereign Hill!

BILL McGREGOR OAM

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.

Each of the Named Accounts listed below has committed to donate \$25,000 to The Sovereign Hill Foundation.

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 2018.

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## CORPORATE MEMBERS

Sovereign Hill appreciates the support of our Corporate Members who hail from both Ballarat and further afield. Functions held at Sovereign Hill present opportunities for Corporate Members to develop their business objectives, and we are pleased to share business links with many of them. All Corporate Members enjoy a range of benefits, and we welcome enquiries from other organisations wishing to join this cohort.

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### **PROSPECTORS**

The Prospectors are some of our most valued advocates for Sovereign Hill. Their membership and donation towards the Sir Henry Bolte Trust is greatly appreciated. Our Prospectors enjoyed an exclusive behind-the-scenes tour of our newest incarnation of Brown's Confectionery Factory, which has been extensively revitalised this year. Prospectors were also special guests at a number of other events, including an exclusive garden tour in spring and our annual Christmas celebrations in December.

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Moneghetti S

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### SIR HENRY BOLTE TRUST COMMITTEE

The Sir Henry Bolte Trust is an internal fund of The Sovereign Hill Museums Association. Sir Henry knew that the capacity to build a significant museum collection was vital to Sovereign Hill, and this is why he provided the seed funding for the Trust.

In November, the inaugural Classic Car Tour, hosted in support of the Trust, was an outstanding event. Guests enjoyed a leisurely trip to Narmbool via an extended route through 'Bolte Country'. We thank our supporters for their generosity and their lively company, both of which helped make the day such a success!

We thank the volunteer committee members who oversee the work of the Trust:

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## THE SOVEREIGN HILL MUSEUMS ASSOCIATION AT 30/6/2018

## FRIENDS OF SOVEREIGN HILL

The opportunity for visitors to meet costumed 'Friends' - on the diggings and in the streets, hotels and dwellings of our township - is a truly engaging and enriching interpretive experience which brings our goldrush story to life.

The Friends of Sovereign Hill volunteer program is managed by Kelly Bevan and Sharon Murrihy, supported by the FOSH Committee and its President, Steve Barber. The program they have jointly developed reflects the interpretive purposes of our Outdoor Museum, and provides opportunities to strengthen heritage-based skills and knowledge.

We sincerely thank our volunteers for the 29,500 hours they contributed during the year to: research and administrative support; demonstrations; special events; skills-sharing workshops; and, assisting with education programs and risk management. In dollar terms, their contribution exceeds \$1m.

We thank all our volunteers for their continued service!

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Ashley G	Danziger H	Hickson G	McClean G	Ryan C
Ashley T	Danziger I	Hill J	McCracken N	Ryan P
Baker M	Danziger T	Hogbin M	McErvale M	Schmidtke A
Balfour L	Deverall S	Holmes A	McGill J	Schmidtke C
Barber C	Dickson V	Holmes G	McGill M	Schmidtke J
Barber S	Douglas M	Holmes K	McGreehan R	Schmidtke J
Barr A	Drever Y	Howard J	McKenzie C	Schmidtke M
Baum A	Duthie M	Howse A	Meadows L	Schmidtke R
Bavage R	Ellis C	Hughes G	Meadows Z	Schmidtke R
Bischard A	Fahey J	Humphries B	Mewett D	Schmidtke R
Bischard V	Fawcus V	Irons T	Meyers D	Schmidtke S
Black J	Filmer J	Jamali E	Miller J	Segaert C
Bone R	Fiorenza J	Johannsen L	Milton A	Sevior E
Bourke M	Fiorenza N	Jones M	Moreton A	Sheath G
Brae J	Fithall C	Jordan R	Morse S	Sheppard L
Brennan E	Fithall J	Keaney M	Moss V	Sjogren G
Briscoe M	Freeman C	Khadem P	Mould P	Slattery A
Brodrick K	Freeman E	Kieni-Judd F	O'Callaghan D	Spall W
Bull J	Freeman E	Kilby G	O'Connor R	Staggard C
Campbell J	Freeman F	Kucera K	O'Donoghue-Hayes G	Staggard L
Campbell T	Freeman J	Learmonth E	O'Loughlin H	Stickland S
Carter S	Freeman L	Learmonth H	Pegg A	Suttie R
Clark M	Gavan B	Learmonth M	Pennell D	Thomas J
Clark R	Gaylor A	Leviston D	Phillips J	Thomas M
Clark S	Gaylor A	Llewellyn W	Pierotti L	Thorne A
Clark S	Gekas G	Maberly E	Rayner M	Thorne I
Clark V	Gellis V	Macey S	Reus B	Thorne K
Cooper A	Gillespie P	MacKay K	Rhodes I	Thorne N

### GOLD MUSEUM SOCIETY

The Gold Museum Society provides valuable support to the Museum in collection management and public programming. Helping visitors explore the Museum and its collections is a daily occurrence for the volunteer guides who arrive every afternoon, ready to lead the free Golden Treasures tour. In the Museum's workroom, another team of volunteers catalogues new collection acquisitions, scanning photographs, transcribing diaries, undertaking research or adding records to the collection database, Vernon. More volunteers are in the collection stores, auditing and re-housing objects using best practice techniques and conservation grade materials. In total, Society volunteers contributed 5,199 hours at a dollar value in excess of \$180,000.

Ballarat Historical Society and Ballarat Sports Museum volunteers, who are also members of the Gold Museum Society, continue work on their specific collections, undertaking research, answering historical queries, scanning photographs and indexing scrapbooks.

Supported by Volunteer Coordinator Joanne Gervasoni, the Gold Museum Society working committee, chaired by President Elaine Maberly, maintains a regular meeting and training program.

Ashford M	Curnow M	Hamilton J	McGill J	Ni Shiochain M	Sheppard L
Backhouse N	Cuttle M	Henderson J	McGill M	Noonan R	Sjogren G
Ball A	Crystal H	Jacks L	McGregor W	O'Brien T	Smith M
Beggs-Sunter A	Cytowicz B	Jeffery L	McMillan J	O'Connor R	Spielvogel D
Blythman M	D'Angri N	Johannsen L	McPhan S	O'Loughlin K	Spielvogel V
Bond P	D'Angri V	Lacy B	McPherson B	Peterson L	Stickland S
Bradby D	Deans S	Llewellyn B	Milton A	Philips J	Stone W
Brae J	Derrick M	Llewellyn N	Mitchell P	Pierotti L	Taylor S
Brodrick K	Effrett I	Lowe V	Moreton A	Pratt D	Thorne K
Butcher D	Finch A	Luhrs M	Moss V	Price B	Tudball V
Christie B	FitzSimons T	Maberly E	Muir H	Prowse S	Warwick B
Christie H	Freeman L	Mandley L	Netherway N	Roberts D	Warwick I
Clark M	Fromholtz P	McBean M	Newey B	Robertson B	Williams K
Crick A	Grant D	McCracken N	Newey C	Robins C	Woodhouse W



MR A K DOYLE
PRESIDENT

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



MR C J ALIZZI Elected to the Board in 2017. Chairman of the Finance & Risk Committee. Member of the President's Advisory 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. Engagement
Practitioner.





MR D E BUTLER VICE-PRESIDENT Elected to the Board in 2005. Member of the Finance & Risk Committee. Member of the President's Advisory Committee and the Narmbool Committee. Director of a Chartered Accountancy Practice.



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.



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.



MRS J A RYAN
Appointed to the Board
in 2018. Member of the
Outdoor & Mining Museum
Committee. Stakeholder
Relations Director with
13 years' Strategic
Communications expertise.

## 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 to 25/5/2018). 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.







## 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.



### MR R W NICHOLSON

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



MR P L McCARTHY Elected to the Board in 2010. Former Board Member (1981-1989).

Chairman of the Outdoor & Mining Museum Committee. Mining Engineer and Company Director.



# T M LLOYD

Chief Executive Officer (from 25/5/18). Board member (to 28/4/18). Elected to the Board in 2007. A Past-President. Chairman of the Narmbool Committee (to 28/4/18). Member of the Finance & Risk Committee (to 28/4/18). Consultant. Former Deputy Vice-Chancellor of the then University of Ballarat.

## THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651 DIRECTORS' REPORT

The Directors present this report on the Association for the financial year ended 30 June 2018. 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 T M Lloyd (to 28/4/18) A P Perry

A L Carey P L McCarthy J A Ryan (from 4/1/18)

S O Coltman R W Nicholson J A Verlin

J E Cowles

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 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 2017/20
- 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 2017/20
- Strategy 6 Seek suitable opportunities for new revenue streams and continue strong emphasis on fund raising.

## 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:

## THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651 DIRECTORS' REPORT

- 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
- 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 \$1,296,356.

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 \$6,245,904 from \$67,166,967 as at 30 June 2017, to \$73,412,871 in 2018.

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.

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

#### NON-AUDIT SERVICES

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

The Attendances of each Director of the Association at meetings for the period July 2017 to June 2018 were:

	COMMITTEE MEETINGS													
	BOARD MEETINGS		FINA & R COMM	ISK	ADVI	DENT'S SORY MITTEE	OUTE & MII MUS COMM	NING EUM	MUS	DLD EUM 1ITTEE	NARM COMM	1BOOL 1ITTEE	FUNDR COMM	AISING 11TTEE
	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	6	4	4	4	2	2	-	-	-	-	-	-	-	-
D E Butler	6	6	4	3	8	5	-	-	-	-	4	3	-	-
A L Carey	6	6	-	-	-	-	-	-	2	1	-	-	-	-
S O Coltman	6	4	-	-	-	-	-	-	-	-	-	-	2	1
J E Cowles	6	6	-	-	8	8	2	1	-	-	-	-	2	1
A K Doyle	6	6	4	3	8	8	1	1	2	1	4	1	2	2
T M Lloyd (to 28/4/18)	4	4	3	3	-	-	-	-	-	-	3	3	-	-
P L McCarthy	6	5	-	-	-	-	2	2	-	-	-	-	-	-
R W Nicholson	6	5	4	3	-	-	-	-	-	-	-	-	2	2
A P Perry	6	5	-	-	-	-	2	2	-	-	4	4	-	-
J A Ryan (from 4/1/2018)	4	3	-	-	-	-	1	-	-	-	-	-	-	-
J A Verlin	6	4	-	-	-	-	-	-	2	2	-	-	-	-

## 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 30 June 2018 has been received and can be found on the opposite page.

Dated this seventeenth day of September 2018.

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 30 June 2018 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 seventeenth day of September 2018

## THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017
Revenue from Operating Activities	2	33,652,750	31,778,447
Other Income	2	53,039	175,088
Employee benefits expense		(16,161,278)	(15,179,462)
Depreciation	3	(2,114,410)	(1,701,883)
Administration, Marketing, Maintenance expense		(11,106,262)	(10,638,672)
Cost of Sales		(2,762,196)	(2,107,553)
Other expenses		(265,287)	(845,655)
Operating Profit	3	1,296,356	1,480,310
Capital receipts	2	4,601,200	3,889,969
Result for the year attributable to the Members of The Sovereign Hill Museums Association		5,897,556	5,370,279
Other comprehensive income			
Fair value gains on available-for-sale financial assets		348,347	333,748
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO THE MEMBERS OF THE SOVEREIGN HILL MUSEUMS ASSOCIATION	-	6,245,903	5,704,027

## THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	2018	2017
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	4,825,291	3,091,470
Trade and other receivables	5	2,780,831	1,571,876
Inventories	6	1,651,534	1,624,827
Biological Assets	7	1,835,620	1,756,700
Other current Assets	8	1,193,960	859,935
Financial Assets	9	476,950	673,184
Total current assets		12,764,186	9,577,992
NON-CURRENT ASSETS			
Financial Assets	9	7,646,063	6,502,600
Property, plant and equipment	10	48,858,459	46,367,978
Collections Assets	10	8,826,275	8,767,370
Total non-current assets		65,330,797	61,637,948
TOTAL ASSETS		78,094,983	71,215,940
CURRENT LIABILITIES			
Trade and other payables	11	3,025,831	2,266,010
Short term provisions	12	1,118,736	1,209,786
Total current liabilities		4,144,567	3,475,796
NON-CURRENT LIABILITIES			
Long term provisions	12	537,545	573,177
Total non-current liabilities		537,545	573,177
TOTAL LIABILITIES		4,682,112	4,048,973
NET ASSETS		73,412,871	67,166,967
EQUITY			
Retained Earnings		56,108,929	50,578,942
Reserves		17,303,942	16,588,025
TOTAL EQUITY		73,412,871	67,166,967

	RETAINED EARNINGS	ASSET REVALUATION RESERVE ##
	\$	\$
BALANCE AT 28 JUNE 2016	45,881,437	195,589
Total comprehensive income for year  Transfers (to)/from reserves  - General Reserve	5,370,279 (185,828)	333,748
- 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
Total comprehensive income for year	5,897,556	348,347
Transfers (to)/from reserves		
- General Reserve	(3,625)	
- The Sovereign Hill Foundation	(280,649)	
- Sir Henry Bolte Trust	(24,390)	
- Collections	(58,905)	
Transfers from retained earnings		
BALANCE AT 30 JUNE 2018	56,111,929	877,684

<sup>##</sup> 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 30 JUNE 2018

GENERAL RESERVE	SIR HENRY BOLTE TRUST	THE SOVEREIGN HILL FOUNDATION	COLLECTIONS RESERVE	TOTAL
\$	\$	\$	\$	\$
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
				6,245,903
				(3,625)
				(280,649)
				(24,390)
				(55,905)
3,625	24,390	280,649	58,905	364,570

	Note	2018 \$	2017
CASH FLOWS FROM OPERATING ACTIVITIES Sales from small businesses Other revenues from operating activities Interest and dividends received Payments to employees Interest paid Payments for materials and contracts		9,331,050 24,031,755 492,865 ( 16,287,959) ( 27) ( 15,225,423)	9,068,953 24,016,782 415,325 (15,216,796) (662) (15,766,700)
Net cash generated from operating activities	17	2,342,261	2,516,902
CASH FLOWS FROM INVESTING ACTIVITIES Capital receipts Proceeds from sale of property, plant and equipment Proceeds from disposal of investments Purchase of investments Purchase of property, plant and equipment		4,601,200 54,510 854,622 ( 1,411,761) ( 4,707,011)	3,889,969 24,045 1,565,396 (1,679,487) (4,233,530)
Net cash used in investing activities		( 608,440)	( 433,607)
CASH FLOWS FROM FINANCING ACTIVITIES Repayment of borrowings		-	( 500,000)
Net cash used in financing activities		-	(500,000)
Net increase in cash held		1,733,821	1,583,295
Cash and cash equivalents at the beginning of the year		3,091,470	1,508,175
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	4	4,825,291	3,091,470

## 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 has adjusted its reporting period to the last day of the financial year (previously this was to the last Tuesday of the financial year). The 2017/18 report covers the period 28 June 2017 to 30 June 2018.

#### 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 buildings will have an estimated useful life of 150 years and therefore depreciation has been calculated at 0.67% pa.

#### Land

Land is freehold land recorded at cost and does not incur a deprecation charge.

#### 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, are 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 and are recognised at fair value at the time of the donation. 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 is 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.

#### (I) 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 \$7,646,063 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.

	2018 \$	2017 \$
NOTE 2   REVENUE		
Revenue from Operating Activities		
- sale of goods	8,498,210	8,251,648
- interest and dividends received	492,865	415,325
- government grants *	795,092	896,112
- entrance takings	19,331,065	18,015,570
- rents and commissions	1,166,350	1,045,845
- other revenue (including accommodation and memberships)	3,369,168	3,153,947
Revenue from Operating Activities	33,652,750	31,778,447
OTHER INCOME		
- gain on disposal of property, plant and equipment	11,294	962
- gain on disposal of available-for-sale financial assets	41,745	174,126
Other Income	53,039	175,088
CAPITAL RECEIPTS		
- donations and collection assets donated	4,820,980	2,446,915
Less expenditure against capital receipts	( 219,780)	( 261,310)
	4,601,200	2,185,605
- insurance refunds	-	1,704,364
	-	1,704,364
Capital receipts includes donations, insurance refunds and collections	4,601,200	3,889,969
assets donated	4,001,200	3,000,300
TOTAL DEVENUE	70 706 006	75.047.504
TOTAL REVENUE	38,306,989	35,843,504
* Government grants includes funding support from Creative Victoria.	253,000	353,000

	2018 \$	2017 \$
NOTE 3   OPERATING PROFIT		
Operating Profit includes the following:		
Depreciation		
- Land and Buildings	962,917	448,769
- Plant and Equipment	1,151,493	1,253,114
Total Depreciation	2,114,410	1,701,883
Auditor Remuneration		
- Audit Services - external	42,550	41,500
- Audit Services - other	750	1,050
Employee benefits expense:		
- Contributions to defined contribution superannuation funds	1,225,912	1,151,836
Interest paid on borrowings	27	662
SIGNIFICANT REVENUE AND EXPENSES		
Net gain/(loss) on disposal of non-current assets		
Investments		
Proceeds on disposal	854,622	1,565,396
Disposals at written down value	( 812,877)	(1,391,270)
Net profit on disposals	41,745	174,126
Property, Plant and Equipment		
Proceeds on disposal	54,510	24,045
Disposals at written down value	( 43,216)	( 23,083)
Net gain on disposals	11,294	962
NOTE 4   CURRENT ASSETS - CASH AND CASH EQUIVALENT	TS	
CURRENT		
Cash at Bank	4,634,031	2,916,242
Cash on hand	191,260	175,228
	4,825,291	3,091,470

**2018** 2017 \$

NOTE 5 | CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

**CURRENT** 

 Trade receivables
 2,775,667
 1,566,432

 Other receivables
 5,164
 5,444

 2,780,831
 1,571,876

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 1,651,534 1,624,827

# NOTE 7 | CURRENT ASSETS - BIOLOGICAL ASSETS

CURRENT

At fair value less cost to sell

Sheep

Balance at the beginning of the year1,756,7001,080,875Net movement in valuation during year( 666,113)( 435,901)Fair value movement of biological assets745,0331,111,726Balance at end of year1,835,6201,756,700

# NOTE 8 | CURRENT ASSETS - OTHER ASSETS

CURRENT

Pre-payments **1,193,960** 859,935

# THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651 NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
NOTE 9   FINANCIAL ASSETS		
CURRENT Held-to-maturity investments - includes \$148,881 attributable to Sir Henry Bolte Trust (refer note 20) - includes \$328,069 attributable to The Sovereign Hill Foundation (refer note 20)	476,950	673,183
NON-CURRENT Available-for-sale financial assets - includes \$1,007,644 attributable to Sir Henry Bolte Trust (refer note 20)	7,646,063	6,502,600

- includes \$4,252,680 attributable to The Sovereign Hill Foundation (refer note 20)

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 10 NON-CURRENT ASSETS - PROPERTY, PLAN	T AND EQUIPMENT	
LAND AND BUILDINGS At cost	51,590,361	48,162,381
Less accumulated depreciation	( 8,016,182)	(7,106,237)
Total land and buildings	43,574,179	41,056,144
PLANT AND EQUIPMENT At cost Less accumulated depreciation Total plant and equipment	24,204,938 ( 18,920,658) 5,284,280	23,226,135 ( 17,914,301) 5,311,834
PROPERTY, PLANT AND EQUIPMENT	48,858,459	46,367,978
COLLECTIONS ASSETS At fair value	8,826,275	8,767,370

MOVEMENTS IN CARRYING AMOUNTS	LAND AND BUILDINGS \$	PLANT AND EQUIPMENT \$	COLLECTIONS ASSETS \$	TOTAL
Balance at the beginning of the year Additions at cost Disposals Depreciation expense Carrying amount at end of year	39,380,688 2,696,031 ( 571,805) ( 448,769) 41,056,144	5,129,897 1,458,134 ( 23,083) ( 1,253,114) 5,311,834	8,688,005 79,365 - - 8,767,370	53,198,590 4,233,530 (594,888) (1,701,883) 55,135,348
2018 Balance at the beginning of the year Additions at cost Disposals Depreciation expense Carrying amount at end of year	41,056,144 3,480,952 - ( 962,917) 43,574,179	5,311,834 1,167,155 ( 43,216) ( 1,151,493) 5,284,280	8,767,370 58,905 - - - 8,826,275	55,135,348 4,707,012 ( 43,216) ( 2,114,410) 57,684,734
NOTE 11   CURRENT LIABILITIES -	- TRADE AND OTH	HER PAVARI ES	2018 \$	2017
CURRENT Trade payables Other current payables	TIADE AND OT	TENT ATABLES	2,360,634 665,197 3,025,831	1,858,756 407,254 2,266,010

	2018	2017
	\$	\$
NOTE 12   CURRENT LIABILITIES - PROVISIONS		
CURRENT		
Provision for employee benefits: annual leave	619,768	651,146
Provision for employee benefits: long service leave	498,968	558,640
	1,118,736	1,209,786
NON-CURRENT		
Provision for employee benefits: long service leave	537,545	573,177
	1,656,281	1,782,963
ANALYSIS OF TOTAL PROVISIONS		
Opening balance	1,782,963	1,820,296
Additional provisions raised during year	151,761	143,266
Amounts used	( 278,443)	(180,599)
Balance at end of year	1,656,281	1,782,963

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 13 CAPITAL COMMITMENTS

Commitments for uncompleted capital projects at 30 June (matched by government grant and private fundraising)

5,773,258

1,183,839

# NOTE 14 | 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 2018/19 period.

# NOTE 15 KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation

1,682,826

1,403,207

# NOTE 16 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 \$33,757; a Board Member was the Director of a company that provided valuation services to the Association totalling \$20,982; a Board Member was the Director of a company that provided vehicle sales and service to the Association totalling \$40,916; and a Board Member was the Director of a company that provided mine consultancy services to the Association totalling \$6,454.

# NOTE 17 | CASH FLOW INFORMATION

RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT		
Operating Profit	1,296,356	1,480,310
NON-CASH FLOWS		
Depreciation	2,114,410	1,701,883
Decrease in employee entitlements	( 126,681)	( 37,333)
Profit on sale of non-current assets	( 53,039)	(175,088)
Write-down of non-current assets	-	571,806
CHANGES IN ASSETS AND LIABILITIES		
Increase in inventories	(105,626)	( 524,978)
Decrease/(increase) in receivables	( 1,208,955)	318,804
Increase in other assets	( 334,025)	( 588,212)
(Increase)/decrease in trade and other payables	759,821	( 230,290)
Cash flows provided by operating activities	2,342,261	2,516,902

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

# NOTE 18 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	4,825,291	3,091,470
Loans and receivables	2,780,831	1,571,876
Held-to-maturity investments	476,950	673,183
Available-for-sale financial assets	7,646,063	6,502,600
Total financial assets	15,729,135	11,839,129

## FINANCIAL LIABILITIES

Financial liabilities at amortised cost:

- trade and other payables	3,025,831	2,266,010
TOTAL FINANCIAL LIABILITIES	3,025,831	2,266,010

## 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 19 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 30 June 2018:

Recurring fair value measurements	Level I	Level 2	Level 3
Available-for-sale financial assets	\$ 7,646,063	-	-
Biological assets	_	\$ 1,835,620	-

Fair value of the biological assets is based on valuation performed by independent, professionally-qualified valuers as at 30.618

- (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 20 | 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 writedowns) that relate to financial assets that are classified as available-for-sale.

## NOTE 21 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 22 | CONTROLLED ENTITY

SUBSIDIARIES OF THE SOVEREIGN HILL MUSEUMS ASSOCIATION:	COUNTRY OF INCORPORATION	2018	2017
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 30 June 18.

## NOTE 23 | MEMBERS' GUARANTEE

The Association is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a company limited by guarantee. If the Association is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the Association. At 30 June 2018, the number of members was 1,428.

The Directors of the Association declare that:

- 1. The financial statements and notes, as set out on pages 59 to 87 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
  - give a true and fair view of the financial position of the Association as at 30 June, 2018 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 seventeenth day of September 2018.

A K Doyle President

## REPORT ON THE AUDIT OF THE FINANCIAL REPORT

## **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 30 June 2018, 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 30 June 2018 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 30 June 2018, 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 Australian Accounting Standards – *Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that 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 entity either intends 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 seventeenth day of September 2018

