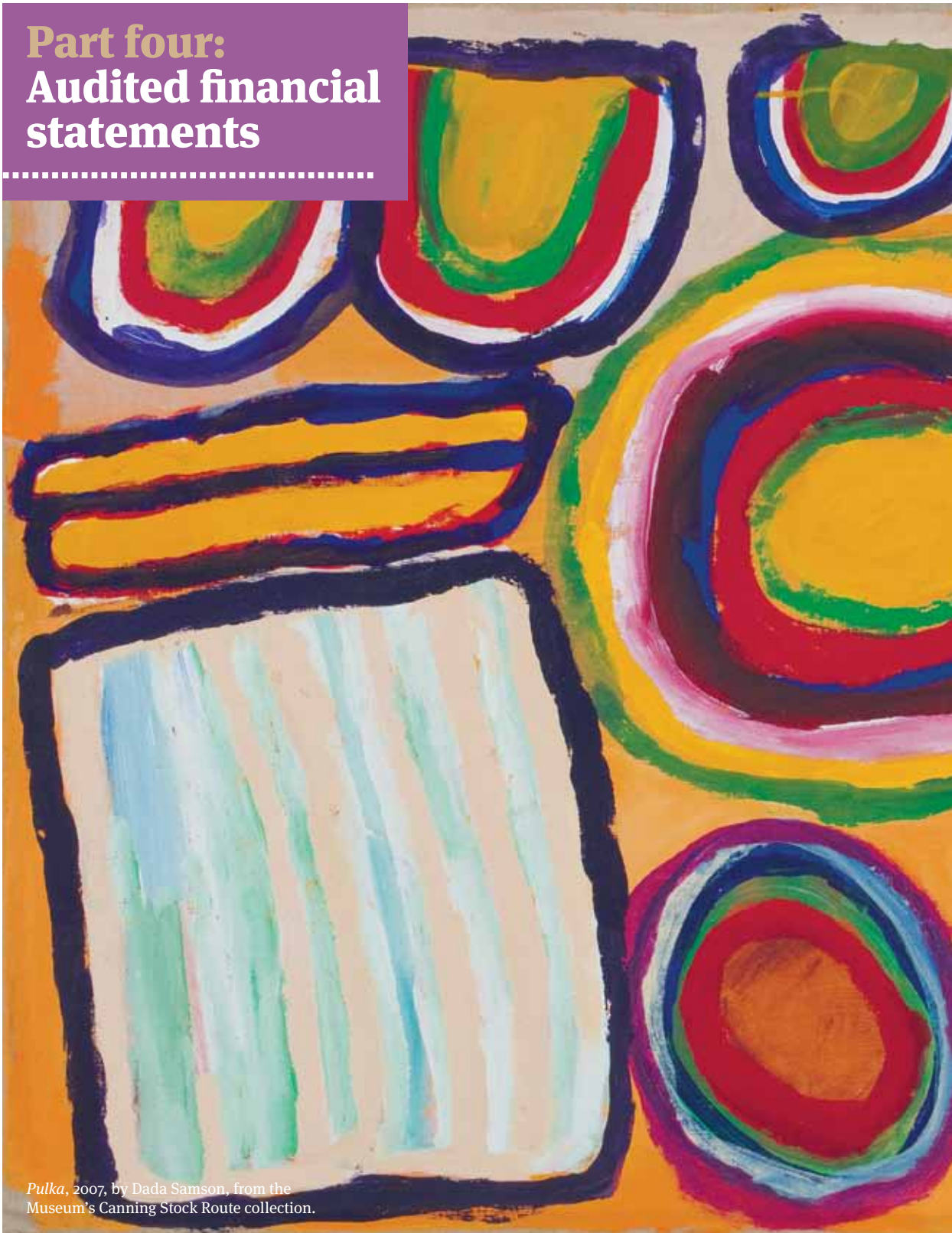
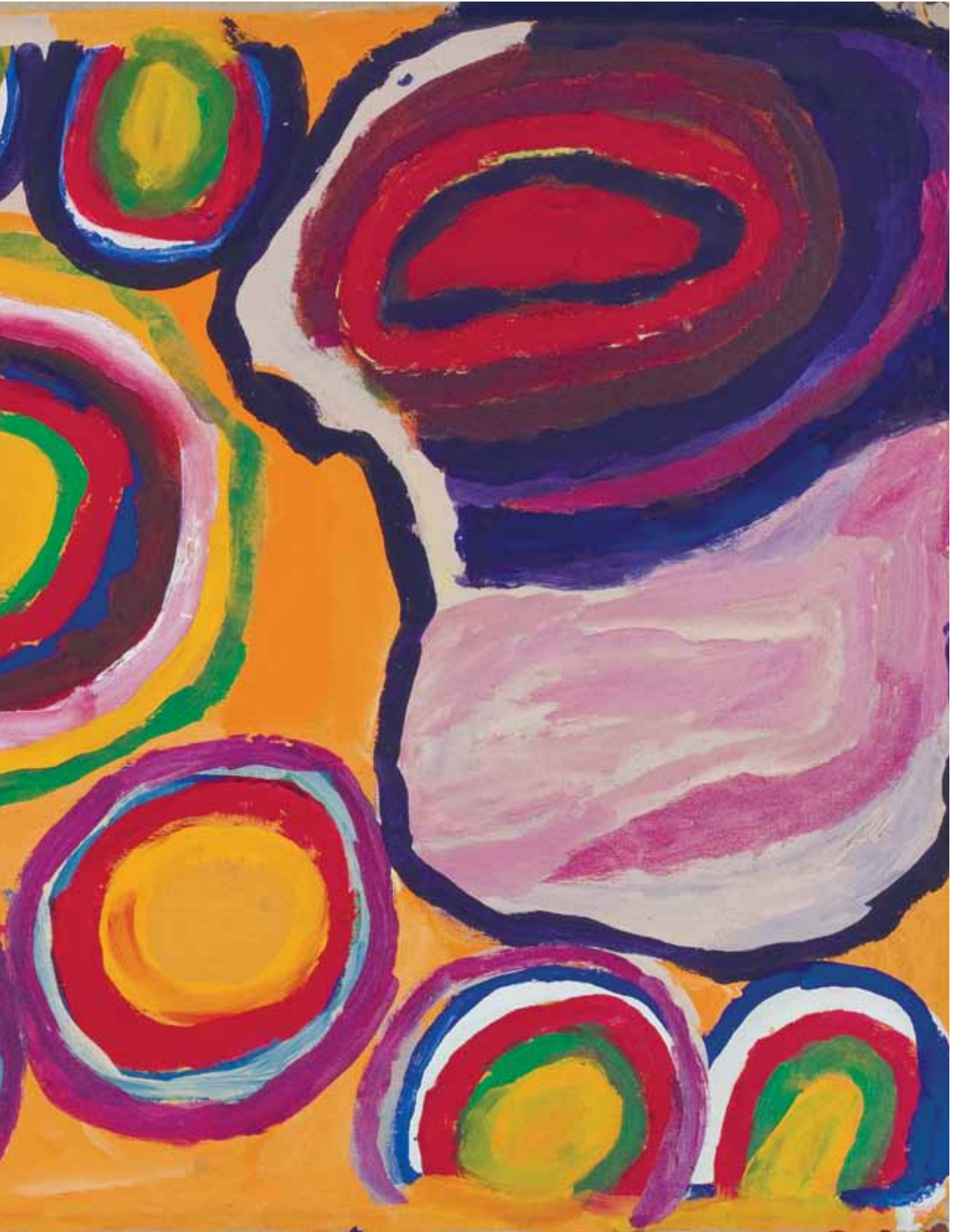


Part four:
Audited financial
statements



Pulka, 2007, by Dada Samson, from the Museum's Canning Stock Route collection.





INDEPENDENT AUDITOR'S REPORT

To the Minister for the Environment, Heritage and the Arts

Scope

I have audited the accompanying financial statements of the National Museum of Australia (Museum) for the year ended 30 June 2009, which comprise: a Statement by the Directors and Chief Executive; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

The Responsibility of the Council Members for the Financial Statements

The members of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards (which include the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

Council Members, as well as evaluating the overall presentation of the financial statements.

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

Independence

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the National Museum of Australia:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the National Museum of Australia's financial position as at 30 June 2009 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Alana Foster
Executive Director
Delegate of the Auditor-General
Canberra
28 July 2009

National Museum of Australia

STATEMENT BY DIRECTORS AND CHIEF EXECUTIVE

In our opinion, the attached financial statements for the year ended 30 June 2009 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.

In our opinion, at the date of this Statement, there are reasonable grounds to believe that the Museum will be able to pay its debts as and when they become due and payable.

This Statement is made in accordance with a resolution of the Council members.



Daniel Gilbert AM
Chair of Council
28 July 2009



Marian Gibney
Council member
28 July 2009



Craddock Morton
Director
28 July 2009



Kylie Noonan
Chief Finance Officer
28 July 2009

NATIONAL MUSEUM OF AUSTRALIA
INCOME STATEMENT

for the period ended 30 June 2009

	Notes	2009 \$'000	2008 \$'000
INCOME			
Revenue			
Revenue from Government	3A	40,275	40,764
Sale of goods and rendering of services	3B	2,853	2,611
Interest	3C	3,770	3,481
Other revenue	3D	881	1,294
Total revenue		<u>47,779</u>	<u>48,150</u>
Total Income		<u>47,779</u>	<u>48,150</u>
EXPENSES			
Employee benefits	4A	19,718	20,080
Suppliers	4B	19,815	19,656
Other expenses	4C	503	366
Depreciation and amortisation	4D	7,639	7,690
Write-down and impairment of assets	4E	97	34
Losses from asset sales	4F	3	153
Total Expenses		<u>47,775</u>	<u>47,979</u>
Surplus (Deficit) attributable to the Australian Government		<u>4</u>	<u>171</u>

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

NATIONAL MUSEUM OF AUSTRALIA
BALANCE SHEET
as at 30 June 2009

	Notes	2009 \$'000	2008 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	1,488	1,278
Trade and other receivables	5B	1,763	2,727
Investments	5C	47,208	46,525
Total financial assets		50,459	50,530
Non-Financial Assets			
Land and buildings	6A	94,240	93,597
Infrastructure, plant and equipment	6B,C	251,182	245,075
Intangibles	6D,E	2,236	2,768
Inventories	6F	519	404
Other non-financial assets	6G	1,423	1,994
Total non-financial assets		349,600	343,838
Total Assets		400,059	394,368
LIABILITIES			
Payables			
Suppliers	7A	2,199	2,774
Other payables	7B	1,840	405
Total payables		4,039	3,179
Provisions			
Employee provisions	8A	4,987	4,617
Total provisions		4,987	4,617
Total Liabilities		9,026	7,796
Net Assets		391,033	386,572
EQUITY			
Contributed equity		13,833	12,744
Reserves		109,804	106,436
Retained surplus		267,396	267,392
Total Equity		391,033	386,572
Current Assets		52,401	52,928
Non-Current Assets		347,658	341,440
Current Liabilities		8,178	6,795
Non-Current Liabilities		848	1,001

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

NATIONAL MUSEUM OF AUSTRALIA
STATEMENT OF CHANGES IN EQUITY
as at 30 June 2009

	Retained Earnings		Asset Revaluation Reserves		Contributed Equity/Capital		Total Equity	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance								
Balance carried forward from previous period	267,392	267,221	106,436	87,295	12,744	7,585	386,572	362,101
Adjustment for errors	-	-	-	-	-	-	-	-
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjusted opening balance	267,392	267,221	106,436	87,295	12,744	7,585	386,572	362,101
Income and expenses recognised directly in equity								
Asset revaluations	-	-	3,368	19,141	-	-	3,368	19,141
Sub-total income and expenses recognised directly in equity	-	-	3,368	19,141	-	-	3,368	19,141
Surplus (Deficit) for the period	4	171	-	-	-	-	4	171
Total income and expenses	4	171	3,368	19,141	-	-	3,372	19,312
Transactions with owners								
Contributions by Owners								
Equity injection	-	-	-	-	1,089	5,159	1,089	5,159
Restructuring	-	-	-	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	1,089	5,159	1,089	5,159
Closing balance as at 30 June attributable to the Australian Government	267,396	267,392	109,804	106,436	13,833	12,744	391,033	386,572

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

NATIONAL MUSEUM OF AUSTRALIA
CASH FLOW STATEMENT
for the period ended 30 June 2009

	2009	2008
Notes	\$'000	\$'000
OPERATING ACTIVITIES		
Cash received		
Goods and services	4,541	2,352
Receipts from Government	40,275	40,764
Interest	4,391	2,450
Net GST received	2,668	2,468
Other cash received	814	906
Total cash received	52,689	48,940
Cash used		
Employees	(19,267)	(19,979)
Suppliers	(22,718)	(22,142)
Other cash used	(503)	(366)
Total cash used	(42,488)	(42,487)
Net cash from (used by) operating activities	9 10,201	6,453
INVESTING ACTIVITIES		
Cash received		
Proceeds from sales of property, plant and equipment	15	7
Investments	52,638	28,115
Total cash received	52,653	28,122
Cash used		
Purchase of property, plant and equipment	(6,342)	(4,285)
Purchase of heritage and cultural items	(3,851)	(2,762)
Purchase of intangibles	(219)	(1,560)
Investments	(53,321)	(32,043)
Total cash used	(63,733)	(40,650)
Net cash from (used by) investing activities	(11,080)	(12,528)
FINANCING ACTIVITIES		
Cash received		
Contributed equity	1,089	5,159
Total cash received	1,089	5,159
Cash used		
Other cash used	-	-
Total cash used	-	-
Net cash from (used by) financing activities	1,089	5,159
Net increase (decrease) in cash held	210	(916)
Cash and cash equivalents at the beginning of the reporting period	1,278	2,194
Cash and cash equivalents at the end of the reporting period	5A 1,488	1,278

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

NATIONAL MUSEUM OF AUSTRALIA
SCHEDULE OF COMMITMENTS
as at 30 June 2009

	2009	2008
BY TYPE	\$'000	\$'000
Commitments receivable		
GST recoverable on commitments	(1,279)	(837)
Other receivables	(514)	(773)
Total commitments receivable	(1,793)	(1,610)
Commitments payable		
Capital commitments		
Infrastructure, plant and equipment	2,187	1,223
Intangibles	66	17
Total capital commitments	2,253	1,240
Other commitments		
Operating leases ¹	3,532	2,378
Other commitments	8,800	6,362
Total other commitments	12,332	8,740
Net commitments by type	12,792	8,370
BY MATURITY		
Commitments receivable		
Other commitments receivable		
One year or less	(999)	(730)
From one to five years	(794)	(880)
Over five years	-	-
Total other commitments receivable	(1,793)	(1,610)
Commitments payable		
Capital commitments		
One year or less	2,060	545
From one to five years	193	695
Over five years	-	-
Total capital commitments	2,253	1,240
Operating lease commitments		
One year or less	969	1,376
From one to five years	2,563	1,002
Over five years	-	-
Total operating lease commitments	3,532	2,378
Other commitments		
One year or less	4,779	3,245
From one to five years	4,021	3,117
Over five years	-	-
Total other commitments	8,800	6,362
Net commitments by maturity	12,792	8,370

NB: Commitments are GST inclusive where relevant.

Nature of lease/general description of leasing arrangement

1. Operating leases included are effectively non-cancellable and comprise:

Leases for office accommodation and warehouses (multiple sites).

Lease payments are subject to annual increases in accordance with upwards movements in the Consumer Price Index. The initial periods of office accommodation and warehouse leases are still current and each may be renewed for up to five years at the Museum's option, following a once-off adjustment of rentals to current market levels.

Motor vehicle leases

No contingent rentals exist. There are no renewal or purchase options available to the Museum.

NATIONAL MUSEUM OF AUSTRALIA
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 30 June 2009

Note 1:	Summary of Significant Accounting Policies
Note 2:	Events After the Balance Sheet Date
Note 3:	Income
Note 4:	Expenses
Note 5:	Financial Assets
Note 6:	Non-Financial Assets
Note 7:	Payables
Note 8:	Provisions
Note 9:	Cash flow Reconciliation
Note 10:	Council Members' Remuneration
Note 11:	Related Party Disclosures
Note 12:	Executive Remuneration
Note 13:	Remuneration of Auditors
Note 14:	Financial Instruments
Note 15:	Compensation and Debt Relief
Note 16:	Assets Held in the National Museum of Australia Fund
Note 17:	Reporting of Outcomes

NATIONAL MUSEUM OF AUSTRALIA**Notes to and forming part of the financial statements**

Note 1: Summary of Significant Accounting Policies**1.1 Basis of Preparation of the Financial Report**

The financial statements and notes are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a general purpose financial report.

The continued existence of the National Museum of Australia in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the Museum's administration and programs.

The financial statements and notes have been prepared in accordance with:

- Finance Minister's Orders (FMO) for reporting periods ending on or after 1 July 2008; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMO, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an accounting standard.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the income statement when, and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.2 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Museum has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of land and buildings has been taken to be the depreciated replacement cost as determined by an independent valuer. The Museum's main building is purpose built and may in fact realise more or less in the market.
- The fair value of heritage and cultural assets is based on an annual management review. Many of the assets are unique and have never been sold. It is possible that many items would realise more or less in the market.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

NATIONAL MUSEUM OF AUSTRALIA
Notes to and forming part of the financial statements

1.3 New Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. Of the new standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable to the current period, the following impact on the Museum:

- AASB 2007-9 *Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31* relocated a number of paragraphs from AASs 27, 29 and 31 substantively unamended into the following existing standards AASB 3, 5, 8, 101, 114, 116, 127 and 137.
- AASB 1004 Contributions also received a number of substantively unamended paragraphs from AASs 27, 29 and 31 following their withdrawal.

It is not expected that the relocation of AASs 27, 29 and 31 will have a material financial impact but may affect the disclosure presented in future financial reports.

Future Australian Accounting Standard Requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

- AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101.
- AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 5, 7, 101, 102, 107, 108, 110, 116, 118, 119, 120, 123, 127, 128, 129, 131, 132, 134, 136, 138, 139, 140, 141, 1023 & 1038).
- AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (AASB 1 & AASB 5).

1.4 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits associated with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at balance date. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

NATIONAL MUSEUM OF AUSTRALIA**Notes to and forming part of the financial statements**

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition.

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Revenues from Government

Funding received or receivable from agencies (appropriated to the Museum as a CAC Act body payment item for payment to National Museum of Australia) is recognised as Revenue from Government unless they are in the nature of an equity injection.

1.5 Gains**Sale of Assets**

Gains from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

1.6 Transactions with the Government as Owner**Equity Injections**

Amounts that are designated as equity injections for a year are recognised directly in contributed equity in that year.

1.7 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for short-term employee benefits (as defined in AASB 119) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Museum is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that applied at the time the leave is taken, including the Museum's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by a short hand method developed by the Australian Government Actuary.

NATIONAL MUSEUM OF AUSTRALIA

Notes to and forming part of the financial statements

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Museum recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Staff of the Museum are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

The Museum makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of the Museum's employees. The Museum's accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.8 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased non-current assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

The Museum has no finance leases.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

1.9 Borrowing Costs

All borrowing costs are expensed as incurred.

1.10 Cash

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.11 Financial Assets

The Museum classifies its financial assets in the following categories:

- held-to-maturity investments; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon trade date.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets at fair value through profit or loss.

NATIONAL MUSEUM OF AUSTRALIA**Notes to and forming part of the financial statements**

Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Museum has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets

Financial assets are assessed for impairment at each balance date.

- *Financial assets held at amortised cost* - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Income Statement.

1.12 Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are recognised and derecognised upon trade date.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.13 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

The Museum reported no contingent liabilities or contingent assets in 2008-09 and 2007-08.

NATIONAL MUSEUM OF AUSTRALIA

Notes to and forming part of the financial statements

1.14 Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

1.15 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

1.16 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Revaluations

Fair values for each class of asset are determined as shown below:

<i>Asset Class</i>	<i>Fair value measured at</i>
Land	Market selling price
Buildings exc. Leasehold improvements	Depreciated replacement cost
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price
Heritage and cultural assets	Market selling price

Following initial recognition at cost, property plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through operating result. Revaluation decrements for a class of assets are recognised directly through operating result except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

NATIONAL MUSEUM OF AUSTRALIA**Notes to and forming part of the financial statements*****Depreciation***

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Museum using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<u>2009</u>	<u>2008</u>
Buildings on freehold land	100 years	100 years
Leasehold improvements	Lease term	Lease term
Plant and equipment	4 to 100 years	4 to 100 years
Heritage and cultural assets	50 to 5000 years	50 to 5000 years

Impairment

All assets were assessed for impairment at 30 June 2009. Where indications of impairment exist, an impairment adjustment is made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Museum were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.17 Intangibles

The Museum's intangibles comprise internally-developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Museum's software are 4 to 15 years (2007-08: 4 to 8 years).

All software assets were assessed for indications of impairment as at 30 June 2009.

1.18 Inventories

Inventories held for sale are valued at the lower of cost and net realisable value.

Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- raw materials and stores – purchase cost on a first-in-first-out basis; and
- finished goods and work-in-progress – cost of direct materials and labour plus attributable costs that are capable of being allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

1.19 Taxation

The Museum is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

Note 2: Events After the Balance Sheet Date

There are no events after the reporting date that will materially affect the financial statements.

NATIONAL MUSEUM OF AUSTRALIA

Notes to and forming part of the financial statements

	2009	2008
	\$'000	\$'000

Note 3: Income

Revenue

Note 3A: Revenue from Government

Department of Environment, Water, Heritage, and the Arts:

CAC Act body payment item	40,275	40,764
Total revenue from Government	40,275	40,764

Note 3B: Sale of Goods and Rendering of Services

Provision of goods - related entities	-	-
Provision of goods - external parties	1,671	1,515
Rendering of services - related entities	-	-
Rendering of services - external parties	1,182	1,096
Total sale of goods and rendering of services	2,853	2,611

Note 3C: Interest

Deposits	3,770	3,481
Total interest	3,770	3,481

Note 3D: Other Revenue

Donations and bequests	1	95
Donated assets	141	475
Sponsorship and grants	739	724
Total other revenue	881	1,294

Note 4: Expenses

Note 4A: Employee Benefits

Wages and salaries	14,547	14,981
Superannuation:		
Defined contribution plans	669	638
Defined benefit plans	2,052	2,212
Leave and other entitlements	1,917	1,670
Other employee benefits	533	579
Total employee benefits	19,718	20,080

Note 4B: Suppliers

Provision of goods – related entities	-	-
Provision of goods – external parties	3,248	3,329
Rendering of services – related entities	2,138	801
Rendering of services – external parties	12,475	13,820
Operating lease rentals		
Minimum lease payments	954	1,051
Contingent rentals	723	370
Workers compensation premiums	277	285
Total supplier expenses	19,815	19,656

NATIONAL MUSEUM OF AUSTRALIA**Notes to and forming part of the financial statements**

	2009	2008
	\$'000	\$'000

Note 4C: Other Expenses

The Museum provides subsidies to support research in Australian history and cultures

Subsidies	503	366
Total other expenses	503	366

Note 4D: Depreciation and Amortisation

Depreciation:

Infrastructure, plant and equipment	5,701	5,739
Buildings	1,187	1,064
Total depreciation	6,888	6,803

Intangibles:

Computer software	751	887
Total amortisation	751	887
Total depreciation and amortisation	7,639	7,690

Note 4E: Write-Down and Impairment of Assets

Asset write-downs and impairments from:

Impairment on financial instruments	8	-
Infrastructure, plant and equipment write off	47	-
Inventory write off	42	34
Total write-down and impairment of assets	97	34

Note 4F: Losses from Assets Sales

Infrastructure, plant and equipment:

Proceeds from sale	(16)	(7)
Carrying value of assets sold	19	160
Total losses from assets sales	3	153

Note 5: Financial Assets**Note 5A: Cash and Cash Equivalents**

Cash on hand or on deposit	1,488	1,278
Total cash and cash equivalents	1,488	1,278

NATIONAL MUSEUM OF AUSTRALIA

Notes to and forming part of the financial statements

	2009	2008
	\$'000	\$'000
Note 5B: Trade and Other Receivables		
Goods and services - related entities	-	-
Goods and services - external parties	160	356
Total receivable for goods and services	160	356
GST receivable from the Australian Taxation Office	236	383
Interest receivable	1,367	1,988
Total trade and other receivables (gross)	1,763	2,727
Less impairment allowance account:		
Goods and services	-	-
Total trade and other receivables (net)	1,763	2,727
Receivables are represented by:		
Current	1,763	2,727
Non-current	-	-
Total trade and other receivables (net)	1,763	2,727
Receivables are aged as follows:		
Not overdue	1,708	2,490
Overdue by:		
Less than 30 days	35	180
30 to 60 days	10	25
61 to 90 days	10	16
More than 90 days	-	16
Total receivables (gross)	1,763	2,727

Note 5C: Investments

Deposits	47,208	46,525
Total Investments	47,208	46,525

Other financial assets are expected to be recovered in:

Less than 12 months	47,208	46,525
More than 12 months	-	-
Total investments	47,208	46,525

Investments are with the Museum's bankers and earn effective rates of interest of 7.70%, 4.47%, 4.25%, 4.15%, 4.10% and 4.00% (2007-08 7.06%, 7.37%, 7.46%, 7.12%, 7.90% and 8.07%) payable at the end of the term.

NATIONAL MUSEUM OF AUSTRALIA

Notes to and forming part of the financial statements

	2009	2008
	\$'000	\$'000
Note 6: Non-Financial Assets		
Note 6A: Land and Buildings		
Freehold land at gross carrying value (at fair value)	6,141	4,400
Buildings on freehold land:		
Fair value	86,008	87,076
Accumulated depreciation	-	-
Total buildings on freehold land	92,149	91,476
Leasehold improvements:		
Fair value	2,091	2,576
Accumulated depreciation	-	(455)
Total leasehold improvements	2,091	2,121
Total land and buildings (non-current)	94,240	93,597

Building assets were revalued at the fair value as at 30 June 2009 by Egan National Valuers.

Leasehold improvement assets were revalued as at 30 June 2009 by independent valuers Rodney Hyman Asset Services Pty Ltd and Egan National Valuers.

Revaluation increments of \$1,741,000 for land (2008: \$nil), decrements of \$127,980 for buildings on freehold land (2008: increment of \$5,755,497) and increments of \$107,634 for leasehold improvements (2008: increment of \$nil) were credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet. No increments/decrements were expensed (2008: \$nil expensed).

No indicators of impairment were found for land and buildings.

Note 6B: Infrastructure, Plant and Equipment

Infrastructure, plant and equipment:		
Gross carrying value (at fair value)	38,897	52,034
Accumulated depreciation	-	(17,524)
Work in progress	954	2,303
Total infrastructure, plant and equipment	39,851	36,813
Heritage and cultural:		
Gross carrying value (at fair value)	212,254	208,262
Accumulated depreciation	(923)	-
Total heritage and cultural	211,331	208,262
Total infrastructure, plant and equipment (non-current)	251,182	245,075

All revaluations were conducted in accordance with the revaluation policy stated at Note 1.

On 30 June 2009, an independent valuer, Rodney Hyman Asset Services Pty Ltd, conducted the revaluation of infrastructure plant and equipment. Heritage and cultural assets were revalued to fair value as at 30 June 2008 on advice from Simon Storey Valuers.

Revaluation increments of \$1,647,827 for plant and equipment were credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet. No increments/decrements were expensed (2008: \$nil expensed).

No indicators of impairment were found for infrastructure, plant and equipment.

Note 6C: Analysis of Property, Plant and Equipment

TABLE A – Reconciliation of the opening and closing balances of property, plant and equipment (2008-09)

	Land \$'000	Buildings \$'000	Total Land and Buildings \$'000	Other Heritage and IP & E \$'000	Cultural \$'000	Total \$'000
As at 1 July 2008						
Gross book value	4,400	89,651	94,051	54,337	208,262	356,650
Accumulated depreciation/amortisation and impairment	-	(454)	(454)	(17,524)	-	(17,978)
Net book value 1 July 2008	4,400	89,197	93,597	36,813	208,262	338,672
Additions:						
By purchase	-	108	108	6,188	3,851	10,147
By donation	-	-	-	-	141	141
Revaluations and impairments through equity						
Gross book value	1,741	(1,660)	81	(20,478)	-	(20,397)
Accumulated depreciation/amortisation	-	1,641	1,641	22,124	-	23,765
Depreciation/amortisation expense	-	(1,187)	(1,187)	(4,778)	(923)	(6,888)
Disposals:						
Gross book value	-	-	-	(196)	-	(196)
Accumulated depreciation/amortisation	-	-	-	178	-	178
Net book value 30 June 2009	6,141	88,099	94,240	39,851	211,331	345,422
Net book value as of 30 June 2009 represented by:						
Gross book value	6,141	88,099	94,240	39,851	212,254	346,345
Accumulated depreciation/amortisation and impairment	-	-	-	-	(923)	(923)
	6,141	88,099	94,240	39,851	211,331	345,422

TABLE A – Reconciliation of the opening and closing balances of property, plant and equipment (2007-08)

	Land \$'000	Buildings \$'000	Total Land and Buildings \$'000	Other IP & E \$'000	Heritage and Cultural \$'000	Total \$'000
As at 1 July 2007						
Gross book value	4,400	84,159	88,559	51,645	193,330	333,534
Accumulated depreciation/amortisation and impairment	-	(275)	(275)	(13,473)	(815)	(14,563)
Net book value 1 July 2007	4,400	83,884	88,284	38,172	192,515	318,971
Additions:						
By purchase	-	622	622	3,662	2,762	7,046
By donation	-	-	-	-	475	475
Revaluations and impairments through equity						
Gross book value	-	4,870	4,870	-	11,695	16,565
Accumulated depreciation/amortisation	-	885	885	-	1,691	2,576
Depreciation/amortisation expense	-	(1,064)	(1,064)	(4,862)	(876)	(6,802)
Disposals:						
Gross book value	-	-	-	(971)	-	(971)
Accumulated depreciation/amortisation	-	-	-	812	-	812
Net book value 30 June 2008	4,400	89,197	93,597	36,813	208,262	338,672
Net book value as of 30 June 2008 represented by:						
Gross book value	4,400	89,651	94,051	54,337	208,262	356,650
Accumulated depreciation/amortisation and impairment	-	(454)	(454)	(17,524)	-	(17,978)
	4,400	89,197	93,597	36,813	208,262	338,672

NATIONAL MUSEUM OF AUSTRALIA
Notes to and forming part of the financial statements

	2009	2008
	\$'000	\$'000
Note 6D: Intangibles		
Computer software at cost:		
Purchased software – in use	9,378	9,261
Accumulated amortisation	(8,653)	(7,960)
Total computer software	725	1,301
Internally developed intangibles at cost:		
Multimedia presentations - in use	1,569	-
Multimedia presentations - in progress	-	1,467
Accumulated amortisation	(58)	-
Total internally developed intangibles	1,511	1,467
Total intangibles (non-current)	2,236	2,768

No indicators of impairment were found for intangible assets.

Note 6E: Analysis of intangibles

Table B: Reconciliation of the opening and closing balances of intangibles (2008-09).

Item	Computer software purchased \$'000	Other intangibles internally developed \$'000	Total \$'000
As at 1 July 2008			
Gross book value	9,260	1,467	10,727
Accumulated depreciation/amortisation and impairment	(7,959)	-	(7,959)
Net book value 1 July 2008	1,301	1,467	2,768
Additions:			
By purchase or internally developed	117	102	219
Amortisation	(693)	(58)	(751)
Disposals:			
From disposal of entities or operations (including restructuring)	-	-	-
Other disposals	-	-	-
Net book value 30 June 2009	725	1,511	2,236
Net book value as of 30 June 2009 represented by:			
Gross book value	9,377	1,569	10,946
Accumulated depreciation/amortisation and impairment	(8,652)	(58)	(8,710)
	725	1,511	2,236

NATIONAL MUSEUM OF AUSTRALIA
Notes to and forming part of the financial statements

Table B: Reconciliation of the opening and closing balances of intangibles (2007-08).

Item	Computer software purchased \$'000	Other intangibles internally developed \$'000	Total \$'000
As at 1 July 2007			
Gross book value	9,473	-	9,473
Accumulated depreciation/amortisation and impairment	(7,377)	-	(7,377)
Net book value 1 July 2007	2,096	-	2,096
Additions:			
By purchase or internally developed	92	1,467	1,559
Amortisation	(887)	-	(887)
Disposals:			
Gross book value	(305)	-	(305)
Accumulated depreciation/amortisation	305	-	305
Net book value 30 June 2008	1,301	1,467	2,768
Net book value as of 30 June 2008 represented by:			
Gross book value	9,260	1,467	10,727
Accumulated depreciation/amortisation and impairment	(7,959)	-	(7,959)
	1,301	1,467	2,768

2009 2008
\$'000 \$'000

Note 6F: Inventories

Inventories held for sale		
Work in progress	34	66
Finished goods	485	338
Total inventories held for sale	519	404
Total inventories (current)	519	404

During 2008-09, \$42,227 of inventory held for sale was recognised as an expense (2007-08: \$33,050).

No items of inventory are recognised at fair value less cost to sell.

Note 6G: Other Non-Financial Assets

Prepayments	904	1,325
Prepaid leasehold contribution	519	669
Total other non-financial assets	1,423	1,994

All other non-financial assets are current assets.

No indicators of impairment were found for other non-financial assets.

NATIONAL MUSEUM OF AUSTRALIA

Notes to and forming part of the financial statements

	2009	2008
	\$'000	\$'000

Note 7: Payables

Note 7A: Suppliers

Trade creditors	1,595	1,466
Accrued Expenses	604	1,308
Total supplier payables	<u>2,199</u>	<u>2,774</u>
Supplier payables - related entities are represented by:		
Current	89	23
Non-current	-	-
Supplier payables - external parties are represented by:		
Current	2,110	2,751
Non-current	-	-
Total supplier payables	<u>2,199</u>	<u>2,774</u>

Settlement is usually made net 30 days.

Note 7B: Other Payables

Salaries and Wages	257	187
Superannuation	43	32
Unearned revenue	1,540	186
Total other payables	<u>1,840</u>	<u>405</u>

Note 8: Provisions

Note 8A: Employee Provisions

Leave	4,987	4,617
Total employee provisions	<u>4,987</u>	<u>4,617</u>

Employee provisions are represented by:

Current	4,139	3,616
Non-current	848	1,001
Total employee provisions	<u>4,987</u>	<u>4,617</u>

The classification of current employee provisions includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of the reporting date. Employee provisions expected to be settled in twelve months from the reporting date are \$1,863 (2008: \$1,924), and in excess of one year \$3,124 (2008: \$2,693).

NATIONAL MUSEUM OF AUSTRALIA
Notes to and forming part of the financial statements

Note 9: Cash Flow Reconciliation

	2009	2008
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Report cash and cash equivalents as per:		
Cash Flow Statement	1,488	1,278
Balance Sheet	1,488	1,278
<i>Difference</i>	<u>-</u>	<u>-</u>
Reconciliation of operating result to net cash from operating activities:		
Operating result	4	171
Depreciation /amortisation	7,639	7,690
Net write down of non-financial assets	97	34
Loss / (Gain) on disposal of assets	3	153
Collections - gifts and donations	(141)	(475)
Non-cash proceeds from investments	-	(1,466)
(Increase) / decrease in net receivables	955	153
(Increase) / decrease in inventories	(157)	(97)
(Increase) / decrease in non-financial assets	571	(212)
Increase / (decrease) in employee provisions	451	101
Increase / (decrease) in supplier payables	(575)	1,051
Increase / (decrease) in other provisions	-	(677)
Increase / (decrease) in other payables	1,354	27
<i>Net cash from / (used by) operating activities</i>	<u>10,201</u>	<u>6,453</u>

NATIONAL MUSEUM OF AUSTRALIA
Notes to and forming part of the financial statements

Note 10: Council Members' Remuneration

	2009	2008
The number of Council members of the Museum included in these figures are shown below in the relevant remuneration bands:		
\$ Nil - \$ 14,999	11	7
\$ 15,000 - \$ 29,999	-	1
Total number of Council members of the Museum	11	8
Total remuneration received or due and receivable by Council members of the Museum	\$ 106,212	\$ 115,698

The remuneration of Council members includes all members concerned with or taking part in the management of the Museum during 2008-09, except the Director. Details in relation to the Director are incorporated into Note 12: Executive Remuneration.

Note 11: Related Party Disclosures

Council Members of the Museum

The name of each person who has been a member of the Council during the year was:
(duration of appointment in italics):

Chair

The Hon A Staley *22 September 2002 to 21 September 2005 and 6 October 2005 to 5 October 2008*
Mr D Gilbert AM *27 March 2009 to 26 March 2012*

Members

Mr B Chow *15 May 2003 to 14 May 2006 and 15 May 2006 to 14 May 2009*
Dr J Fleming *27 August 2003 to 26 August 2006 and 27 August 2006 to 26 August 2009*
Ms M Gibney *24 June 2004 to 23 June 2007 and 22 August 2007 to 21 August 2010*
Ms S Hasluck *19 February 2004 to 18 February 2007 and 19 February 2007 to 18 February 2010*
Dr J Hirst *27 August 2003 to 26 August 2006 and 27 August 2006 to 26 August 2009*
Prof A Hull AO *12 December 2008 to 11 December 2011*
Mr J Morse AM *28 November 2008 to 27 November 2011*
Mr C Pearson *9 August 2002 to 8 August 2005 and 6 October 2005 to 5 October 2008*
Dr B Piscitelli AM *17 July 2008 to 16 July 2011*

Executive Member

Mr Craddock Morton *24 June 2004 to 23 June 2007 and 24 June 2007 to 23 June 2010*

Transactions with Council members or their related entities

The aggregate remuneration of Council members is disclosed in Note 10. The Museum is not aware of other Council member related party transactions occurring during the year which would be required to be disclosed.

NATIONAL MUSEUM OF AUSTRALIA
Notes to and forming part of the financial statements

Note 12: Executive Remuneration

	2009	2008
The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:		
\$130 000 to \$144 999	-	-
\$145 000 to \$159 999	-	-
\$160 000 to \$174 999	1	1
\$175 000 to \$189 999	1	1
\$190 000 to \$204 999	1	1
\$205 000 to \$219 999	-	-
\$310 000 to \$324 999	-	1
\$325 000 to \$339 999	1	-
Total	<u><u>4</u></u>	<u><u>4</u></u>
The aggregate amount of total remuneration of senior executives shown above.	<u><u>\$ 872,260</u></u>	<u><u>\$ 876,562</u></u>

No separation or redundancy payments were made to executives shown above during the year.

Note 13: Remuneration of Auditors

Financial statement audit services are provided free of charge to the Museum.

The fair value of the services provided was:	<u><u>\$ 53,000</u></u>	<u><u>\$ 53,000</u></u>
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No other services were provided by the Auditor-General.

NATIONAL MUSEUM OF AUSTRALIA
Notes to and forming part of the financial statements

Note 14: Financial Instruments

	2009	2008
	\$'000	\$'000
Note 14A: Categories of Financial Instruments		
Financial Assets		
Held-to-maturity:		
Term deposits	47,208	46,525
	<u>47,208</u>	<u>46,525</u>
Loans and receivables:		
Cash and cash equivalents	1488	1,278
Receivables for goods and services	160	356
Interest receivable	1,367	1,988
	<u>3,015</u>	<u>3,622</u>
Carrying amount of financial assets	<u>50,223</u>	<u>50,147</u>
Financial Liabilities		
At amortised cost:		
Supplier payables	2,199	2,774
Carrying amount of financial liabilities	<u>2,199</u>	<u>2,774</u>

Note 14B: Net Income and Expense from Financial Assets

Held-to-maturity		
Interest revenue	3,770	3,481
Net gain/(loss) from financial assets	<u>3,770</u>	<u>3,481</u>

The net income/expense from financial assets not at fair value from profit and loss is \$3,770.

Note 14C: Fair Value of Financial Instruments

	Carrying amount 2009 \$'000	Fair value 2009 \$'000	Carrying amount 2008 \$'000	Fair value 2008 \$'000
Financial assets				
Loans and receivables	3,015	3,015	3,622	3,622
Investments	47,208	47,208	46,525	46,525
Total	50,223	50,223	50,147	50,147
Financial liabilities				
Supplier payables	2,199	2,199	2,774	2,774
Total	2,199	2,199	2,774	2,774

NATIONAL MUSEUM OF AUSTRALIA

Notes to and forming part of the financial statements

Note 14D: Credit Risk

The Museum is exposed to minimal credit risk as the majority of receivables are cash deposits held with banks and financial institutions and business interactions with trade debtors.

The following table illustrates the Museum's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2009 \$'000	2008 \$'000
Financial assets		
Cash and cash equivalents	1,488	1,278
Investments	47,208	46,525
Trade and other receivables	1,527	2,344
Total	50,223	50,147

Credit risk of financial instruments not past due or individually determined as impaired

	Not past due nor impaired 2009 \$'000	Not past due nor impaired 2008 \$'000	Past due or impaired 2009 \$'000	Past due or impaired 2008 \$'000
Cash and cash equivalents	1,488	1,278	-	-
Investments	47,208	46,525	-	-
Trade and other receivables	1,472	2,107	55	237
Total	50,168	49,910	55	237

Ageing of financial assets that are past due but not impaired for 2009

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Trade and other receivables	35	10	10	-	55
Total	35	10	10	-	55

Ageing of financial assets that are past due but not impaired for 2008

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Trade and other receivables	180	25	16	16	237
Total	180	25	16	16	237

Note 14E: Liquidity Risk

Liquidity risk is managed by continuously monitoring the forecast and actual cashflows associated with the financial assets and liabilities of the Museum.

Maturities for financial liabilities 2009

	On demand 2009 \$'000	within 1 year 2009 \$'000	1 to 2 years 2009 \$'000	2 to 5 years 2009 \$'000	> 5 years 2009 \$'000	Total 2009 \$'000
Supplier payables	2,199	-	-	-	-	2,199
Total	2,199	-	-	-	-	2,199

Maturities for financial liabilities 2008

	On demand 2008 \$'000	within 1 year 2008 \$'000	1 to 2 years 2008 \$'000	2 to 5 years 2008 \$'000	> 5 years 2008 \$'000	Total 2008 \$'000
Supplier payables	2,774	-	-	-	-	2,774
Total	2,774	-	-	-	-	2,774

NATIONAL MUSEUM OF AUSTRALIA
Notes to and forming part of the financial statements

Note 14F: Market Risk

The table below details the interest rate sensitivity analysis of the Museum at the reporting date holding other variables constant. A 75 basis point change is deemed to be reasonably possible and is used when reporting interest risk.

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss 2009 \$'000	Equity 2009 \$'000
Interest rate risk	Interest	0.75	354	354

Risk to which the Museum was exposed in 2008

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss 2008 \$'000	Equity 2008 \$'000
Interest rate risk	Interest	0.50	233	233

The method used to arrive at the possible change of 75 basis points was based on cash rate for the past five years issued by the Reserve Bank of Australia (RBA) as the underlying dataset. This information is then revised and adjusted for reasonableness under the current economic circumstances.

Note 15: Compensation and Debt Relief

No waivers of amounts owing to the Museum were made during the reporting period (2008: nil).

Note 16: Assets Held in the National Museum of Australia Fund

Purpose - the Fund, set up under section 34 of the *National Museum of Australia Act 1980*, is for the receipt of gifts and bequests (otherwise than on trust) of monies, or monies received from the disposal of property given, devised, bequeathed or assigned to the Museum. These monies are recognised in the financial statements.

	2009	2008
	\$'000	\$'000
Balance carried forward from previous year	-	-
Receipts during the year	10	93
Payment during the year	(10)	(93)
Balance carried forward to next year	-	-

NATIONAL MUSEUM OF AUSTRALIA

Notes to and forming part of the financial statements

Note 17: Reporting of Outcomes

The Museum is structured to meet a single outcome, being: Australians have access to the National Museum's collections and public programs to encourage awareness and understanding of Australia's history and culture.

Two outputs are identified for the Outcome, comprising:

- Output 1.1: Collection Development and Management
- Output 1.2: National Exhibitions, Programs and Services

Note 17A: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000
Expenses				
Departmental	47,775	47,979	47,775	47,979
Total expenses	47,775	47,979	47,775	47,979
Costs recovered from provision of goods and services to the non-government sector				
Departmental	2,853	2,611	2,853	2,611
Total costs recovered	2,853	2,611	2,853	2,611
Other external income				
Departmental	-	-	-	-
Interest	3,770	3,481	3,770	3,481
Donations and bequests	142	570	142	570
Other	740	724	740	724
Total other external income	4,652	4,775	4,652	4,775
Net cost/(contribution) of outcome	40,270	40,593	40,270	40,593

Net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

Note 17B: Major Classes of Departmental Income and Expenses by Output Groups and Outputs

Outcome 1	Output 1.1		Output 1.2		Total	
	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental expenses						
Employees	3,739	3,610	15,979	16,470	19,718	20,080
Suppliers	2,891	2,801	17,427	17,221	20,318	20,022
Net loss from assets disposed	3			153	3	153
Depreciation and amortisation	1,471	1,217	6,168	6,473	7,639	7,690
Write down of assets	97	-	-	34	97	34
Total departmental expenses	8,201	7,628	39,574	40,351	47,775	47,979
Funded by:						
Departmental income						
Revenues from Government	9,666	9,003	30,609	31,761	40,275	40,764
Sale of goods and services			2,853	2,611	2,853	2,611
Interest	905	769	2,865	2,712	3,770	3,481
Other non-taxation revenues	141	475	740	819	881	1,294
Total departmental income	10,712	10,247	37,067	37,903	47,779	48,150