



# AUSTRALIAN WAR MEMORIAL

## ANNUAL REPORT 2018-2019



# AUSTRALIAN WAR MEMORIAL

## ANNUAL REPORT 2018-2019

**Annual report for the year ended 30 June 2019, together  
with the financial statements and the report of the  
Auditor-General**



Australian War Memorial Annual Report 2018–2019

Annual report for the year ended 30 June 2019, together with the financial statements and the report of the Auditor-General

Copyright © Australian War Memorial

ISSN 1441 4198

This work is copyright. Apart from any use as permitted under the Copyright Act 1968, no part may be reproduced, copied, scanned, stored in a retrieval system, recorded, or transmitted in any form or by any means without the prior written permission of the publisher.

Australian War Memorial  
GPO Box 345  
Canberra, ACT 2601  
Australia

02 6243 4211

<http://www.awm.gov.au>

# ACCEPTANCE OF THE REPORT



The Hon. Darren Chester  
Minister for Veterans and Defence Personnel

Dear Minister

## STATEMENT BY ACCOUNTABLE AUTHORITIES

On behalf of the Council of the Australian War Memorial, we have pleasure in submitting to you, for presentation to each House of Parliament, the Australian War Memorial's annual report for the period 1 July 2018 to 30 June 2019. Council formally accepted this report at its meeting on 30 August 2019.

This report is submitted to you as required by section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and is consistent with the requirements of that Act and its associated Rules, Resource Management Guides, and associated resources issued by the Department of Finance.

Also presented in this report is the **annual performance statements** of the Australian War Memorial as required under paragraph 39(1)(a) of the PGPA Act, and its **annual financial statements** as required under paragraph 42(1)(a).

In our opinion, these statements are based on properly maintained records, accurately reflect the performance of the Memorial, and comply with subsection 39(2) and 42(2) of the PGPA Act.

A handwritten signature in blue ink, appearing to read "Kerry Stokes".

Mr Kerry Stokes

CHAIR

30 August 2019

A handwritten signature in blue ink, appearing to read "Brendan Nelson".

Dr Brendan Nelson

DIRECTOR

30 August 2019

*...for we are young and free*

GPO Box 345  
Canberra ACT 2601  
tel: (02) 6243 4211  
fax: (02) 6243 4325  
web: [www.awm.gov.au](http://www.awm.gov.au)

# TABLE OF CONTENTS

<b>ACCEPTANCE OF THE REPORT .....</b>	<b>1</b>
<b>GOVERNANCE .....</b>	<b>3</b>
Enabling legislation .....	3
Governance structure .....	3
Functions .....	3
Purpose .....	4
Location .....	4
Responsible minister .....	4
Accountable authority .....	5
Members of Council .....	6
Organisation structure .....	13
Organisation chart .....	13
Organisational demographics .....	14
Current period (2018–19) .....	14
Previous period (2017–18) .....	15
Executive remuneration .....	16
Information about remuneration for key management personnel .....	16
Information about remuneration for senior executives .....	17
Information about remuneration for key staff .....	17
<b>ANNUAL PERFORMANCE STATEMENTS .....</b>	<b>18</b>
Outcome 1 .....	18
Output 1.1 Commemorative ceremonies .....	18
Output 1.2 The National Memorial and grounds .....	20
Output 1.3 The National Collection .....	21
Output 1.4 Exhibitions .....	24
Output 1.5 Interpretive services .....	26
Output 1.6 Promotions and community services .....	27
Output 1.7 Research, information and dissemination .....	29
Output 1.8 Visitor services .....	31
<b>FINANCIAL STATEMENTS .....</b>	<b>33</b>
<b>LEGISLATIVE COMPLIANCE .....</b>	<b>57</b>
Advertising and marketing .....	57
Energy consumption and environmental management .....	57
<b>APPENDIX A: LIST OF REQUIREMENTS – CORPORATE COMMONWEALTH ENTITIES ..</b>	<b>59</b>

# GOVERNANCE

## Enabling legislation

The Australian War Memorial is established as a corporation by the *Australian War Memorial Act 1980* (the Act). The Memorial's functions and powers, its ministerial oversight, and the role and functions of its Council, Chair, and Director are outlined in the Act.

## Governance structure

The Act allows for the appointment of a Council and a Director as Chief Executive Officer of the Memorial.

The performance of the Memorial and the accountability of its Council and management are subject to the *Public Governance, Performance and Accountability Act 2013*, which imposes key reporting, financial, and pecuniary obligations on the Memorial and its Council members. Many of these are modelled on provisions which apply under corporations law, particularly those for directors.

The Memorial is subject to other acts that bear on its operation, and is accountable to government through the Minister for Veterans and Defence Personnel. It has a strong link to the Department of Finance for budgetary processes, appropriations, grants, and financial management processes, and it follows the advice and guidance provided by the Australian National Audit Office (ANAO). The Memorial adheres to Australian accounting standards in the preparation of its financial reports and follows best practice in its financial management.

## Functions

The *Australian War Memorial Act 1980* Part II, section 5, states:

1. The functions of the Memorial are:
  - a. to maintain and develop the national memorial referred to in subsection 6(1) of the *Australian War Memorial Act 1962* as a national memorial of Australians who have died:
    - i. on or as a result of active service; or
    - ii. as a result of any war or warlike operations in which Australians have been on active service;
  - b. to develop and maintain, as an integral part of the national memorial referred to in paragraph (a), a national collection of historical material;
  - c. to exhibit, or to make available for exhibition by others, historical material that is otherwise in the possession of the Memorial;

- d. to conduct, arrange for and assist in research into matters pertaining to the Australian military history; and
  - e. to disseminate information relating to:
    - i. Australian military history;
    - ii. the national memorial referred to in paragraph (a);
    - iii. the memorial collection; and
    - iv. the Memorial and its functions.
2. The Memorial shall use every endeavour to make the most advantageous use of the material collection in the national interests.

These functions provide the framework around which the Memorial undertakes its core functions of commemoration, education, and research. As the custodian of Australia's military history, the Memorial works to maintain a place for solemn reflection; develop, maintain and exhibit a collection of historically significant material; provide an authoritative reference facility; and conduct, disseminate, and assist with research into Australia's military history.

## Purpose

Drawing from the functions of the Memorial as described in the *Australian War Memorial Act 1980*, the purpose of the Australian War Memorial is to commemorate the sacrifice of those Australians who have died in war or on operational service and those who have served our nation in times of conflict.

## Location

The Memorial's main site is located at the northern end of Anzac Parade in Campbell in the Australian Capital Territory, with storage and collection facilities approximately nine kilometres away in the northern Canberra suburb of Mitchell.

## Responsible minister

The Minister for Veterans and Defence Personnel has portfolio responsibility for the Memorial. During the reporting year the Honourable Darren Chester MP was the minister responsible for the Memorial.

Minister Chester has the following portfolio responsibilities:

- Minister for Veterans and Defence Personnel

## Accountable authority

The Council of the Australian War Memorial is established by section 9 of the *Australian War Memorial Act 1980*. The Council is responsible for the conduct and control of the affairs of the Memorial, and the policy of the Memorial with respect to matters as determined by the Council.

<b>Name</b>	Position Title / Position held  Executive / Non-Executive	<b>Period a the accountable authority or member</b>			Number of meetings of the board of the company	Number of eligible meetings of the board of the company
		Date of Commencement	Date of cessation			
Vice Admiral Tim Barrett AO CSC RAN (Ret'd)	Council Ex Officio	Jul-14	Jul-18	0	1	
Wing Commander Sharon Bown (Ret'd)	Council; FACC	Jun-16	-	5	5	
Lieutenant General Richard Burr AO DSC MVO	Council Ex Officio	Jan-18	-	2	5	
Mr Les Carlyon AC*	Council	May-06	Feb-19	0	4	
Ms Gwen Cherne	Council	Feb-19	-	2	2	
Air Marshal Gavin Leo Davies AO CSC	Council Ex Officio	Jul-15	-	3	5	
Rear Admiral Ken Doolan AO RAN (Ret'd)	Council	Feb-15	Mar-19	4	4	
Ms Margaret Jackson AC	Council	Jun-17	-	4	5	
Corporal Dan Keighran VC	Council	Jun-16	-	4	5	
Mr James McMahon DSC DSM	Council; FACC (Deputy Chair)	Oct-15	-	5	5	
Major General Greg Melick AO RFD SC	Council; FACC (Chair), Remuneration Committee	Mar-15	-	3	5	
Vice Admiral Michael Noonan AO RAN	Council Ex Officio	Jul-18	-	3	4	
Colonel Susan Neuhaus CSC (Ret'd)	Council	Apr-18	-	5	5	
Mr Kerry Stokes AC	Council (Chairman); Remuneration Committee (Chair)	Aug-07	-	5	5	

\* Mr Carlyon passed away on 5 March 2019.

See profiles for Qualifications and Experience



## Members of Council

### CHAIR

**Mr Kerry Stokes AC** was elected as Chairman of the Australian War Memorial on 10 November 2015 with his term commencing on 12 November 2015. He was reappointed to Council in June 2017 for a further three-year term commencing in August 2017. Mr Stokes was previously appointed to Council in August 2007, April 2011, and August 2014. On 11 November 2015, he was inducted as a Fellow of the Australian War Memorial. Mr Stokes is Chairman of Seven West Media, a company which brings together a market-leading presence in broadcast television through the Seven Network, magazines and newspaper publishing through Pacific Magazines and West Australian Newspapers, and online through Yahoo!7 and other expanding new communications platforms. Mr Stokes is also Chairman of Seven Group Holdings, a leading Australian diversified operating and investment group with market-leading businesses and investments in industrial services and media. Seven Group Holdings has a major shareholding in Seven West Media. In industrial services, WesTrac Group is the sole authorised Caterpillar dealer in Western Australia, New South Wales, and the Australian Capital Territory in Australia, and in north-eastern China. WesTrac Group is one of Caterpillar's top five dealers globally. SGH Energy is developing an expanding presence in oil and gas projects in Australia and the United States. Through his private holdings, Australian Capital Equity, Mr Stokes has broad business interests and investments in a range of major business sectors: property, construction, mining, resources, oil and gas exploration. Mr Stokes was the recipient of Australia's highest honour, the Companion in the General Division in the Order of Australia (AC) in 2008, having earlier been awarded the Officer in the General Division of the Order of Australia (AO) in 1995. He holds a Centenary Medal for Corporate Governance, and presented the Boyer Lectures in 1994 and the Andrew Olle Lecture in 2001. Mr Stokes holds an Honorary Life Membership of the Returned and Services League of Australia and received an RSL Commendation Award for outstanding service rendered to the ex-service community. He is a recipient of the Rotary Paul Harris Fellow Award and is also a former Chairman of the National Gallery of Australia.

### COUNCIL MEMBERS

**Vice Admiral Tim Barrett AO CSC RAN (Ret'd)** joined Council in July 2014 when he assumed command of the Royal Australian Navy. His career with the Royal Australian Navy began in 1976 as a seaman officer and he later specialised in aviation. A dual-qualified officer, Vice Admiral Barrett served in Her Majesty's Australian (HMA) Ships *Melbourne*, *Perth* and *Brisbane*, HMS *Orkney* as a seaman officer, and then as flight commander in HMA Ships *Stalwart*, *Adelaide*, and *Canberra*. His staff appointments include deputy director air warfare development, director naval officer's postings, and director general of defence force recruiting. Vice Admiral Barrett has served as commanding officer 817 Squadron, commanding officer HMAS *Albatross*, commander Australian Navy Aviation Group, commander Border Protection Command, and commander Australian Fleet. Vice Admiral Barrett was awarded a Conspicuous Service Cross in 2006 for outstanding performance as commanding officer HMAS *Albatross* and chief of staff Navy Aviation Force Element Group Headquarters. Vice Admiral Barrett was appointed as a Member of the Order of Australia in 2009 and promoted to Officer of the Order of Australia in 2014 for his leadership of Border Protection Command and the

Australian Fleet. Vice Admiral Barrett holds a Bachelor of Arts in Politics and History, and a Masters of Defence Studies from the University of New South Wales, and has completed the Advanced Management Program at Harvard Business School. He recently published *The Navy and the nation: Australia's maritime power in the 21st century*, in which he outlines the extensive opportunities for the navy and Australia as steps are taken to implement the planned investment in naval capability outlined in the Defence White Paper 2016 and the National Shipbuilding Plan over the coming decades.

**Wing Commander Sharon Bown (Ret'd)** was appointed to Council in June 2016 for a three-year term. She was reappointed to Council in 2019 for a further three-year term. Wing Commander Bown served as a nursing officer in the Royal Australian Air Force for 16 years, discharging from service in 2015. Wing Commander Bown deployed to Timor-Leste in 2000 and 2004; Afghanistan in 2008 as Officer-in-Charge of the Australian Medical Task Force in Tarin Kowt, Afghanistan; and on various aeromedical evacuation tasks, including Papua New Guinea in 2001, Solomon Islands in 2003, and Bali following the terrorist bombings in 2005. Having cared for Australian Defence Force personnel and their families in Australia and overseas, Wing Commander Bown is a passionate advocate within the field of military and veterans' health, and demonstrates a unique insight into the welfare and healthcare needs of those adversely affected by their service. Wing Commander Bown has a Bachelor of Psychological Science and is the author of *One woman's war and peace: a nurse's journey in the Royal Australian Air Force*.

**Lieutenant General Rick Burr AO DSC MVO** joined Council in July 2018 when he assumed command of the Australian Army. He joined the Army in 1982, graduating from the Royal Military College, Duntroon in 1985 to the Infantry Corps. He has seen service in the 8th/9th Battalion, the Royal Australian Regiment, and the Special Air Service Regiment, which he commanded in 2003 and 2004. His senior leadership roles have been diverse. He was previously the Deputy Chief of Army, and prior to that had unique service as Deputy Commanding General US Army-Pacific, the first foreign officer to hold such a position. In 2011 and 2012 he was commander of the 1st Division and Deployable Joint Force Headquarters. His operational commands include the theatre-level multinational command of all Special Forces assigned to the International Security Assistance Force in Afghanistan in 2008, and command of the Australian Special Forces Task Group in Afghanistan 2002 and Iraq 2003. In addition to his command roles, he gained broad experience across Army, Defence, and government in a range of staff, training, and representational appointments. Committed to the development of our future leaders, he has been an instructor at the Royal Military College, Duntroon, and Chief Instructor of the Australian Defence Force Warfare Centre, responsible for the education and training of ADF officers in planning joint operations. In key staff roles he was the senior operations and plans officer in Special Operations Headquarters in 2001 and 2002, and Military Assistant to the Chief of the Army in 2005. As a colonel he served as Director of Force Structure, and then Director General Preparedness and Plans in Army Headquarters. In 2007 he was seconded as a senior adviser to the Department of Prime Minister and Cabinet, and was Director General Military Strategic Commitments in 2009 and 2010. In a key representational appointment, he was the Equerry to Her Majesty Queen Elizabeth II for the Royal Visit to Australia in 2000. Lieutenant General Burr is a distinguished graduate of the United States Marine Corps (USMC) Command and Staff College and graduate of the USMC School of Advanced Warfighting. He holds a Bachelor of Arts from the University of New South Wales, a Master of Military Studies from the Marine Corps University, and has completed the Harvard Business School Advanced

Management Program. His personal awards include Officer of the Order of Australia, Distinguished Service Cross, Member of the Royal Victorian Order, and a number of foreign awards for distinguished service. He is patron of Defence Australian Rules Football.

**Mr Les Carlyon AC** was reappointed to Council in June 2017 for a three-year term. He had previously served three-year terms on Council from June 2014, May 2006, and April 2009. Mr Carlyon passed away on 5 March 2019. Mr Carlyon was editor of the *Age*, editor-in-chief of the Herald and Weekly Times group, and visiting lecturer in journalism at RMIT. He received the Walkley Award (1971 and 2004) and the Graham Perkin Journalist of the Year Award (1993). Mr Carlyon was the author of *Gallipoli*, a bestseller in Australia, New Zealand, and Britain, and winner of the Queensland Premier's History Prize. His *The Great War*, published in 2006, was the joint winner of the Prime Minister's Prize for Australian History and was voted book of the year at the Australian Publishers' Book Industry Awards. Mr Carlyon held a Bachelor of Commerce degree from the University of Melbourne.

**Ms Gwen Cherne** was appointed to Council for a three-year term in February 2019. Ms Cherne is an Australian war widow. Following the loss of her husband, Sergeant Peter John Cafe, to suicide in 2017 she has provided essential advocacy for Australian war widows and families. She now serves as Member Director and Contemporary Widow Advisor for the War Widow's Guild of Australia, New South Wales. In 2018, Ms Cherne was appointed as an Invictus Games Ambassador for Clubs NSW. Born in the United States, her career has spanned a diverse geographical area, including the United States, Australia, Afghanistan, Africa, Central and South America, and the Caribbean, with a focus on stability, relief, and development for youth, women, and families living in crisis and extreme poverty. In her early career she co-founded a school for low-income children with the New York Nativity Centers, an organisation she helped restructure. She has worked in Afghanistan as an international development worker, and at IDS International as a senior trainer and manager for curriculum and training for the military and civilians. Ms Cherne has spent the last seven years in Australia, where she has worked at the Australian Civil-Military Centre as a Program Manager for Civil-Military-Police Projects. Ms Cherne has a Bachelor's degree in Psychology with a minor in Women's Studies, and a Master's degree in Public Administration with a concentration in International Policy from the NYU Robert F. Wagner School of Public Service.

**Air Marshal Leo Davies AO CSC** joined the Royal Australian Air Force as a cadet navigator in 1979 and graduated to fly P-3B and P-3C Orion aircraft with Number 11 Squadron at Edinburgh in South Australia. In 1987 Air Marshal Davies completed pilot training and after completing an F-111 conversion course was posted to Number 1 Squadron at RAAF Base Amberley in 1988. In 1990, Air Marshal Davies was posted to Cannon Air Force Base, New Mexico, to fly F-111D aircraft on exchange with the United States Air Force. On return to Australia in 1993, Air Marshal Davies was posted to No. 1 Squadron as Operations Flight Commander, followed by a year as Operations Officer at Headquarters Number 82 Wing during 1996. After a posting in 1997 and 1998 as the Executive Officer at No. 1 Squadron, Air Marshal Davies completed RAAF Command and Staff Course. In 2000, he commenced two years in Capability Systems within Defence Headquarters. In 2002 and 2003, Air Marshal Davies' long association with No. 1 Squadron was rekindled when he returned as Commanding Officer and achieved 2,000 hours flying the F-111. He was the Staff Officer to the Chief of Air Force during 2004,

before taking up the post of Officer Commanding Number 82 Wing at RAAF Base Amberley, where he was awarded a Conspicuous Service Cross (CSC) for outstanding achievement. Air Marshal Davies worked as Director Combat Capability within Air Force Headquarters in 2006 and 2007, during which time he was deployed to the Middle East to work in the Combined Air Operations Centre. Between 2008 and 2010 Air Marshal Davies was the Director General Capability Planning within Air Force Headquarters. He was then posted to Washington as the Air Attaché, where he was awarded the United States Legion of Merit – Officer. Air Marshal Davies returned from Washington in January 2012 to take up his appointment as Deputy Chief of Air Force. Air Marshal Davies was appointed an Officer of the Order of Australia in 2014 for distinguished service to the Australian Defence Force in senior command and staff appointments. He was promoted to Air Marshal and appointed Chief of Air Force on 4 July 2015.

**Rear Admiral Ken Doolan AO RAN (Ret'd)** was appointed to Council on 11 November 2009, and reappointed for a further term on 11 November 2012. Admiral Doolan was elected Chairman of Council on 6 March 2012, serving in that position until 11 November 2015. On 26 November 2015 he was appointed for another three-year term as a member of Council. Admiral Doolan joined the Royal Australian Navy as a 13-year-old cadet midshipman in January 1953 and completed full-time service in December 1993 with the rank of rear admiral. Admiral Doolan served in the destroyer HMAS *Vampire* during Confrontation with Indonesia in 1966, and in the guided-missile destroyer HMAS *Perth* during the Vietnam War. He was the first Commanding Officer of the Amphibious Heavy Lift Ship HMAS *Tobruk* and later commanded the guided-missile destroyer HMAS *Brisbane*. During the Gulf Crisis and Gulf War of 1990–91 Admiral Doolan was Maritime Commander, Australia, and was appointed Operational Commander of all Australian combatant forces deployed to that conflict (Operation Damask). Admiral Doolan was appointed an Officer in the Military Division of the Order of Australia in January 1991. Since ceasing full-time naval service Admiral Doolan has held several remunerated and honorary positions, including membership of the Defence Force Remuneration Tribunal, National Secretary of the Order of Australia Association, National President of the Australian Institute of Navigation, Chairman of the Forces Entertainment Board, member of the board of the Hoc Mai Foundation, member of the National Commission for the Centenary of Anzac, and member of the Defence Reserve Support Council. Admiral Doolan has written several books and in 2006 established a publishing company. After serving for many years as a member of the National Defence Committee of the Returned and Services League of Australia (RSL) he was elected RSL National President in September 2009, a position he held until June 2016. On 11 November 2016, he was inducted as a Fellow of the Australian War Memorial.

**Ms Margaret Jackson AC** was appointed to Council for a three-year term from 27 June 2017. Ms Jackson is Chair of Ansett Aviation Training Limited, Prince's Charities Australia, a director of the Melbourne Symphony Orchestra and Barefoot to Boots, and a member of Monash University's Industry Council of Advisors. Ms Jackson has served as chair of Spotless, Qantas, FlexiGroup Ltd, the Victorian Transport Accident Commission, as director of the Broken Hill Proprietary Company Limited, the Australian and New Zealand Banking Corporation, Pacific Dunlop Limited, John Fairfax Holdings Limited, Billabong International Ltd, Telecom Australia, and West Gippsland Healthcare Group, and President of Australian Volunteers International. She is a former partner of KPMG Advisory and BDO Nelson. Ms Jackson was awarded Companion of the Order of Australia in the General Division (AC) in June 2003 for service to business in diverse and leading Australian corporations and to the community in the area of support for medical research, the arts and education, and was awarded the Centenary Medal in 2001 for service to Australian society in business. Ms Jackson holds an Honorary Doctorate of Laws from Monash University. She is the former Chair of the Advisory Board for the Salvation Army Southern Territory, the Playbox Theatre Company, and Methodist Ladies' College.

**Corporal Daniel Keighran VC** was appointed to Council in June 2016 for a three-year term, and was re-appointed in May 2019 for a further three years. Corporal Keighran enlisted in the Australian Army at 17 and served his country as part of the 6th Battalion, Royal Australian Regiment (6RAR), discharging from full-time service in 2011. Corporal Keighran deployed to Rifle Company Butterworth, Malaysia, in 2001 and 2004; Timor-Leste (East Timor) in 2003–04; Iraq in 2006; and Afghanistan in 2007 and 2010. Corporal Keighran is the only Victoria Cross recipient from the Royal Australian Regiment in its proud 67-year history, with his citation reading, "For the most conspicuous acts of gallantry and extreme devotion to duty in action in circumstances of great peril at Derapet, Uruzgan province, Afghanistan, as part of the Mentoring Task Force One on Operation SLIPPER". Since completing his full-time service Corporal Keighran has held various private sector roles including his current association with Thales Australia. Corporal Keighran continues to serve his country as an active reservist with the Australian Army and donates his time as an ambassador to Mates4Mates.

**Mr James McMahon DSC DSM** was appointed to Council in October 2015. Mr McMahon is the Chief Operating Officer at Australian Capital Equity. Prior to this he was the Commissioner for the Department of Corrective Services in Western Australia and Chief Operating Officer at Azure Capital, a corporate advisory firm. Mr McMahon's corporate and public sector experience followed a 22-year full-time career in the Australian Defence Force. As an SAS Squadron Commander, the squadron was awarded the Meritorious Unit Citation for exemplary performance. As the SAS Commanding Officer, the unit was awarded the Meritorious Unit Citation. He was personally awarded the Distinguished Service Cross (DSC) and the Distinguished Service Medal (DSM) for command and leadership in action in Timor Leste, Afghanistan and Iraq. He was named Western Australian of the Year 2019 for his service to the community. His board memberships include the West Coast Eagles Football Club 2007–2015 (where he also served as deputy chairman and remains a current member of the leadership subcommittee), the SAS Resources Trust Board, the St John of God Health Care Board, and the Investment Advisory Group Committee for RSL WA. He is an ambassador for the Fathering Project. His educational qualifications include a Masters in Management and a Masters in Business Administration.

**Major General Greg Melick AO RFD FANZCN SC (Ret'd)** was appointed to Council in March 2015. He is a Hobart-based senior counsel who was a member of the ADF Reserves from 1966 to 2018. He commanded at all levels from section to brigade before becoming Australia's most senior Reserve officer in 2007, and the ADF's Head of the Centenary of Anzac Planning Team in 2011. He has served in units including the 2nd Battalion, Royal New South Wales Regiment, and One Commando Company, and has commanded units and formations including the 12th/40th Battalion, Royal Tasmania Regiment, and 8 Brigade. He is the Colonel Commandant of 1st Commando Regiment. He has been a Principal Crown Counsel in the Tasmanian Crown Law Office, a Statutory Member of the National Crime Authority and the NSW Casino Control Authority. He was appointed a part-time Deputy President of the Administrative Appeals Tribunal in September 2014, and the part-time Chief Commissioner of the Tasmanian Integrity Commission in 2015. He has conducted several investigations including the one into the Beaconsfield mine collapse, and is Cricket Australia's anti-corruption special investigator. He is a former chairman of the board of St John Ambulance (Tasmania) and was elected RSL National President in May 2019.

**Colonel Susan Neuhaus CSC (Ret'd)** was appointed to Council for a three-year term from 27 April 2018. Colonel Neuhaus works as a consultant surgeon in private practice and holds an appointment as Clinical Associate Professor of Surgery at the University of Adelaide. Colonel Neuhaus has completed a 20-year career in the Regular Army and Army Reserve. She is a graduate of Australian Command and Staff College (Res). Her operational experience includes deployments to Cambodia, Bougainville, and Afghanistan. She served as Commanding Officer of the 3rd Health Support Battalion in 2007 and 2008. Colonel Neuhaus was promoted to colonel in 2008 and her military service was recognised with the award of the Conspicuous Service Cross in the 2009 Queen's Birthday Honours List. Colonel Neuhaus holds the adjunct position of Associate Professor Conflict Medicine at the University of Adelaide Centre for Traumatic Stress Studies. In this role, Colonel Neuhaus leads a developing national research collaborative investigating the gender specific effects of military service and deployment. She is widely published in areas of operational health care and has provided veteran advocacy and representation at multiple levels, including as former chair of the Repat Foundation – the Road Home, as a member of the South Australian Veterans Health Advisory Council, and as Co-Chair of the South Australian PTSD Centre of Excellence Ministerial Advisory Panel (now established as the Jamie Larcombe Centre). Colonel Neuhaus is the author of *Not for glory: a century of service by medical women to the Australian Army and its allies*. Colonel Neuhaus is a patron of the Virtual War Memorial, Australia.

**Vice Admiral Michael Noonan AO RAN** joined Council in July 2018 when he assumed command of the Royal Australian Navy. He joined the Royal Australian Navy in 1984, training as a seaman officer and completing the Principal Warfare Officers course, specialising in air direction and above water warfare. He has experience in a wide range of Navy and ADF operations through various sea and shore postings and operational roles. He had deployed to the Middle East, the Southern Ocean, and been the Commissioning Commanding Officer of the ANZAC class frigate HMAS *Parramatta*. He has fulfilled leadership positions at all levels of the Australian Defence Force, with senior positions as the Director of Military Strategic Commitments, Director General of Operations at HQJOC, Command of Maritime Border Command, and Deputy Chief of Navy. In June 2018, he was appointed as an Officer of the Order of Australia in recognition of his distinguished service in significant senior ADF command roles. Vice Admiral Noonan assumed command of the Royal Australian Navy on 7 July 2018 and is the 32nd professional head of the Australian Navy and the 9th officer to hold the title of Chief of Navy Australia. In this role, he is entrusted by government to be its principal naval advisor, and to raise, train and sustain Australia's naval forces to execute maritime missions in a dynamic region.

**Mrs Josephine Stone AM** was appointed to Council on 26 February 2015, and in 2018 was reappointed for a three-year term. Mrs Stone is a graduate of the Melbourne Law School and has worked in a number of public and private legal institutions in Victoria and the Northern Territory of Australia. Her previous professional involvements include being a statutory member of the Regional Telecommunications Independent Review Committee (CWTH), Professional Standards Manager at the Northern Territory Law Society, Assignments Director at the Northern Territory Legal Aid Commission, solicitor with the Australian Government Solicitor, and positions with private firms in Melbourne, Alice Springs, and Darwin. Mrs Stone is currently a director of a private family company. Her community engagements include Zonta Alice Springs, Darwin Private Hospital Advisory Board, NT Women's Advisory Board, and Chairman of the Red Cross (Katherine) Flood Appeal, together with a number of roles in school parents and friends committees and boards in Darwin and Brisbane. Her additional personal interests have included instigating the 100-year history of St Marys Primary School in Darwin, and the political advancement of women, involving appearances at international conferences as moderator and speaker. Mrs Stone was made a Member of the Order of Australia in 2006 for services to the law and the community.

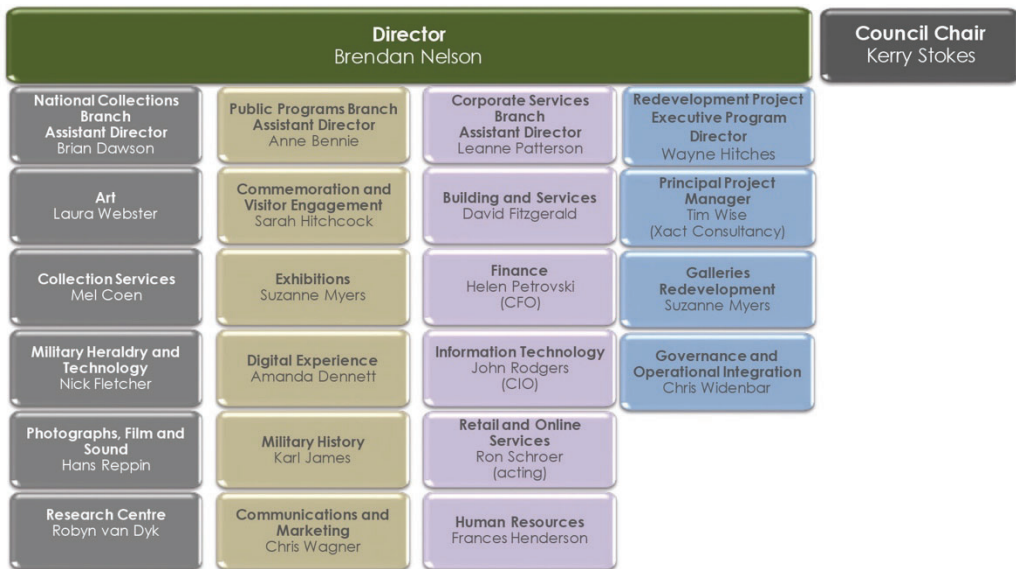
## Organisation structure

Day-to-day corporate operations are conducted in accordance with the policies and strategic direction set by the Council of the Memorial and its management team.

The management structure of the Memorial comprises three branches based on functional responsibilities with outputs achieved by cross-branch activities.

Project teams for particular tasks are established as required, drawing on staff from sections across the Memorial managed and coordinated by the Memorial's senior executive committee, the Corporate Management Group (CMG), which is comprised of the Director and the three assistant directors. Meeting weekly, CMG is responsible for the overall leadership, management and implementation of strategies and policies, and the regular review of performance.

## Organisation chart



as at 30 June 2019



## Organisational demographics

Following is an overview of the metrics of the staff at the Memorial, as at 30 June 2019.

### Current period (2018–19)

All ongoing employees

	Male			Female			Indeterminate			Total
	Fulltime	Part Time	Total Male	Fulltime	Part Time	Total Female	Fulltime	Part Time	Total Indeterminate	
NSW	-	-	-	-	-	-	-	-	-	-
Qld	-	-	-	-	-	-	-	-	-	-
SA	-	-	-	-	-	-	-	-	-	-
Tas	-	-	-	-	-	-	-	-	-	-
Vic	-	-	-	-	-	-	-	-	-	-
WA	-	-	-	-	-	-	-	-	-	-
ACT	122	5	127	130	16	146	0	0	0	273
NT	-	-	-	-	-	-	-	-	-	-
External Territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	122	5	127	130	16	146	0	0	0	273

All non-ongoing employees

	Male			Female			Indeterminate			Total
	Fulltime	Part Time	Total Male	Fulltime	Part Time	Total Female	Fulltime	Part Time	Total Indeterminate	
NSW	-	-	-	-	-	-	-	-	-	-
Qld	-	-	-	-	-	-	-	-	-	-
SA	-	-	-	-	-	-	-	-	-	-
Tas	-	-	-	-	-	-	-	-	-	-
Vic	-	-	-	-	-	-	-	-	-	-
WA	-	-	-	-	-	-	-	-	-	-
ACT	23	0	23	33	3	36	0	0	0	59
NT	-	-	-	-	-	-	-	-	-	-
External Territories	-	-	-	-	-	-	-	-	-	-
Overseas	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	23	0	23	33	3	36	0	0	0	59

## Previous period (2017–18)

All ongoing employees

	Male			Female			Indeterminate			Total
	Fulltime	Part Time	Total Male	Fulltime	Part Time	Total Female	Fulltime	Part Time	Total Indeterminate	
<b>NSW</b>	-	-	-	-	-	-	-	-	-	-
<b>Qld</b>	-	-	-	-	-	-	-	-	-	-
<b>SA</b>	-	-	-	-	-	-	-	-	-	-
<b>Tas</b>	-	-	-	-	-	-	-	-	-	-
<b>Vic</b>	-	-	-	-	-	-	-	-	-	-
<b>WA</b>	-	-	-	-	-	-	-	-	-	-
<b>ACT</b>	112	5	117	123	21	144	0	0	0	261
<b>NT</b>	-	-	-	-	-	-	-	-	-	-
<b>External Territories</b>	-	-	-	-	-	-	-	-	-	-
<b>Overseas</b>	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	112	5	117	123	21	144	0	0	0	261

All non-ongoing employees (includes casuals, excludes statutory office holder(s))

	Male			Female			Indeterminate			Total
	Fulltime	Part Time	Total Male	Fulltime	Part Time	Total Female	Fulltime	Part Time	Total Indeterminate	
<b>NSW</b>	-	-	-	-	-	-	-	-	-	-
<b>Qld</b>	-	-	-	-	-	-	-	-	-	-
<b>SA</b>	-	-	-	-	-	-	-	-	-	-
<b>Tas</b>	-	-	-	-	-	-	-	-	-	-
<b>Vic</b>	-	-	-	-	-	-	-	-	-	-
<b>WA</b>	-	-	-	-	-	-	-	-	-	-
<b>ACT</b>	27	0	30	2	32	-	-	-	-	59
<b>NT</b>	-	-	-	-	-	-	-	-	-	-
<b>External Territories</b>	-	-	-	-	-	-	-	-	-	-
<b>Overseas</b>	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	27	0	30	2	32					59

## Executive remuneration

The following information relates to the remuneration of the Memorial's senior executive members, and other key personnel.

### Information about remuneration for key management personnel

Name	Position title	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long service leave	Other long-term benefits		
Ms Anne Bennie	Assistant Director (Branch Head)	\$205,000			\$40,000	\$5,000			\$250,000
Maj Gen Brian Dawson (Ret'd)	Assistant Director (Branch Head)	\$215,000			\$30,000	\$5,000			\$250,000
Dr Brendan Nelson AO	Director	\$375,000	\$60,000		\$20,000	\$15,000			\$470,000
Ms Leanne Patterson	Assistant Director (Branch Head)	\$210,000			\$35,000	\$5,000			\$250,000

## Information about remuneration for senior executives

Total remuneration bands	Number of senior executives	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Average base salary	Average bonuses	Average other benefits and allowances	Average superannuation contributions	Average long service leave	Average other long-term benefits	Average termination benefits	Average total remuneration
\$0 - \$220,00									
\$220,001 - \$245,000									
\$245,001 - \$270,000	3	\$210,000			\$35,000	\$5,000			\$250,000
\$270,001 - \$295,000									
\$295,001 - \$320,000									
\$320,001 - \$345,000									
\$345,001 - \$370,000									
\$370,001 - \$395,000									
\$395,001 - \$420,000									
\$420,001 - \$445,000									
\$445,001 - \$470,000	1	\$375,000	\$60,000		\$20,000	\$15,000			\$470,000
\$470,001 - \$495,000									
\$495,001 - \$520,000									
\$520,001 - \$545,000									

## Information about remuneration for key staff

No other Memorial staff met the reporting threshold during the reporting period.

# ANNUAL PERFORMANCE STATEMENTS

Following are the performance statements against each of the Memorial's key outcome deliverables.

## Outcome 1

Australians remembering, interpreting and understanding the Australian experience of war and its enduring impact through maintaining and developing the National Memorial, its collection and exhibition of historical material, commemorative ceremonies, and research.

### Output 1.1 Commemorative ceremonies

***A range of commemorative ceremonies will be delivered, including three major ceremonies (Anzac Day Dawn Service, Anzac Day National Ceremony, and Remembrance Day Ceremony), other ceremonies linked to key anniversaries, a school wreath-laying program, and the daily Last Post Ceremony.***

#### 1.1.1 Deliver Centenary of Armistice of First World War commemorative programme

**Target:** Centenary of Armistice of First World War commemorative programme delivered

**Analysis:** The Honour their Spirit program of activities for the Centenary of First World War ran from October to November 2018. Key activities delivered were:

- Display of 62,000 hand-crafted poppies on the grounds of the Memorial's Sculpture Garden
- Accompanying musical selection and recordings by the Memorial's artist in residence
- *The diggers' requiem* musical composition by artist in residence
- Launch of *After the war* special exhibition
- Roll of Honour name projections every night
- Digital initiatives with public relations, marketing, and social media campaigns encouraging Australians to participate in and contribute to the commemorative activities
- *Epitaph* theatre performance
- image projections and lighting display on the Memorial building.

In addition a ceremonial program including:

- Last Post ceremonies
- Remembrance Day 2018 National Ceremony.

An estimated 147,991 people attended Centenary of First World War program activities during October and November 2018, with an additional 20,667 school visitors to a total estimated attendance of 168,658.

99 per cent of visitors attending the Memorial rated their overall experience of the Armistice program as excellent or good. 86 per cent of these rated it as excellent.

94 per cent rated the 62,000 poppies display as their favourite aspect of the program.

**Source:** Armistice visitor survey October to November 2018

### 1.1.2 Deliver major commemorative ceremonies and events as scheduled

**Target:** All major commemorations delivered as scheduled

**Analysis:** The Memorial delivered the Anzac Day Dawn Service and National Ceremony on 25 April 2018. The Remembrance Day National Ceremony was a highly-significant event within the Centenary of First World War commemorations.

An estimated 45,000 people attended the Anzac Day 2019 ceremonies: 35,000 at the Dawn Service, and 10,000 at the National Ceremony. This is an 8 per cent decrease on 2018 attendances.

An estimated 12,000 people attended the Centenary of First World War Remembrance Day National Ceremony in November 2018. This is 8,900 more than in 2017 (287 per cent increase).

Total number of ceremonies conducted 3

**Source:** Australian War Memorial attendance records

### 1.1.3 Deliver minor commemorative ceremonies and events as scheduled

**Target:** All minor commemorations delivered as scheduled

**Analysis:** In a private ceremony held on 10 November 2019, the names of Captain Paul McKay, Trooper Matthew Millhouse, Lieutenant Commander Steven Noakes, and Able Seaman Jay Wilkie were added to the Roll of Honour.

During this financial year 3,941 visitors attended one of 121 minor commemorations or ceremonies that were conducted at the Memorial. Second World War anniversary ceremonies included Sandakan death marches, D-Day and the Normandy invasion, and Bomber Command. Other activities included VIP cleaning of the Tomb of the Unknown Australian Soldier.

Total number of wreathlaying ceremonies conducted 121

**Source:** Australian War Memorial attendance records

### 1.1.4 Deliver daily Last Post ceremonies including online streaming

**Target:** Last Post Ceremony delivered daily

**Analysis:** The Memorial’s popular Last Post Ceremony was conducted daily except for Christmas Day, and 30 December 2018 when Memorial operations were interrupted by an unscheduled evacuation.

Total attendance at the Last Post Ceremony for this financial year was 139,220.

Total number of Last Post ceremonies conducted 363

**Source:** Australian War Memorial attendance records

## Output 1.2 The National Memorial and grounds

***The Memorial building and grounds are conserved and developed as a dignified, moving, and impressive national memorial to Australians who served and died at war.***

1.2.1 Continued development and maintenance of Memorial building and grounds consistent with high standards, ensuring that all works comply with standards and that major works are communicated to visitors prior to commencement and with the impact on the visitor experience minimised as far as possible

**Target:** The buildings and grounds were kept in a state consistent with a pre-eminent national institution.

**Analysis:** 100 per cent of visitors who included the Memorial’s grounds and Sculpture Garden in their visit stated that they were “very satisfied” or “satisfied”; 88 per cent of these gave the rating of “very satisfied”.

**Source:** General Visitor Survey 2018–19

1.2.2 Staged implementation of the detailed Australian War Memorial Redevelopment (Memorial Master Plan) incorporating:

- (a) Completion of detailed business case of Campbell site development plan
- (b) Completion of Gallery Master Plan in conjunction with 1.2.2 (a)
- (c) Completion of works at Mitchell site
- (d) Commencement of facilities strategy including storage and accommodation for all sites.

**Target:** The Australian War Memorial Redevelopment (Memorial Master Plan) is implemented subject to available funding:

- (a) Detailed Business Case delivered for government consideration
- (b) Gallery Master Plan delivered for government consideration
- (c) Works completed
- (d) Planning commenced.

**Analysis:**

(a) The Memorial Redevelopment Team presented the Detailed Business Case to government on 21 December 2018. This document drew together the various briefings and submissions to government which formed the basis for the announcement of funding.

(b) The preliminary Gallery Master Plan was amongst the documents delivered to government on 21 December 2018.

(c) Major construction works were completed at the Mitchell storage facility. These works primarily provide for long-term storage of large technology objects and other National Collection items, and provide enhanced logistical planning capability and flexibility.

(d) With the completion of the major construction works at the Mitchell facility, work has now commenced on the logistics phases of the project, to move collection items into the purpose-built facility.

**Source:** Quarterly report against the Australian War Memorial Business Plan

**Output 1.3 The National Collection**

***An outstanding national collection of historical material with provenance that is related to Australia's military history and heritage.***

1.3.1 Continued development and maintenance of a National Collection of items relating to Australia's military history, collecting from recent and current conflicts and operations including peacekeeping and some peacetime operations that add to the story of Australia's military history and heritage

**Target:** Items appropriate for the National Collection are identified, acquired and conserved in accordance with Memorial policy

**Analysis:** Major acquisitions/commissions in the reporting period included:

- 4 July 2018 – new commemorative sculpture of General Sir John Monash installed within the Sculpture Garden
- 17 August 2018 – Long Tan Cross gifted to the Memorial by the Government of the Socialist Republic of Vietnam
- 3 March 2019 – AP-3C Orion aircraft handed over by the RAAF
- 28 March 2019 – *For our Country* sculptural pavilion unveiled marking Aboriginal and Torres Strait Islander Australian military service
- 30 May 2019 – RF-111C A8-134 handed over by the RAAF.

Total new acquisitions for the National Collection 4,365

**Source:** Australian War Memorial corporate reporting against business plan



### 1.3.2 Implement agreed and funded recommendations for 2018–19 arising from the 2017 ANAO Performance Audit – Management of National Cultural Collections

**Target:** Agreed and funded recommendations implemented

**Analysis:** The Australian National Audit Office’s recommendations, and progress against those recommendations, is as follows:

*Recommendation:* The ANAO recommended that the Australian War Memorial improve its collection management frameworks by:

- identifying all of the policies, plans and procedures relevant to the management of its collection
- assessing and filling gaps in policies, plans and procedures against applicable standards
- establishing a regular system of review to ensure that all policies, plans, and procedures are up to date
- developing arrangements to provide ongoing and consistent storage of and access to collection management policies, plans and procedures.

*Progress:*

- Policies, plans, and procedures have been identified and updated where applicable
- A system has been established for the regular review of these documents
- Policy documents, plans and procedures are centralised in the Memorial’s central document storage system and accessible by all staff.

*Recommendation:* To ensure that entities are effectively developing the National Collections, the ANAO recommended that the Australian War Memorial:

- review and update its Collection Development Plan (CDP)
- establish a structured process to support the development of and monitoring against its CDP and Art Acquisition Strategies
- publish a full or modified version of its CDP or Art Acquisition Strategy on their website
- assess its collections to identify items for disposal/deaccession and establish a plan for removing these items from their collections.

*Progress:*

- The Memorial’s CDP was reviewed and updated in December 2018 (ref Output 1.3.3)
- The revised CDP has been in use since December 2018 and all acquisitions including donations, purchases, and transfers are assessed in relation to this document. The collecting strategy is aligned with gallery planning and redevelopment priorities
- A version of the CDP is now available on the public website

- The centralised acquisitions program has continued to develop and further strengthen collecting strategies. Disposals are now centralised and documented in the Memorial’s collection management system. An active assessment and disposal program is now available as part of the Memorial’s overall collection management strategy.

*Recommendation:* The ANAO recommended that the Australian War Memorial continue to improve its acquisition procedures including:

- specifying how acquisitions align with the approved CDP
- assessing whole-of-life costs of acquisitions in line with the requirements of the Commonwealth Procurement Rules and providing this information to the decision maker.

*Progress:*

- All acquisitions are subject to assessment against the new CDP
- Whole-of-life costs are assessed, considered, and recorded at the point of acquisition.

*Recommendation:* To assist entities in meeting their legislated responsibilities to maintain the National Collection, the ANAO recommended that the Australian War Memorial:

- update its Collection Preservation Plan
- review resources allocated to conservation activities to ensure that these resources are aligned to conservation risks, meet collection management standards, and are appropriate for achieving business priorities.

*Progress:*

- The Memorial’s Corporate Management Group approved the National Collection Preservation Plan 2018–2024 in February 2019
- This plan aligns conservation resources with priority projects.

**Source:** Australian War Memorial corporate reporting against business plan

### 1.3.3 Develop a comprehensive Collection Management Strategy including regular review of collection priorities and setting of long-term conservation and digitisation standards and targets

**Target:** Collection Management Strategy developed

**Analysis:** The Collection Development Plan (CDP) was revised, updated, completed, and published on the Memorial’s website during the reporting period (ref also Output 1.3.2).

The CDP outlines the purpose of the National Collection; avenues for acquiring items for the National Collection; guidelines for evaluating material for inclusion in the National Collection; and key factors and priorities guiding collection development over the coming years.

The CDP includes an updated articulation of the rationale for collecting material and objects, and how the collection plan supports the Australian War Memorial Redevelopment Project.

An abbreviated version of the plan can be found at

[https://www.awm.gov.au/sites/default/files/collection\\_development\\_plan.pdf](https://www.awm.gov.au/sites/default/files/collection_development_plan.pdf)

**Source:** Australian War Memorial corporate reporting against business plan

### 1.3.4 The Memorial maintains a cost-recovery-based outwards loans and digital access program to support other organisations in telling stories of Australian service and sacrifice through the use of elements of the National Collection

**Target:** National Collection material is used by museums, media, and others to enrich and enhance exhibitions, articles, and online material to tell stories of Australia at war

**Analysis:** The Memorial continued to share the Australian experience of war and to tell the stories of Australian’s service and sacrifice. The VIP loans program provides a mechanism for the Memorial to share the National Collection with the Parliament of Australia, state and territory governments, overseas diplomatic missions, and key sponsors and stakeholders.

**Source:** Australian War Memorial corporate reporting against business plan

## Output 1.4 Exhibitions

### ***Development and maintenance of outstanding, permanent, temporary and travelling exhibitions***

#### 1.4.1 Permanent exhibitions to be maintained and refreshed as required, educating Australians on the Australian experience of war

**Target:**

Increased visitor satisfaction levels with permanent exhibition experience over three-year average as measured by visitor surveys

**Analysis:**

92 per cent of visitors included permanent exhibition galleries during their visit. Just under half, 46 per cent, indicated they included all galleries.

99 per cent of visitors who attended the permanent galleries said they were “very satisfied” or “satisfied”. 91 per cent were “very satisfied”.

The overall satisfaction rating with a visit to the Memorial for 2018–2019 is 99 per cent. The three-year average for overall satisfaction with the visit to the Memorial is 98 per cent.

**Source:** General Visitor Survey 2018–19

1.4.2 Temporary and touring exhibition to further tell stories of Australian experience of war that are additional to and expand upon the permanent exhibition. Centenary of Armistice commemorative display.

**Target:**

Delivery of special exhibition *After the War 18–19*

*For Country, for Nation* touring exhibition exhibited in six locations across three states

Increased visitor satisfaction levels with touring exhibition experience over three-year average as measured by surveys of visitors

**Analysis:**

*From the shadows: Australia's Special Forces* exhibition concluded with over 340,000 visitors estimated to have seen this exhibition during its time on display at the Memorial.

*After the War* special exhibition delivered and launched on 5 October 2018

- 60 per cent of visitors exiting this exhibition stated they learned something new
- 78 per cent reported that this exhibition made them think about how they would feel in similar situations or experiences
- 98 per cent rated this exhibition overall as “very good” or “good”. 78 per cent rating it “very good”
- 99 per cent rated the objects, photographs and stories as “very good” or “good”. 76 per cent said “very good”.

*For Country, for Nation* toured to two locations in two states this financial year:

- Melbourne Museum, Victoria
- Samstag Museum of Art, South Australia.
- The tour booking for Pinnacles Gallery in Townsville, Queensland, was cancelled due to severe regional flooding.

Samstag Museum of Art in South Australia displayed *For Country, for Nation* and *Reality in flames* during July 2019. Early visitor survey feedback indicates that:

- visitors are rating their experience of these touring exhibitions as “very satisfied” or “satisfied”.
- Two-thirds of visitors stated that the Memorial touring exhibition exceeded their expectations.

A three-year average for touring exhibitions is not available due to prior suspension of the touring exhibition program initiated in 2014.

**Source:** *After the War* visitor survey; *Reality in flames* and *For Country, for Nation* touring exhibition surveys from Samstag Museum of Art venue.

## Output 1.5 Interpretive services

### ***Provision of interactive interpretation, including the delivery of innovative on-site, outreach and online education and public programs as well as special events***

#### 1.5.1 A range of public programs and events for visitors to the Memorial

**Target:** Continued strong visitation with growth in line with or exceeding average Canberra cultural institution visitation variation over past three years

**Analysis:** The Honour their Spirit program generated an increase in visitation to the Memorial during the second quarter of this year.

Front gate visitation to the Memorial totalled 881,380. This is an increase of 2 per cent, or 14,333 people, when compared to the Memorial's three-year average.

**Source:** Australian War Memorial attendance records

#### 1.5.2 A series of quality, engaging, curriculum-related school education programs for on-site education groups

**Target:** Continued strong visitation with growth in line with or exceeding average Canberra cultural institution visitation variation over past three years

**Analysis:** The Memorial welcomed a total of 150,276 school audience visitors. 136,799 were students and 13,477 were accompanying adults.

This is an increase of 4 per cent, or 5,229 more students and accompanying adults, when compared to the Memorial's three-year average.

**Source:** Australian War Memorial attendance records

#### 1.5.3 A range of quality, engaging, curriculum-related online and digital school education resources for teachers and students

**Target:** Online and digital education resources meet curriculum requirements

**Analysis:** Education's online learning resources expanded with the addition of the 2019 Education poster focused on peacekeeping and humanitarian operations, Simpson Prize 2020 sources, and a pdf of *Candour*, the seventh book in the Century of Service collaboration with the Department of Veterans' Affairs. A comprehensive Education kit on the Memorial's collection of propaganda posters was also published, complementing the *Hearts and minds* touring exhibition.

All resources are linked to the Australian Curriculum, and are designed to highlight the valuable primary and secondary source material in the Memorial's collection.

Page content	2018–19 page views	2018–19 unique page views	2017–18 page views	2017–18 unique page views
visit/schools/	23,995	9,333	14,671	6,398
/learn/	1,131,402	447,877	673,464	283,556
<b>Total</b>	<b>1,155,397</b>	<b>457,210</b>	<b>688,135</b>	<b>289,954</b>

Virtual excursions were promoted online after a successful trial in 2018. Between April and June 2019, eight virtual excursions were delivered to 163 primary, secondary, and university students in Victoria, Tasmania, Western Australia, Queensland, and the Northern Territory, via video conference technology.

One connection consisted of a professional development program with pre-service teachers from Murdoch University in Western Australia, demonstrating the capacity of the digital space to create diverse educational opportunities.

**Source:** Australian War Memorial corporate records

#### 1.5.4 Promote, respond to requests for, and manage demand, for the Commemorative Crosses program

**Target:** All requests for Commemorative Crosses responded to, at least 90 per cent supported

**Analysis:** During the reporting period, the Memorial supported 100 per cent of the requests for Commemorative Crosses from a range of embassies and missions from around the world including Berlin, Paris, Tel Aviv, Tehran, and Port Moresby.

The program, which was conceived as a Centenary project, officially closed at the end of the Centenary period but the Memorial continues to provide Commemorative Crosses on request. During the 2018–19 reporting period, approximately 2,000 crosses were distributed across the world for placement onto war graves for use within commemorative services and activities.

**Source:** Australian War Memorial corporate reporting against business plan

## Output 1.6 Promotions and community services

***Promotion of the Memorial as an outstanding national institution and assistance to the community to understand the Memorial's roles, activities, programs, relevance, and future. Through the provision of high-quality promotion and community services, the program provides a necessary foundation for other programs to function effectively.***

#### 1.6.1 Further refine the Australian War Memorial's online presence aligned to the Digital Strategy to facilitate greater involvement and outreach

**Target:** Strong website visitation including growth in collection searches and increased social media engagement

**Analysis:** The Memorial has engaged the public online with

- 5,461,218 sessions and 43,512,771 page views of the Memorial's website.
- A total of 480,419 object records available on the Memorial's website.
  - -The Memorial collection was re-interpreted with the release of two new 360-degree interactive experiences;
    - “On closer inspection: the Mark IV tank Grit” made available online on 15 November

- “On closer inspection: the Bushmaster” made available online on 30 May 2019.

Places of pride: the national register of war memorials was made available to the public on 1 November 2018. This online database initiative aims to record the location and a photographic record of every Memorial around the nation.

The Memorial had 121,616 Facebook followers by end of financial year.

There were a total of 5,814,713 Flickr views of Memorial content since commencement on the site.

**Source:** Website user profile study 2018–19

### 1.6.2 Increase the Australian War Memorial's profile through proactive media outreach

**Target:** Strong media presence at and coverage of Memorial, including events, generated through proactive media strategy and outreach

**Analysis:** The Australian War Memorial has experienced greater media coverage than ever before. During the reporting period, the Memorial received and responded to 886 media enquiries and issued 65 media releases and alerts.

In this period, the Memorial received more than 10,000 mentions in the media, as recorded by media monitoring consultant iSentia. Approximately 98 per cent of mentions were positive or neutral in sentiment.

The *Honour their spirit* campaign to mark the centenary of the end of the First World War saw very strong media results. Between 8–12 November 2018, the Memorial was mentioned in the media more than 2,770 times, with a potential reach of more than 80 million people.

More than 90 members of the media registered to attend Anzac Day events at the Memorial, which led to nearly 2,000 mentions of the Memorial in the media in April 2019.

**Source:** Australian War Memorial statistical data

### 1.6.3 Develop enhanced program delivery options, including a paid tour program including audio tours, and veterans specific programs such as Soldiers in Residence

**Target:** Deliver range of enhanced tour options

**Analysis:** The Memorial now offers the following paid tour options to its visitors:

#### *Highlights Audio Tour*

Commencing in February 2019, the Highlights Audio Tour provides visitors with insights into the First World War galleries, Second World War galleries, Hall of Valour, and Conflicts 1945 to Today galleries. The tour is available in English, Mandarin, and Hindi, as well as an Auslan (Australian sign language) mode enabling commentary for hearing-impaired visitors and improving the Memorial's accessibility options.

*Scheduled tours*

Commencing in May 2019, paid tours are available and can be tailored to the visiting group and include Memorial highlights for up to 60 minutes. They include the use of a microphone and headset to ensure a quality touring experience.

*Signature Series special experience*

Commencing in April 2019, the Signature Series tour involves a tailored private tour of the Commemorative Area followed by a behind-the-scenes curator-led experience through the Photo, Film and Sound labs; the Art store; or the Research Centre collection.

*Soldier in residence*

Four Soldiers in Residence rotations were hosted providing the opportunity for current serving soldiers to experience both public program and collection aspects of the Memorial's operations.

**Source:** Commemoration and Visitor Engagement team, Australian War Memorial

## Output 1.7 Research, information and dissemination

***The stimulation of an interest in and understanding of Australia's military history by the production of an dissemination in print, broadcast, and online media of articles, papers, and presentations, conferences, publications and encouraging the conduct of historical research and dissemination of knowledge and understanding of Australia's military history.***

### 1.7.1 Support for research about Australian military history including:

- the Memorial's ongoing publications program
- encouraging, fostering, and contribution to research to further promote the understanding of Australian military history
- facilitating access to collection items and military history information including:
  - Reading Room facilities
  - an authoritative research enquiry service
  - online research facilities
- retail and online sale channels providing quality military history books and exhibition publications
- the provision of expert advice to internal and external stakeholders
- maintain and grow an online repository of military history articles and resources made available through the Memorial's website
- support for and publication of academic and online articles, Wartime magazine, and books by Memorial staff featuring original research and writings.



### **Target:**

Continued strong uptake of Memorial research facilities as evidenced by statistical analysis relating to Research Centre and online records access and successful publication of original research

### **Analysis**

Major digitisation project photo film and sound, research centre.

- Items catalogued for digitisation 13,063
- Images created/film reels digitized 27,756
- Items/images released to web 10,732

New research and interpretation initiatives released on the website for wider dissemination through online audiences this year were:

- Places of Pride: the national register of war memorials
- Two new 360-degree interactive experiences launched
- a series of podcasts launched with first in six-episode podcast, *From a whisper to a bang!*

15 per cent of visitors surveyed included the Research centre. Of these 97 per cent were “very satisfied” with the Research Centre.

Original research publications:

- *The Last Post: a ceremony of love, loss, and remembrance*
- *For valour: Australians awarded the Victoria Cross*
- *The Western Front diaries of Charles Bean*
- *For Country, for Nation: an illustrated history of Aboriginal and Torres-Strait Islander military service*
- *The limits of peacekeeping: volume IV, the official history of Australian, humanitarian and post-Cold War operations*

**Source:** Australian War Memorial corporate reporting against business plan

## Output 1.8 Visitor services

***Visitors to both the Memorial and its outreach programs are provided with a standard of service that enhances their experience and encourages them to re-use services and promote them to others. Through the provision of high-quality visitor services, this program component provides a necessary foundation for other program components to function effectively.***

1.8.1 Front-of-house staff trained to deliver high level customer service and voluntary guides trained to an introductory level of military history and to deliver high-level customer service

**Target:** At least 90 per cent of surveyed visitors state that their visit has met or exceeded their expectations

**Analysis:**

99 per cent of visitors to the Memorial reported that their visit had met or exceeded their expectations that day.

71 per cent stated it had exceeded their expectations; this response was equally shared by first-time and repeat visitors.

**Source:** General Visitor Survey 2018–2019

1.8.2 High quality and suitable public facilities such as restrooms, café, and wayfinding signs

**Target:** At least 80 per cent of surveyed visitors state that the Memorial has maintained or improved its standard of service since their last visit

**Analysis:**

42 per cent of visitors this year were attending the Memorial for the first time.

100 per cent of visitors who were on a return visit to the Memorial rated the Memorial's standards as having improved or stayed the same. 76 per cent rated it as having improved. Of those who stated the Memorial had improved 30 per cent had recently visited within the past five years.

93 per cent of visitors to the Memorial's cafés stated that they were "very satisfied" or "satisfied". 80 per cent of these were "very satisfied".

92 per cent of Memorial visitors using the disability facilities stated they were "very satisfied" or "satisfied". 85 per cent were "very satisfied"; 8 per cent gave the rating of neither/nor.

**Source:** General Visitor Survey 2018–2019

### 1.8.3 Opportunities for visitor feedback such as services charter, visitor’s book, evaluation services, and Memorial website

**Target:** Feedback and rankings through external surveys (eg. TripAdvisor) remains positive

**Analysis:** A new user feedback survey was introduced to the Memorial website to profile users and provide baseline information on their activities and preferences. This project is still in progress but the results from 1,700 survey responses have provided valuable feedback and assessment of the visitor’s experience.

Visitor satisfaction levels with the Memorial’s public programming and services remained high in quantitative and qualitative survey results this financial year.

The Memorial maintained standard visitor feedback methods of random exit surveys:

- General visitor survey n=675
- Armistice program survey n=593
- *After the war* exhibition exit survey in progress n=204
- *From the shadows: Australia’s Special Forces* exhibition exit survey n=288
- Café performance exit surveys n=600
- Website user profile survey in progress n=1,713
- Touring exhibition exit survey in progress n=9

**Source:** Evaluation and Visitor Research, Australian War Memorial

### 1.8.4 Cafes, retail and online sales facilities that enhance the visitor experience and generate revenue to help support broader Memorial objectives

**Target:** Revenue generation across retail and cost recovery lines meets or exceeds targets. Earned (i.e. excluding donations) net café, retail, and online sales income to visitor ratio grows over three-year average

**Analysis:** Net average spend per visitor for the 2018–19 period increased by 6.1 per cent on the average for the cumulative three years (2017–19), however a significant decrease in average spend for the previous 2017–18 period has had an impact on the three year average. In real terms 2018–19 results are 1.2 per cent below the 2016–17 result.

**Source:** Australian War Memorial financial reports

# FINANCIAL STATEMENTS



## INDEPENDENT AUDITOR'S REPORT

### To the Minister for Veterans and Defence Personnel

#### Opinion

In my opinion, the financial statements of the Australian War Memorial ('the Entity') for the year ended 30 June 2019:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2019 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

- Statement by the Council, Director and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

#### Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Council is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Council is also responsible for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

**Auditor’s responsibilities for the audit of the financial statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office 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 statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Sean Benfield  
Executive Director  
Delegate of the Auditor-General

Canberra  
2 September 2019

**Australian War Memorial**

**STATEMENT BY THE COUNCIL, DIRECTOR AND CHIEF FINANCE OFFICER**

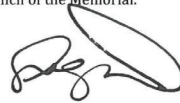
In our opinion, the attached financial statements for the year ended 30 June 2019 comply with subsection 42(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Australian War Memorial will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Council of the Memorial.



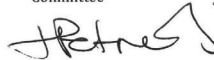
Mr Kerry Stokes AC  
Chairman of Council



Major General Greg Melick AO SC (Ret'd)  
Chair of Finance, Audit and Compliance  
Committee



Dr Brendan Nelson  
Director



Ms Helen Petrovski  
Chief Finance Officer

30 August 2019

**Statement of Comprehensive Income***for the period ended 30 June 2019*

	Notes	2019 \$'000	2018 \$'000	Ref	Original Budget \$'000
<b>NET COST OF SERVICES</b>					
<b>Expenses</b>					
Employee Benefits	1.1A	25,641	25,125		24,390
Suppliers	1.1B	28,313	20,723	i	23,938
Depreciation and amortisation	2.2A	9,371	21,961	ii	23,523
Write-Down and Impairment of Assets	1.1C	28	1,089		-
Losses from asset sales		3	-		-
<b>Total expenses</b>		<b>63,356</b>	<b>68,898</b>		<b>71,851</b>
<b>Own-Source Income</b>					
<b>Own-source revenue</b>					
Sale of Goods and Rendering of Services	1.2A	4,791	4,186	iii	3,911
Interest	1.2B	2,293	2,142	iv	1,943
Donations and sponsorships	1.2C	4,556	6,759	v	2,036
Other Revenue	1.2D	1,199	1,440	vi	409
<b>Total own-source revenue</b>		<b>12,839</b>	<b>14,527</b>		<b>8,299</b>
<b>Gains</b>					
Gains from sale of assets		33	34		500
<b>Total gains</b>		<b>33</b>	<b>34</b>		<b>500</b>
<b>Total own-source income</b>		<b>12,872</b>	<b>14,561</b>		<b>8,799</b>
<b>Net cost of services</b>					
Revenue from Government	1.2E	50,904	53,040		50,904
<b>Surplus/(Deficit) on continuing operations</b>		<b>420</b>	<b>(1,297)</b>		<b>(12,148)</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Items not subject to subsequent reclassification to net cost of services</b>					
Changes in asset revaluation surplus		(36,213)	24,974		24,974
<b>Total other comprehensive income</b>		<b>(36,213)</b>	<b>24,974</b>		<b>24,974</b>
<b>Total Comprehensive (loss)/income</b>		<b>(35,793)</b>	<b>23,677</b>		<b>12,826</b>

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

**Statement of Financial Position**

as at 30 June 2019

	Notes	2019 \$'000	2018 \$'000	Ref	Original Budget \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash and Cash Equivalents	2.1A	2,460	5,929	vii	2,591
Trade and Other Receivables	2.1B	581	854	viii	846
Investments	2.1C	75,500	76,000	iv	63,000
Accrued Interest		1,060	935		930
<b>Total financial assets</b>		<b>79,601</b>	<b>83,718</b>		<b>67,367</b>
<b>Non-financial assets</b>					
Land and buildings	2.2A	175,415	167,858	ix	150,409
Heritage and cultural	2.2A	1,153,060	1,174,527		1,169,503
Plant and equipment	2.2A	8,616	6,894	vii	7,647
Exhibitions	2.2A	30,430	38,919	x	40,208
Intangibles	2.2A	4,089	3,138		8,054
Inventories	2.2B	626	639		797
Other Non-Financial Assets	2.2C	57	223		618
<b>Total non-financial assets</b>		<b>1,372,293</b>	<b>1,392,198</b>		<b>1,377,236</b>
<b>Total assets</b>		<b>1,451,894</b>	<b>1,475,916</b>		<b>1,444,603</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	2.3A	3,500	4,503	i	1,107
Other Payables	2.3B	448	281	xi	353
<b>Total payables</b>		<b>3,948</b>	<b>4,784</b>		<b>1,460</b>
<b>Provisions</b>					
Employee Provisions	4.1A	9,383	8,319		8,982
<b>Total provisions</b>		<b>9,383</b>	<b>8,319</b>		<b>8,982</b>
<b>Total liabilities</b>		<b>13,331</b>	<b>13,103</b>		<b>10,442</b>
<b>Net assets</b>		<b>1,438,563</b>	<b>1,462,813</b>		<b>1,434,161</b>
<b>EQUITY</b>					
Contributed equity		131,187	119,758		131,187
Reserves		758,198	794,411		769,051
Retained surplus		549,178	548,644		533,923
<b>Total equity</b>		<b>1,438,563</b>	<b>1,462,813</b>		<b>1,434,161</b>

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



## Statement of Changes in Equity

for the period ended 30 June 2019

Notes	2019 \$'000	2018 \$'000	Original Budget \$'000
<b>CONTRIBUTED EQUITY</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	119,758	110,778	119,758
<b>Adjusted opening balance</b>	<b>119,758</b>	<b>110,778</b>	<b>119,758</b>
<b>Contributions by owners</b>			
Equity injection - Appropriations	11,429	8,980	11,429
<b>Total transactions with owners</b>	<b>11,429</b>	<b>8,980</b>	<b>11,429</b>
<b>Closing balance as at 30 June</b>	<b>131,187</b>	<b>119,758</b>	<b>131,187</b>
<b>RETAINED EARNINGS</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	548,644	549,941	546,071
Adjustment for errors <sup>1</sup>	114	-	-
<b>Adjusted opening balance</b>	<b>548,758</b>	<b>549,941</b>	<b>546,071</b>
<b>Comprehensive income</b>			
Surplus/(Deficit) for the period	420	(1,297)	(12,148)
<b>Total comprehensive income</b>	<b>420</b>	<b>(1,297)</b>	<b>(12,148)</b>
<b>Closing balance as at 30 June</b>	<b>549,178</b>	<b>548,644</b>	<b>533,923</b>
<b>ASSET REVALUATION RESERVE</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	794,411	769,437	769,051
<b>Adjusted opening balance</b>	<b>794,411</b>	<b>769,437</b>	<b>769,051</b>
<b>Comprehensive income</b>			
Other comprehensive income	(36,213)	24,974	-
<b>Total comprehensive income</b>	<b>(36,213)</b>	<b>24,974</b>	<b>-</b>
<b>Closing balance as at 30 June</b>	<b>758,198</b>	<b>794,411</b>	<b>769,051</b>
<b>TOTAL EQUITY</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	1,462,813	1,430,156	1,434,880
Adjustment for errors	114	-	-
<b>Adjusted opening balance</b>	<b>1,462,927</b>	<b>1,430,156</b>	<b>1,434,880</b>
<b>Comprehensive income</b>			
Surplus/(Deficit) for the period	420	(1,297)	(12,148)
Other comprehensive income	(36,213)	24,974	-
<b>Total comprehensive income</b>	<b>(35,793)</b>	<b>23,677</b>	<b>(12,148)</b>
<b>Transactions with owners</b>			
<b>Contributions by owners</b>			
Equity injection - Appropriations	11,429	8,980	11,429
<b>Total transactions with owners</b>	<b>11,429</b>	<b>8,980</b>	<b>11,429</b>
<b>Closing balance as at 30 June</b>	<b>1,438,563</b>	<b>1,462,813</b>	<b>1,434,161</b>

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

1. Caterer bonus accrued in Supplier Expenses in 2013-14 but not paid (\$96k); Council fees accrued in Salaries and Wages in error 2017-18 (\$14k); effect of rounding in Retained Earnings in 2017-18 (\$4k).

**Accounting Policy***Equity Injections*

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (DCBs) are recognised directly in contributed equity in that year.

## Cash Flow Statement

for the period ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000	Ref	Original Budget \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations		50,904	53,040		50,904
Sale of goods and rendering of services		4,936	4,099	iii	4,139
Interest		2,168	2,137		1,943
GST received		4,162	2,205		4,601
Donations and sponsorships		3,025	3,067		-
Other		511	335		2,217
<b>Total cash received</b>		<b>65,706</b>	<b>64,883</b>		<b>63,804</b>
<b>Cash used</b>					
Employees		(25,180)	(25,783)		(24,390)
Suppliers		(31,627)	(17,864)	i	(23,417)
GST paid		-	-		(4,601)
<b>Total cash used</b>		<b>(56,807)</b>	<b>(43,647)</b>		<b>(52,408)</b>
<b>Net cash from operating activities</b>		<b>8,899</b>	<b>21,236</b>		<b>11,396</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment		33	34		-
Investments		83,000	84,000	iv	71,000
<b>Total cash received</b>		<b>83,033</b>	<b>84,034</b>		<b>71,000</b>
<b>Cash used</b>					
Purchase of property, plant and equipment		(24,330)	(21,132)	vii	(29,200)
Investments		(82,500)	(89,000)	iv	(65,000)
<b>Total cash used</b>		<b>(106,830)</b>	<b>(110,132)</b>		<b>(94,200)</b>
<b>Net cash used by investing activities</b>		<b>(23,797)</b>	<b>(26,098)</b>		<b>(23,200)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Contributed equity		11,429	8,980		11,429
<b>Total cash received</b>		<b>11,429</b>	<b>8,980</b>		<b>11,429</b>
<b>Net cash from financing activities</b>		<b>11,429</b>	<b>8,980</b>		<b>11,429</b>
<b>Net (decrease)/increase in cash held</b>		<b>(3,469)</b>	<b>4,118</b>		<b>(375)</b>
Cash and cash equivalents at the beginning of the reporting period		5,929	1,811		2,966
<b>Cash and cash equivalents at the end of the reporting period</b>	2.1A	<b>2,460</b>	<b>5,929</b>		<b>2,591</b>

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

**Budget Variances Commentary***for the period ended 30 June 2019*

<b>Ref</b>	<b>Variance</b>	<b>Affected Line items (and statement)</b>	<b>Explanation of major variances</b>
<b>i</b>	18%	Net Cost of Services - Expenses - Suppliers (Statement of Comprehensive Income)	Costs associated with the development of the Memorial Redevelopment Plan and ICT Modernisation Project.
	216%	Liabilities - Payables - Suppliers (Statement of Financial Position)	
	35%	Operating Activities - Cash Used - Suppliers (Cash Flow Statement)	
<b>ii</b>	(60%)	Net Cost of Services - Expenses - Depreciation and amortisation (Statement of Comprehensive Income)	The Memorial has ceased depreciating the National Collection from 1 July 2018.
<b>iii</b>	23%	Own-source revenue - Sale of Goods and Rendering of Services (Statement of Comprehensive Income)	Increase in Education, Caterer and Other Commercial Activities in line with increase in visitor and stakeholder engagement.
	19%	Operating Activities - Cash received - Sale of Goods and Rendering of Services (Cash Flow Statement)	
<b>iv</b>	18%	Own-source revenue - Interest (Statement of Comprehensive Income)	Current investment portfolio consists of 9 investments (average \$8.4m). Consolidation of investments, taking advantage of higher interest rates on offer for longer term maturities.
	20%	Financial assets - Investments (Statement of Financial Position)	
	17%	Investing Activities - Cash received - Investments (Cash Flow Statement)	
	27%	Investing Activities - Cash used - Investments (Cash Flow Statement)	
<b>v</b>	124%	Own-source revenue - Donations and sponsorships (Statement of Comprehensive Income)	Donations and sponsorships are higher than anticipated at the time of framing the original budget.
<b>vi</b>	193%	Own-source revenue - Other Revenue (Statement of Comprehensive Income)	A higher level of royalties, than was anticipated at the time of framing the Budget.
<b>vii</b>	(5%)	Financial assets - Cash and Cash Equivalents (Statement of Financial Position)	Capital expenditure mostly relating to the redevelopment of the Treloar Precinct building, plus the ICT Modernisation project.
	(17%)	Investing Activities - Cash used - Purchase of Property, plant and equipment (Cash Flow Statement)	
	13%	Non-Financial Assets - Property, plant and equipment (Statement of Financial Position)	
<b>viii</b>	(31%)	Financial assets - Trade and Other receivables (Statement of Financial Position)	Increase in customer prepayments with strenuous debt recovery action.
<b>ix</b>	17%	Non-financial assets - Land and buildings (Statement of Financial Position)	Building improvements to all Memorial buildings.
<b>x</b>	(24%)	Non-financial assets - Exhibitions (Statement of Financial Position)	Exhibitions infrastructure was independently revalued with a revaluation decrement due to the planned Memorial Redevelopment Program.
<b>xi</b>	27%	Liabilities - Payables - Other Payables (Statement of Financial Position)	Salary accruals not included in original budget.

The Memorial determines major variances to exhibit the following attributes:

- \* more than 10% of the line item budget (provided the amount is material)
- \* more than 2% of the relevant sub-total (expenses, income, assets and liabilities)
- qualitative factors such as disclosure in the public interest and for completeness in analysing
- \* performance

## Overview

### The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*. The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR) for reporting periods ending on or after 1 July 2015; and
- b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the 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 statements are presented in Australian dollars and, where specified, values are rounded to the nearest thousand.

### New Accounting Standards

Of the new standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable to the current reporting period, none has had a material financial impact on the Memorial.

All new, revised or amended standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material impact on the Memorial's financial statements.

### Taxation

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

Revenues, expense 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.

### Events After the Reporting Period

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

## Financial Performance

This section analyses the financial performance of the Memorial as at 30 June 2019.

1.1 Expenses		
	2019	2018
	\$'000	\$'000
<b>1.1A: Employee Benefits</b>		
Wages and salaries	19,500	19,319
Superannuation		
Defined contribution plans	2,380	2,337
Defined benefit plans	1,067	1,289
Leave and other entitlements	2,554	1,997
Separation and redundancies	140	183
<b>Total employee benefits</b>	<b>25,641</b>	<b>25,125</b>

### Accounting Policy

Accounting policies for employee related expenses is contained in the People and relationships section.

### 1.1B: Suppliers

#### Goods and services supplied or rendered

Professional Services	10,155	4,811
Property and Support Services	5,512	5,623
Staff Support Costs	4,726	3,597
Other	2,481	1,830
Advertising and Promotions	1,984	1,018
Cost of Goods Sold	1,335	1,106
Information Technology	895	974
Exhibitions	359	686
Travel	508	524

#### Total goods and services supplied or rendered

	27,955	20,169
--	--------	--------

#### Goods supplied

	3,611	2,148
--	-------	-------

#### Services rendered

	24,344	18,021
--	--------	--------

#### Total goods and services supplied or rendered

	27,955	20,169
--	--------	--------

#### Other suppliers

Operating lease rentals	210	232
Workers compensation expenses	148	322

#### Total other suppliers

	358	554
--	-----	-----

#### Total suppliers

	28,313	20,723
--	--------	--------

#### Leasing commitments

The Memorial in its capacity as lessee holds leases for motor vehicles and IT equipment.

#### Commitments for minimum lease payments in relation to non-cancellable

##### operating leases are payable as follows:

Within 1 year	465	307
Between 1 to 5 years	41	220
More than 5 years	-	-

#### Total operating lease commitments

	506	527
--	-----	-----

### Accounting Policy

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

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.

### 1.1C: Write-Down and Impairment of Assets

Impairment of receivables	2	2
Impairment of inventories	26	28
Impairment of non-financial assets	-	1,059
<b>Total write-down and impairment of other assets</b>	<b>28</b>	<b>1,089</b>

<b>1.2 Own-Source Revenue and gains</b>		
	2019	2018
	\$'000	\$'000

**Own-Source Revenue****1.2A: Sale of Goods and Rendering of Services**

Sale of goods	3,186	2,497
Rendering of services	1,605	1,689
<b>Total sale of goods and rendering of services</b>	<b>4,791</b>	<b>4,186</b>

**Accounting Policy**

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer;
- b) the Memorial retains no managerial involvement or effective control over the goods;
- c) the revenue and transaction costs incurred can be reliably measured; and
- d) it is probable that the economic benefits associated with the transaction will flow to the Memorial.

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 end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

**1.2B: Interest**

Deposits	2,293	2,142
<b>Total interest</b>	<b>2,293</b>	<b>2,142</b>

**Accounting Policy**

Interest revenue is recognised using the effective interest method.

**1.2C: Donations and sponsorships**

Donations	1,721	1,504
Sponsorships	1,304	1,562
Donated Heritage and Cultural items	1,531	3,693
<b>Total Donations and sponsorships</b>	<b>4,556</b>	<b>6,759</b>

**Accounting Policy*****Sponsorship***

Project-specific sponsorship funding which meets the requirements of a contribution in accordance with *AASB 1004 Contributions* is recorded as revenue when the Memorial obtains control of the contribution or right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Memorial, and the amount can be measured reliably.

***Donated Heritage and Cultural items***

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

**1.2D: Other Revenue**

Resources received free of charge	753	1,104
Royalties	172	8
Rental income	153	225
Friends of the Memorial	75	103
Comcare reimbursements	29	-
Paid Parental leave income	17	-
<b>Total other revenue</b>	<b>1,199</b>	<b>1,440</b>

**Accounting Policy****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.

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

	2019 \$'000	2018 \$'000
<b>1.2E: Revenue from Government</b>		
Department of Veterans' Affairs		
Corporate Commonwealth entity payment item	50,904	53,040
<b>Total revenue from Government</b>	<b>50,904</b>	<b>53,040</b>

**Accounting Policy**

*Revenue from Government*

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment item for payment to the Memorial) is recognised as Revenue from Government by the Memorial unless the funding is in the nature of an equity injection or a loan.

## Financial Position

This section analyses the Memorial's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

### 2.1 Financial Assets

	2019	2018
	\$'000	\$'000
<b>2.1A: Cash and Cash Equivalents</b>		
Cash on hand	5	6
Deposits	2,455	5,923
<b>Total cash and cash equivalents</b>	<b>2,460</b>	<b>5,929</b>
<b>2.1B: Trade and Other Receivables</b>		
<b>Goods and services receivables</b>		
Goods and services	536	848
<b>Total goods and services receivables</b>	<b>536</b>	<b>848</b>
<b>Other receivables</b>		
Other	47	7
<b>Total other receivables</b>	<b>47</b>	<b>7</b>
<b>Total trade and other receivables (gross)</b>	<b>583</b>	<b>855</b>
<b>Less impairment loss allowance</b>	<b>(2)</b>	<b>(1)</b>
<b>Total trade and other receivables (net)</b>	<b>581</b>	<b>854</b>
<b>Trade and other receivables (net) expected to be recovered</b>		
No more than 12 months	581	854
More than 12 months	-	-
<b>Total trade and other receivables (net)</b>	<b>581</b>	<b>854</b>

Credit terms for goods and services were within 30 days (2018: 30 days).

#### Accounting Policy

##### Financial assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

AASB 9 replaces the 'incurred loss' model previously used under AASB 139 with an 'expected credit loss' (ECL) model. This new impairment model applies to financial assets measured at amortised cost, contract assets and debt instruments measured at fair value through other comprehensive income.

Trade and other receivable assets at amortised cost are assessed for impairment at the end of each reporting period. The simplified approach has been adopted in measuring the impairment loss allowance at an amount equal to lifetime ECL.

##### **Accounting Judgements and Estimates**

Impairment loss is determined using an analysis of the probability that an invoice will remain unpaid at the end of the reporting period.

### 2.1C: Investments

The Memorial's investments represent term deposits held with Australian banks with terms greater than 90 days. Maturity dates range from July 2019 to April 2020. Effective interest rates range from 2.50 per cent to 2.81 per cent (2018: 2.55 per cent to 2.66 per cent)



## 2.2 Non-Financial Assets

## 2.2A. Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

	Land \$'000	Buildings \$'000	Heritage and cultural <sup>1</sup> \$'000	Plant and equipment \$'000	Exhibitions \$'000	Intangibles <sup>2</sup> \$'000	Total \$'000
<b>As at 1 July 2018</b>							
Gross book value	13,096	154,762	1,195,436	7,792	50,247	3,961	1,425,294
Accumulated depreciation, amortisation and impairment	-	-	(20,909)	(898)	(11,328)	(823)	(33,958)
<b>Total as at 1 July 2018</b>	<b>13,096</b>	<b>154,762</b>	<b>1,174,527</b>	<b>6,894</b>	<b>38,919</b>	<b>3,138</b>	<b>1,391,336</b>
<b>Additions</b>							
Purchase	-	11,650	7,081	2,860	851	1,516	23,958
Internally developed	-	-	-	-	-	369	369
Donation/Gift	-	-	1,531	-	-	-	1,531
Revaluations and impairments recognised in other comprehensive income	-	-	(30,079)	(7)	(6,127)	-	(36,213)
Depreciation and amortisation	-	(4,093)	-	(1,131)	(3,213)	(934)	(9,371)
<b>Total as at 30 June 2019</b>	<b>13,096</b>	<b>162,319</b>	<b>1,153,060</b>	<b>8,616</b>	<b>30,430</b>	<b>4,089</b>	<b>1,371,610</b>
<b>Total as at 30 June 2019 represented by</b>							
Gross book value	13,096	166,412	1,153,060	10,653	30,430	5,845	1,379,496
Accumulated depreciation, amortisation and impairment	-	(4,093)	-	(2,037)	-	(1,756)	(7,886)
<b>Total as at 30 June 2019</b>	<b>13,096</b>	<b>162,319</b>	<b>1,153,060</b>	<b>8,616</b>	<b>30,430</b>	<b>4,089</b>	<b>1,371,610</b>

1. Heritage and Cultural assets are no longer depreciated.

2. The carrying amount of computer software included \$3,904,513 (2018: \$2,130,596) purchased software and \$1,587,218 (2018: \$1,007,842) internally generated software.

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

No non-financial assets are expected to be sold or disposed in the next 12 months.

#### Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 2.2A. On 30 June 2019, independent valuers conducted revaluations of Heritage and Cultural assets and Exhibitions.

#### Contractual commitments for the acquisition of property, plant, equipment and intangible assets

The Memorial has entered into net future commitments for the acquisition of buildings, heritage and cultural, plant and equipment, exhibitions and intangible assets of \$9,786,451 (2018: \$9,491,597). Significant individual commitments relate to Buildings with commitments for facilities management (\$7,502,355); the National Collection, with commitments for fees, until 2063, for a cold storage facility to stabilise nitrate film (\$1,488,598) and plant and equipment with commitments for Dell EMC Isilon storage expansion (\$845,177).

**Accounting Policy**

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. Non-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.

**Asset Recognition Threshold**

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, 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).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

**Revaluations**

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 did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended 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 in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit 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.

**Depreciation**

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Memorial 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:

	<b>2019 Years</b>	2018 Years
Buildings and building improvements	<b>7 to 150</b>	1 to 150
Plant and equipment	<b>2 to 20</b>	1 to 27
Exhibitions	<b>1 to 20</b>	1 to 20

**Impairment**

All assets were assessed for impairment at 30 June 2019. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment 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 of disposal 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 entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

**Significant accounting judgements and estimates**

The fair value of land and buildings is considered to be the market value of similar assets, taking into account the heritage aspects of the buildings where appropriate, and using depreciated replacement cost if no active market is identified.

**Heritage and Cultural (Collection) Assets**

Significant donated Heritage and Cultural (Collection) assets are recognised at the time of acquisition, and other donated collection items are brought to account at the time of revaluation.

The Memorial's collection of Heritage and Cultural Assets comprises a wide range of objects relating to Australia's military history, including but not limited to:

Works of art (various media)	Film
Large technology objects	Audio
Military heraldry and technology items	Photographs
Official and private records	Ephemera

Pursuant to section 8 of the *Australian War Memorial Act 1980*, the Memorial has the authority to dispose of heritage and cultural items which are not required as part of the National Collection, or are unfit for inclusion. Section 8 of the *Australian War Memorial Act 1980* dictates the appropriate approvals to dispose of National Collection assets.

The decision whether or not to acquire or retain an item for the National Collection is based on two criteria:

1. Assessment to establish that the item is of significance to Australian military history; and
2. Assessment that the benefit and resource implications of acquiring or retaining the item are acceptable.

The evaluation process ensures that the history and provenance of objects is recorded at the time of acquisition and records the significance of the item to the Australian community, provides a systematic assessment of the values of objects against the existing collection and other collecting institutions, and assists in settling priorities for collection management and conservation resources.

The Memorial's Collection Development Plan for Heritage and Cultural Assets can be found at: [https://www.awm.gov.au/sites/default/files/collection\\_development\\_plan.pdf](https://www.awm.gov.au/sites/default/files/collection_development_plan.pdf)

The Memorial's preservation and curatorial policies for Heritage and Cultural Assets can be found at: <https://www.awm.gov.au/about/our-work/projects/conservation>

#### Asset Recognition Threshold

Purchases of Heritage and Cultural (Collection) Assets are recognised initially at cost in the statement of financial position, except for purchases costing less than \$10,000, 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).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

#### Revaluations

Heritage and Cultural (Collection) Assets are carried at fair value, which is measured at depreciated replacement cost or market selling price (for items where a market exists).

Following initial recognition at cost, Heritage and Cultural (Collection) Assets are carried at fair value less accumulated impairment losses. Valuations are conducted with sufficient frequency such that the carrying amounts of assets do not differ materially from the assets' fair values at the reporting date.

The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

#### Depreciation

From 1 July 2018, all Heritage and Cultural (Collection) Assets are no longer depreciated as they have indefinite useful lives given the Memorial has appropriate curatorial and preservation policies and procedures in place. All Heritage and Cultural (Collection) Assets are subject to regular impairment testing when there is an indication that the Assets may be impaired.

#### Significant accounting judgements and change in estimates

During 2018-2019 the Memorial changed the useful life estimate of all Heritage and Cultural (Collection) Assets to 'indefinite useful lives'. The change in estimate is prospective from 1 July 2018, and all Heritage and Cultural (Collection) Assets are no longer depreciated.

The fair value of Heritage and Cultural (Collection) Assets is considered to be market selling price (where such a market exists), or depreciated replacement cost, taking into consideration the intrinsic value of historically significant objects.

Owing to the size of the National Collection, the items have been stratified into High Value Items and Collections (HVIC) and Low Value Pool (LVP) items. HVIC were independently valued as at 30 June 2019, using two approaches, full valuation for individual items and sampling where there were large homogenous populations of items where valuing each item individually was impractical. LVP items were subject to management valuation and impairment testing.

#### **Intangibles**

The Memorial's intangibles comprise purchased and internally generated software, which 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 range from 3 to 8 years (2018: 1 to 11 years). All software assets were assessed for indications of impairment at 30 June 2019.

	2019	2018
	\$'000	\$'000
<b>2.2B: Inventories</b>		
<b>Inventories held for sale</b>		
Finished goods	626	639
<b>Total inventories held for sale</b>	<b>626</b>	<b>639</b>

**Accounting Policy**

The Memorial holds inventory for sale only, and this is reported at the lower of cost and net realisable value. Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- a) stores – average purchase cost; and
- b) finished goods and work-in-progress – cost of direct materials and labour plus attributable costs that can be 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.

**2.2C: Other Non-Financial Assets**

Prepayments	57	223
<b>Total other non-financial assets</b>	<b>57</b>	<b>223</b>

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

**2.3 Payables****2.3A: Suppliers**

Trade creditors and accruals	3,500	4,503
<b>Total suppliers</b>	<b>3,500</b>	<b>4,503</b>

Settlement was usually made within 30 days (2018: 30 days)

**2.3B: Other Payables**

Salaries and wages	231	236
Prepayments received/unearned income	217	42
Paid Parental Leave	-	3
<b>Total other payables</b>	<b>448</b>	<b>281</b>

## Funding

This section identifies the Memorial's funding structure.

### 3.1 Appropriations

#### 3.1A: Annual Appropriations ('Recoverable GST exclusive')

##### Annual Appropriations for 2019

	Annual Appropriation \$'000	Adjustments to Appropriation \$'000	Total Appropriation \$'000	Appropriation applied in 2019 (current and prior years) \$'000	Variance <sup>1</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	50,904	-	50,904	61,297	(10,393)
Capital Budget	-	-	-	-	-
Other services					
Equity Injections	11,429	-	11,429	9,559	1,870
Loans	-	-	-	-	-
<b>Total departmental</b>	<b>62,333</b>	<b>-</b>	<b>62,333</b>	<b>70,856</b>	<b>(8,523)</b>

1. Bill 1 variance is mostly attributable to storage building costs incurred this year, funded from previous years' reserves. Bill 2 variance is attributable to the new policy proposal funding for the Digitisation project, plus Collection Development Acquisition Budget (CDAB) funding not yet spent.

##### Annual Appropriations for 2018

	Annual Appropriation <sup>1</sup> \$'000	Adjustments to Appropriation \$'000	Total Appropriation \$'000	Appropriation applied in 2018 \$'000	Variance <sup>2</sup> \$'000
<b>Departmental</b>					
Ordinary annual services	52,640	400	53,040	45,380	7,660
Capital Budget	-	-	-	-	-
Other services					
Equity Injections	8,980	-	8,980	8,426	554
<b>Total departmental</b>	<b>61,620</b>	<b>400</b>	<b>62,020</b>	<b>53,806</b>	<b>8,214</b>

1. Net Movements of Funds is for appropriation previously received for the Spirit of Anzac Centenary Experience Travelling Exhibition.

2. Bill 1 variance is attributable to appropriation received to fund preparation of the Memorial Redevelopment Initial/Detailed Business Cases, not yet spent. Bill 2 variance is attributable to the new policy proposal funding for the ICT Modernisation project not yet spent.

#### 3.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2019 \$'000	2018 \$'000
<b>Departmental</b>		
Appropriation Act (No. 1) 2018-19	(10,393)	2,030
Appropriation Act (No. 2) 2018-19	1,870	554
Appropriation Act (No. 3) 2018-19	-	5,630
<b>Total departmental</b>	<b>(8,523)</b>	<b>8,214</b>

## People and relationships

This section describes a range of employment and post employment benefits provided to our people and our relationships with other key people.

### 4.1 Employee Provisions

	2019	2018
	\$'000	\$'000
<b>4.1A: Employee Provisions</b>		
Leave	9,383	8,319
<b>Total employee provisions</b>	<b>9,383</b>	<b>8,319</b>

#### Accounting policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as 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 Memorial is estimated to be less than the annual entitlement for sick leave.

#### Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Memorial 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

The Memorial's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or the PSS accumulation plan (PSSap), or other superannuation funds held outside the Australian Government.

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 in the Department of Finance's administered schedules and notes.

The Memorial makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Memorial 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.

#### 4.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Memorial, directly or indirectly, including any director (whether executive or otherwise). The Memorial has determined the key management personnel to be the Director, Chairman, Council Members, Assistant Directors and other highly paid executives. Key management personnel remuneration is reported in the table below:

	2019 \$'000	2018 \$'000
Short-term employee benefits	1,420	1,450
Post-employment benefits	167	214
Other long-term employee benefits	120	116
<b>Total key management personnel remuneration expenses<sup>1</sup></b>	<b>1,708</b>	<b>1,780</b>

The total number of key management personnel that are included in the above table are 15 (2018: 19).

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Memorial.

#### 4.3 Related Party Disclosures

##### Related party relationships:

The Memorial is an Australian Government controlled entity. Related parties to the Memorial are Directors, Key Management Personnel and other Australian Government entities.

##### Transactions with related parties:

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

Significant transactions with related parties can include:

- purchases of goods and services; and
- asset purchases.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the Memorial, it has been determined that there are no related party transactions to be separately disclosed (2018: \$73,000).

**Accounting Policy**

**Financial assets**

With the implementation of AASB 9 *Financial Instruments* for the first time in 2019, the Memorial classifies its financial assets as measured at amortised cost.

The classification depends on both the Memorial's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the Memorial becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to *lifetime expected credit losses* where risk has significantly increased, or an amount equal to *12-month expected credit losses* if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

**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.

	2019	2018
	\$'000	\$'000
<hr/>		
<b>5.2B: Net Gains or Losses on Financial Assets</b>		
<b>Financial assets at amortised cost</b>		
Interest revenue	2,293	2,142
Impairment	(2)	(1)
<b>Net gains on financial assets at amortised cost</b>	<b>2,291</b>	<b>2,141</b>
<b>Net gains on financial assets</b>	<b>2,291</b>	<b>2,141</b>

The net interest income from financial assets not at fair value through profit or loss is \$2,292,611.23 (2018: \$2,142,232).



## Managing uncertainties

This section analyses how the Memorial manages financial risks within its operating environment.

### 5.1 Contingent Assets and Liabilities

Contingent assets and liabilities are not recognised in the statement of financial position but contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

The Memorial has no contingent assets (2018: \$1,000). There were no contingent liabilities in the current reporting period (2018: nil).

### 5.2 Financial Instruments

	2019	2018
	\$'000	\$'000
<b>5.2A: Categories of Financial Instruments</b>		
<b>Financial Assets under AASB 139</b>		
<b>Held-to-maturity investments</b>		
Deposits on short-term investments		76,000
<b>Total held-to-maturity investments</b>		<u>76,000</u>
<b>Loans and receivables</b>		
Cash at bank		5,929
Trade and other receivables		854
Accrued interest revenue		935
<b>Total loans and receivables</b>		<u>7,718</u>
<b>Financial Assets under AASB 9</b>		
<b>Financial assets at amortised cost</b>		
Cash at bank	2,460	
Trade and other receivables	581	
Deposits on short-term investments	75,500	
Accrued interest revenue	1,060	
<b>Total financial assets at amortised cost</b>	<u>79,601</u>	
<b>Total financial assets</b>	<u>79,601</u>	83,718
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	3,948	4,503
<b>Total financial liabilities measured at amortised cost</b>	<u>3,948</u>	<u>4,503</u>
<b>Total financial liabilities</b>	<u>3,948</u>	4,503

#### Classification of financial assets on the date of initial application of AASB 9.

Financial assets class	Note	AASB 139 original classification	AASB 9 new classification	AASB 139	AASB 9
				carrying amount at 1 July 2018	carrying amount at 1 July 2018
				\$'000	\$'000
Cash and Cash Equivalents	2.1A	Held-to-maturity	Amortised Cost	5,929	5,929
Trade receivables	2.1B	Held-to-maturity	Amortised Cost	1,789	1,789
Investments	2.1C	Held-to-maturity	Amortised Cost	76,000	76,000
<b>Total financial assets</b>				<u>83,718</u>	<u>83,718</u>

### 5.3 Fair Value Measurement

#### Accounting Policy

The Memorial procured independent valuation services from Pickles Valuations for exhibitions assets revaluation this year. The revaluation of the Memorial's Heritage and Cultural (Collection) assets was undertaken by Australian Valuations Pty Ltd. The Memorial has previously relied on valuation models provided by our valuers. The Memorial tests the procedures of the valuation model at least once every 12 months.

The significant unobservable inputs used in the fair value measurement of the Memorial's Heritage and Cultural (Collection) assets are identical or similar items sold through recorded auction sales, catalogues and known private collections. Significant increases (decreases) in any of those inputs in isolation would not result in a significantly higher (lower) fair value measurement.

Generally, a change in the assumption used for professional appraisals of similar items is accompanied by a directionally similar change in the assumption used for private sales of similar items.

No assets were transferred between Levels 1 and 2 during the reporting period. The highest and best use of all non-financial assets is the same as their current use.

#### 5.3A: Fair Value Measurement

	Fair value measurements at the end of the reporting period	
	2019 \$'000	2018 \$'000
<b>Non-financial assets</b>		
Land	13,096	13,096
Buildings on freehold land	162,319	154,762
Exhibitions	30,430	38,919
Heritage and Cultural (Collection)	1,153,060	1,174,527
Other property, plant and equipment	12,705	10,032
	<b>1,371,610</b>	<b>1,391,336</b>

There were no liabilities measured at fair value in the Statement of Financial Position.

## Other information

### 6.1 Aggregate Assets and Liabilities

#### 6.1A: Aggregate Assets and Liabilities

	2019	2018
	\$'000	\$'000
<b>Assets expected to be recovered in:</b>		
No more than 12 months	80,284	84,580
More than 12 months	1,371,610	1,391,336
<b>Total assets</b>	<b>1,451,894</b>	<b>1,475,916</b>
<b>Liabilities expected to be settled in:</b>		
No more than 12 months	8,927	11,330
More than 12 months	4,405	1,773
<b>Total liabilities</b>	<b>13,332</b>	<b>13,103</b>

### 6.2 Assets Held in Trust

The following monies are not available for other purposes of the Memorial and are not recognised in the financial statements.

#### 6.2A: Florance Foundation Trust Fund - monetary asset

During 1979-80 an amount of \$3,000 was provided by Mrs D Florance of Bowral, NSW, on condition that it is invested and the interest used to bring disadvantaged children to the Memorial. To this, the Memorial added \$5,000, bringing the total of the Florance Foundation to \$8,000. In 1985-86 the Australian War Memorial Fund paid a further \$10,000 into the Florance Foundation so that sufficient interest is generated to ensure the purpose of the Florance Foundation can continue. The Florance Foundation's current financial position, which is reported on a cash basis, is as follows:

<b>Donations and bequests</b>		
<b>As at 1 July</b>	<b>21</b>	<b>21</b>
Receipts	-	-
Payments	-	-
<b>Total as at 30 June</b>	<b>21</b>	<b>21</b>
<b>Total monetary assets held in trust</b>	<b>21</b>	<b>21</b>

#### Non-monetary assets

The current policy is for the trust fund to contribute the interest earned on the account towards the cost of fares associated with the transportation of disadvantaged children to the Memorial, as part of the ANZAC Day commemorations. The Legacy Co-ordinating Council and the Memorial together meet the balance of the fares' cost.

#### 6.1B: Australian War Memorial Krait Fund - monetary asset

In April 1985, the Memorial received the MV Krait and \$50,000 from the Z Special Unit Association Krait Public Museum Fund. The monies, together with interest, are held in a separate bank account, as provided for in the agreement with the trustees of the Krait Fund. These funds are for the conservation of the MV Krait. The interest earned is transferred to the National Maritime Museum of Australia for maintenance work on the MV Krait. The financial position of the Fund, which is reported on a cash basis, is as follows:

<b>Donations and bequests</b>		
<b>As at 1 July</b>	<b>40</b>	<b>41</b>
Receipts	1	1
Payments	(1)	(2)
<b>Total as at 30 June</b>	<b>40</b>	<b>40</b>
<b>Total monetary assets held in trust</b>	<b>40</b>	<b>40</b>

# LEGISLATIVE COMPLIANCE

## Advertising and marketing

In accordance with section 311A of the *Commonwealth Electoral Act 1918*, the following is a summary of amounts paid by the Memorial to advertising agencies, media advertising organisations, and market research organisations. The Memorial made no payments to polling organisations or direct mail organisations in the current reporting period. As required, particulars of payments of less than \$13,800 have not been included.

Service provider	Total amount paid (incl. GST)	General advertising	Market research
Canberra FM Radio Pty Ltd	\$18,560	\$18,560	
Fairfax Media	\$85,213	\$85,213	
Imagination (Australia) Pty Ltd	\$39,459	\$39,459	
Kundu Productions Pty Ltd	\$80,000	\$80,000	
McNair Ingenuity Research	\$15,593		\$15,593
Medium Rare Content Agency Pty Ltd	\$16,745	\$16,745	
Prime Media Group Limited	\$73,455	\$73,455	
Radio Canberra Pty Ltd	\$14,000	\$14,000	
Southern Cross Austereo	\$34,921	\$34,921	
Torchmedia Pty Ltd	\$27,918	\$27,918	
<b>Total</b>	<b>\$405,863</b>	<b>\$390,271</b>	<b>\$15,593</b>

## Energy consumption and environmental management

Protection of the environment and sustainable development remain key objectives for the Memorial and are applied to the development of plans for the enhancement and maintenance of the Memorial's buildings, grounds, and operations.

The Energy and Environment Committee (EEC) oversees and monitors the Memorial's energy use and the resultant impact upon the environment. The EEC meets quarterly and reports to the Senior Management Group and the Corporate Management Group providing focus and continuous improvement in managing water consumption, energy efficiency, waste disposal (including chemicals), and the appropriate control of hazardous materials (including asbestos and radiation).

The Memorial does not administer any legislation or have any appropriation directly related to the principles of environmental sustainability and development.

During the reporting period, the Memorial's activities have accorded with the principles of ecologically sustainable development by striving to reduce the Memorial's carbon footprint, and reduce reliance on non-renewable resources with the installation of solar panels in the new Treloar E building. Examples of efforts in this regard have included the continuation of a proactive waste reduction program including follow-me printing, which

has seen a steady decline in paper consumption throughout the reporting period, new, more efficient air conditioning systems including central plant chillers and boilers, and lighting upgrades at our Mitchell and Campbell sites which have incorporated low energy and zero ultra-violet emission alternatives.

## APPENDIX A: LIST OF REQUIREMENTS – CORPORATE COMMONWEALTH ENTITIES

PGPA Rule Reference	Part of Report	Description	Requirement	Page
<b>17BE</b>	<b>Contents of annual report</b>			
17BE(a)	Governance	Details of the legislation establishing the body	Mandatory	3
17BE(b)(i)	Governance	A summary of the objects and functions of the entity as set out in legislation	Mandatory	3
17BE(b)(ii)	Governance	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory	4
17BE(c)	Governance	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory	4
17BE(d)	Governance	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory	4
17BE(e)	N/A	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory	
17BE(f)	N/A	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory	
17BE(g)	Annual Performance Statements	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory	18
17BE(h), 17BE(i)	Financial Statements	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory	35
17BE(j)	Governance	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory	5
17BE(k)	Governance	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory	13
17BE(ka)	Governance	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following:  (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory	14

17BE(l)	Governance	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory	4
17BE(m)	Legislative Compliance	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory	57
17BE(n), 17BE(o)	N/A	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST):  (a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and  (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory	
17BE(p)	N/A	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory	
17BE(q)	N/A	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory	
17BE(r)	N/A	Particulars of any reports on the entity given by:  (a) the Auditor-General (other than a report under section 43 of the Act); or  (b) a Parliamentary Committee; or  (c) the Commonwealth Ombudsman; or  (d) the Office of the Australian Information Commissioner	If applicable, mandatory	
17BE(s)	N/A	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	If applicable, mandatory	
17BE(t)	N/A	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory	
17BE(ta)	Governance	Information about executive remuneration	Mandatory	16
<b>17BF</b>	<b>Disclosure requirements for government business enterprises</b>			
17BF(1)(a)(i)	N/A	An assessment of significant changes in the entity's overall financial structure and financial conditions	If applicable, mandatory	

17BF(1)(a)(ii)	N/A	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial conditions	If applicable, mandatory	
17BF(1)(b)	N/A	Information on dividends paid or recommended	If applicable, mandatory	
17BF(1)(c)	N/A	<p>Details of any community service obligations the government business enterprise has including:</p> <p>(a) an outline of actions taken to fulfil those obligations; and</p> <p>(b) an assessment of the cost of fulfilling those obligations</p>	If applicable, mandatory	
17BF(2)	N/A	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory	



