



Office of the Governor of Tasmania



Annual Report 1 July 2016—30 June 2017

*Government House
Hobart*

*Available on the Office of the Governor website:
www.govhouse.tas.gov.au*

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OFFICE OF THE GOVERNOR
GOVERNMENT HOUSE
TASMANIA 7000

20 October 2017

The Honourable Will Hodgman MP
Premier of Tasmania
Level 11, Executive Building
15 Murray Street
Hobart TAS 7000

Dear Premier,

In accordance with the provisions of the *Financial Management and Audit Act 1990*, I submit for tabling in the Parliament the Annual Report of the Office of the Governor of Tasmania.

The Report covers the period 1 July 2016 to 30 June 2017 and outlines the achievements and business of the Office of the Governor in providing effective and accountable support to the Governor of Tasmania.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'David Owen'.

David Owen
Official Secretary

MISSION

The Office of the Governor supports the Governor in the execution of her official and constitutional duties; administers the Governor's program of ceremonial and community activities; and administers the Government House Estate.

OBJECTIVES

The objectives of the Office of the Governor are to:

- provide a high standard of policy advice and administrative support to the Governor, including the organisation of her constitutional and ceremonial duties, and her program of community engagements;
- enable the efficient and effective interaction of the Office of the Governor with the Parliament, the Executive Government and the State Service;
- manage and operate Government House, its associated buildings and the Estate at a high level of maintenance and presentation.

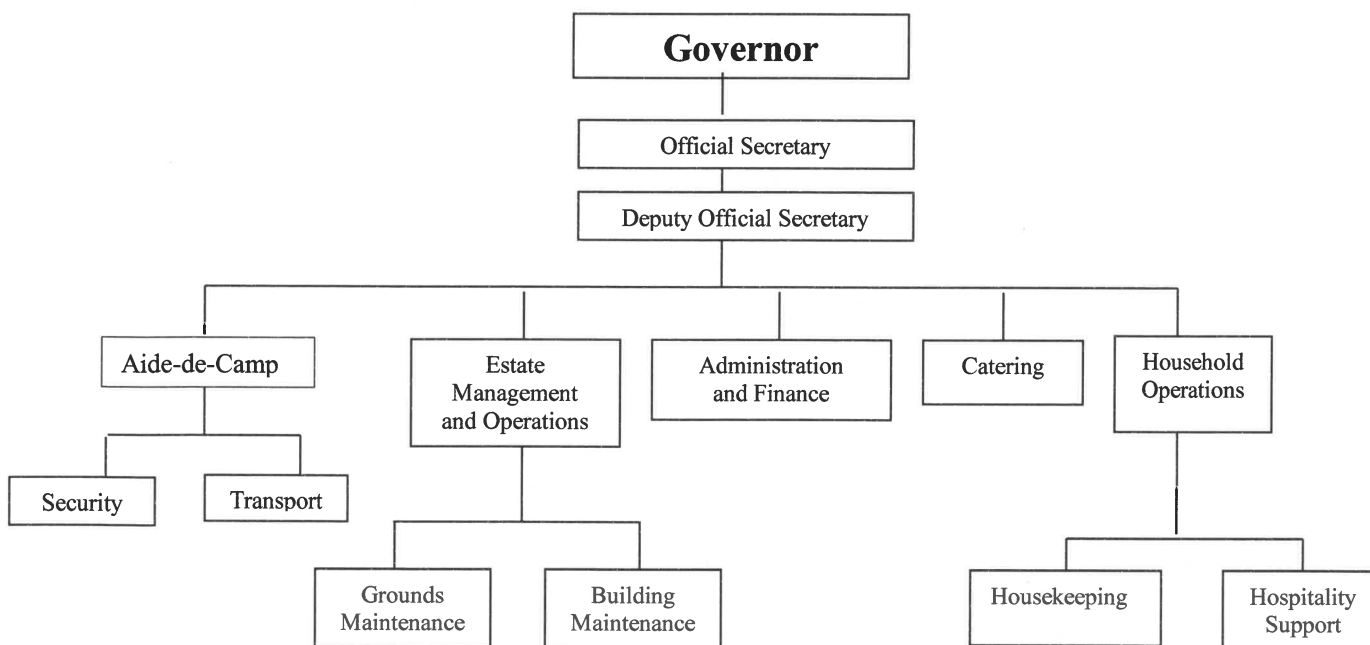
THE OFFICE OF THE GOVERNOR

Overview

For annual reporting purposes, the Office of the Governor is classified as an independent public sector entity. The Official Secretary, Head of Agency, is appointed by the Governor-in-Council under the *Governor of Tasmania Act 1982*, to assist the Governor in the performance of her duties.

The Official Secretary appoints and employs such persons as are considered necessary for the purposes of assisting the Governor and assisting in the management, administration and maintenance of Government House.

Organisational Structure





Her Excellency Professor the Honourable Kate Warner AC,
Governor of Tasmania and Mr Richard Warner

Functions of the Office

The role of the Governor is defined by the Letters Patent constituting the office, by legislation and by constitutional conventions. The Governor's function is to protect the constitution, secure the orderly transition of governments, facilitate the work of the Parliament and the Government, act as a non-political representative of the State and participate in the affairs of the Tasmanian community.

The Governor, on behalf of all Tasmanians, promotes Tasmania, recognises achievement, encourages worthwhile endeavour and reinforces the State's cultural identity and the values. A key indicator of the Office of the Governor's close links to Tasmanian society is in the number of organisations enjoying Vice-Regal patronage — 146 during the year in review.

The Office of the Governor supported Her Excellency and Mr Warner in carrying out all of their Vice-Regal functions; and supported the Lieutenant Governor and Mrs Blow and the Administrator and Mr Tennent in carrying out their Vice-Regal functions.

Corporate Governance

The Official Secretary is responsible for managing the Office of the Governor in a way that promotes the proper use of State resources. These responsibilities and the key elements of the administrative framework for the Official Secretary as the Head of Agency are specified in the *Financial Management and Audit Act 1990*. The Official Secretary is responsible for establishing strategic priorities, allocating resources, and monitoring and reporting on team and individual performances. The Official Secretary convenes staff meetings and liaises with various State sector representatives. The Official Secretary monitors the implementation of employment policies and practices.

OUTPUT REPORT

Output 1.1 - Support of the Governor

The objectives of this Output Group are to support the Governor in carrying out her constitutional role in the operation of the Parliament and the Executive Government and her official role in the affairs of the Tasmanian community, and to preserve the Government House Estate.

The Output Group consists of the single Output entitled ‘Support of the Governor’, which has as its first objective the efficient and effective intercourse between the Office and the Parliament, the Executive Government, the State Service, the Honours Secretariat, the Commonwealth Government and the Tasmanian community. Secondly, it entails the preservation of the Government House Estate. Thirdly, it has the objective of cooperating closely with all arms of government and the community to promote the State of Tasmania to a wide range of interstate and international guests and other visitors to the State. The services provided under this Output Group are delivered by the Governor, her spouse, her support staff and the facilities of the Government House Estate.

Financial Performance

The total resourcing for Output 1 is set out in the table below. The Office budgeted for Output appropriations of \$3,990 million for recurrent services.

Consolidated Fund	2016–2017	2016–2017	Variation
	Budget \$’000	Actual \$’000	
Recurrent Services (Appropriation)	3,990	3,879	(111)

Performance Indicators for Output 1.1

Output 1.1 Support of the Governor	<p><i>Quality:</i> Satisfaction of the Governor and the organisations and individuals with whom the Office deals; meeting of heritage standards in the conservation and capital improvement of the Government House Estate;</p> <p><i>Quantity:</i> Management of the Governor’s participation in 472 official events at Government House and throughout Tasmania; maintenance of 15 hectares of grounds including 4.5 hectares of ornamental gardens, substantial vegetable and picking gardens and orchard and vineyard; Estate management, conservation and maintenance of Government House and seven cottages and ten service outbuildings.</p>
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Qualitative Assessment

The key outcomes for Output 1.1 are that:

- all constitutional, statutory and representational activities are supported and meet the expectations of the Governor;
- household operations, including official hospitality, are conducted to the Governor's satisfaction and in a manner that reflects the nature and status of the Office;
- arrangements for Vice-Regal participation in external events are coordinated to the satisfaction of the Governor and in a manner that reflects the nature and status of the Office.

Personal and administrative staff supporting Output 1.1 assist the Governor with her representational activities, including the planning and organisation of events; relations with Government, the Parliament, the Executive Government, the State Service, the media, community groups and individuals; security and transport; assistance in the preparation of messages, speeches and correspondence. Advice is also provided on policy, precedent and practice.

Household operations and catering staff supporting the Output provide a high standard of catering services for official functions and a high standard of maintenance of Government House.

Staff supporting the Output in the management of the Estate maintain the grounds and buildings and other assets of the Government House Estate to a high standard.

The evaluation of performance is assisted by regular assessment and comments by the Governor, guests at official functions, members of the public, government, government bodies and community organisations involved with official events. The nature of these comments is consistently positive.

Details of key activities undertaken in 2016–2017

Key Results	Number	
	2015-2016	2016-2017
Executive Council meetings presided over	24	23
Acts receiving Royal Assent	50	66
Receptions held at Government House	56	43
Ambassadors and High Commissioners hosted at Government House	11	7
Official dinners and luncheons	19	15
School visits to Government House	14	13
Visits to Government House by community groups, including service clubs, special interest groups, exchange students, and charitable organisations	38	35
Swearings-In, Investitures, presentation ceremonies	27	28
Official callers received by the Governor/Lt Gov/ADM*	143	140
External events attended by the Governor/Lt Gov/ADM	266	253
Speeches delivered by the Governor/Lt Gov/ADM	208	197
Visitors on Open Day	3,500	0
Total number of guests	17,757	12,752

*Administrator

THE YEAR IN REVIEW

Constitutional

The Governor's primary role is to safeguard the Tasmanian Constitution and Tasmania's democratic parliamentary system of government. The *Constitution Act*, s10 provides that, 'The Governor and the Legislative Council and House of Assembly shall together constitute the Parliament of Tasmania.' It is the duty of the Governor to sign all the Bills that have been passed by the two Houses of Parliament in order to make them part of the law of Tasmania. During 2016–2017 Her Excellency or the Lieutenant Governor or Administrator gave Royal Assent to 66 Bills presented by the President or Deputy President of the Legislative Council of Tasmania.



Her Excellency signs into law the *Tasmanian Constitution Amendment (Constitutional Recognition of Aboriginal People) Act 2016*; the Act presented by the Honourable Jim Wilkinson MLC, President of the Legislative Council, accompanied by Mr David Pearce, Clerk of the Legislative Council

In addition, the Governor exercises executive power, but (with rare exceptions) only on the advice of Ministers who are responsible to the Parliament. That advice is generally conveyed through the Executive Council. The Governor presides at regular meetings of the Council, giving the constitutionally required approval to give legal effect to many Government decisions. During 2016–2017 Her Excellency or the Lieutenant Governor or Administrator presided over 23 meetings of the Executive Council.

Administration in the absence of the Governor

The Lieutenant Governor the Honourable Justice Alan Blow OAM administered the State on these occasions: Monday 4 July to Saturday 16 July 2016; Friday 28 April to Saturday 29 April 2017.

Administrator the Honourable Justice Shan Tennent administered the State from Saturday 16 to Tuesday 19 July 2016.

Ceremonial

At Government House Her Excellency or the Lieutenant Governor or Administrator officiated at a variety of ceremonial events. In the year under review there were a total of 28 investitures and presentations, some of which were:

- Australia Day Honours Investiture;
- Queen's Birthday Honours Investiture;
- Defence Reserves Support Council Employer Awards;
- Queen's Scout and Guide Awards;
- Rhodes Scholar announcement;
- Duke of Edinburgh's Gold Awards;
- Office of Tasmanian Assessment, Standards & Certification Awards;
- Governor's Environment Scholarships;
- St John Investiture;
- Tasmanian Volunteer of the Year Awards;
- Tasmanian Australian of the Year Awards;
- Australian Association Croquet Championships;
- Young Creative Writers' Awards;
- Winston Churchill Fellowship Presentations;
- Royal Life Saving Society Association Honours;
- Tasmania Police Commissioner's Medal;
- Surf Life Saving Tasmania;
- Bravery Awards;
- Australian Citizenship Day Ceremony;
- Heart Foundation Scholarships and Awards;
- Human Rights Awards;
- The Swearing-in of new Cabinet Ministers;
- The Swearing-in of Acting Judges of the Supreme Court of Tasmania.



Swearing-in of Justice Arthur Robert Emmett, AO
as an Acting Judge of the Supreme Court of Tasmania

Investitures and presentations vary considerably. Those such as the Order of Australia Investiture are formal and attended by up to 200 guests, comprising friends and family of the recipients and official guests, the latter being announced into the Ball Room. The Australian Army Band Tasmania perform The Fanfare, Vice-Regal Salute and the Australian National Anthem.

Smaller, less formal presentations take place in the Drawing Room; these often are events recognising long or distinguished services of individuals in organisations of which the Governor is Patron.



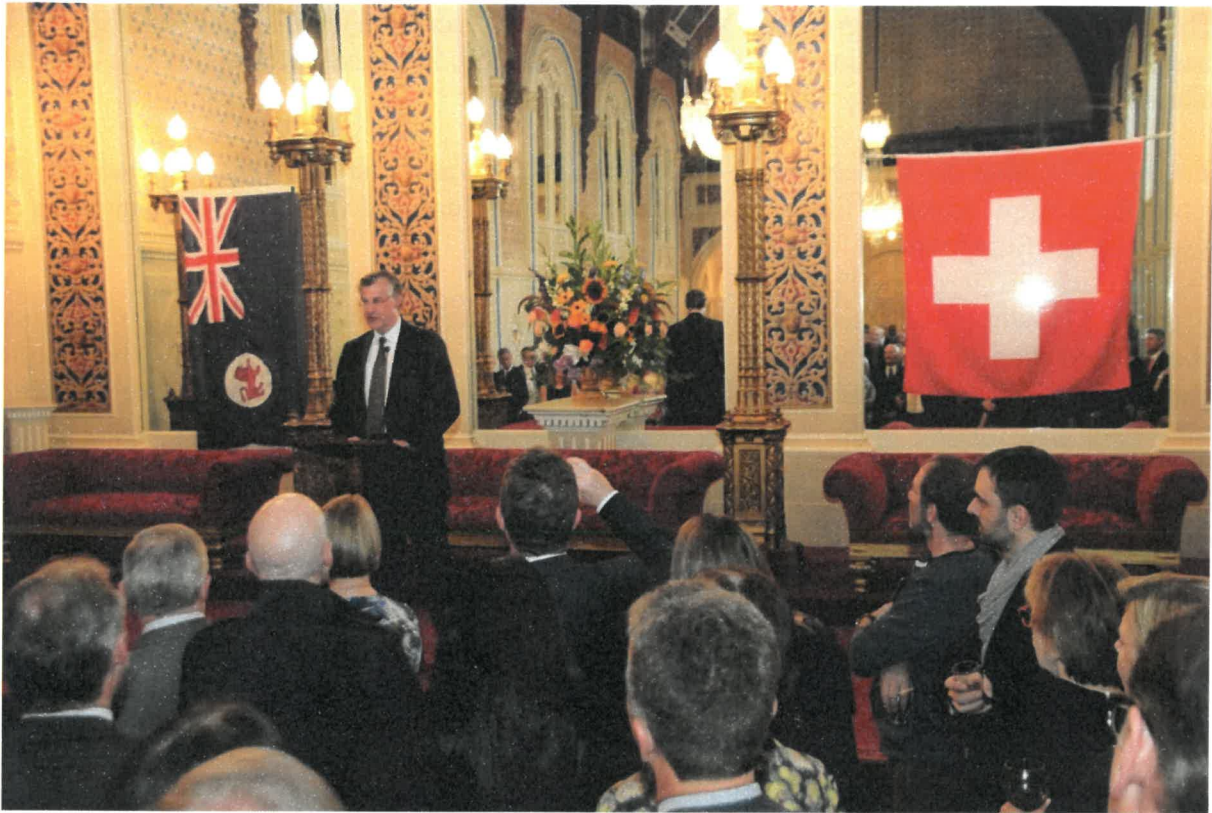
Australian Citizenship Ceremony

Visitors to Government House

Events and functions hosted by the Governor and Mr Warner or the Lieutenant Governor or Administrator brought 12,752 visitors to Government House in 2016-2017, being: Receptions, 5590; Investitures, Presentations, Lectures, Musical evenings, 4315; Morning and Afternoon Teas, 1273; Other visitors, 686; School visits, 428; Lunches, Dinners, 320; Official callers, 140.

Municipal Visits

In the Year under review the Governor and Mr Warner paid official visits to the Tasmanian Municipalities of: Flinders Island; King Island; George Town; Southern Midlands; Kentish.



Frederick Paulsen, Chairman of the Board of Directors of Ferring Pharmaceuticals, addresses the Antarctic Circumnavigation Expedition of the Swiss Polar Institute

Significant events

On Friday 1 July 2016 the Governor and Mr Warner hosted the premiere performance of the choral work 'The Mountain' by the Crescendo Choir, as part of Tasmania's 2016 international Festival of Voices event.

On Friday 8 July the Governor and Mr Warner attended the joint University of Tasmania – Shanghai Ocean University AIEN Institute Graduation Ceremony, in Pudong, Shanghai, China.

On Wednesday 27 July the Governor and Mr Warner hosted the 2nd Agricultural Science Higher Education Forum in conjunction with the University of Tasmania. The forums provide valuable opportunities to engage with Tasmania's agriculture industry and government leaders regarding the future direction and scope of agriculture education at the University of Tasmania. Their outcomes are demonstrably practical, including assisting the development of Associate Degrees targeted at producing graduates for in-demand industries such as agribusiness.

On Wednesday 7 September the Governor delivered a keynote presentation at the 2016 Australian Women's Leadership Symposium in Hobart.

On Monday 26 September the Governor and Mr Warner undertook a review of the work being done by the Tasmanian Flood Recovery Taskforce in the areas of Launceston, Meander Valley and the Northern Midlands.

On Wednesday 28 September the Governor and Mrs Warner visited historic Recherche Bay with Ms Jane Hutchinson, CEO, Tasmanian Land Conservancy and Lieutenant General David Morrison AO, Australian of the Year 2016.

On Thursday 6 October the Governor and Mr Warner hosted a reception for visiting Presiding Officers, Ambassadors and guests attending the 2016 MIKTA (Mexico, Indonesia, Korea, Turkey, Australia) Speakers' Consultation.

On Friday 14 October the Governor and Mr Warner attended and Her Excellency opened the 2016 Flinders Island Show, as part of their official Flinders Island Municipal visit. They also enjoyed a day-long walk up Mt. Strzelecki while on the island.

On Monday 17 October Her Excellency opened the 35th annual Meeting of CCAMLR (Commission for the Conservation of Antarctic Marine Living Resources) at its Hobart Secretariat Headquarters, and later she and Mr Warner hosted a reception and music for 200 delegates representing 24 Member Countries and 11 Acceding States. CCAMLR was established by international convention in 1982 to conserve Antarctic marine life. This was in response to increasing commercial interest in Antarctic krill resources, a keystone component of the Antarctic ecosystem and a history of over-exploitation of several other marine resources in the Southern Ocean. Australia's key role in CCAMLR is in this way comprehensively supported by the Office of the Governor of Tasmania.

On Wednesday 26 October the Governor delivered the 2016 Goldring Lecture in honour of the University of Wollongong's Foundation Dean of Law.

On Monday 7 November Mr Warner attended a meeting of the Crawford Fund. He is the Chair of the Tasmanian Committee of the Crawford Fund, a not-for-profit organisation that seeks to increase Australia's engagement in international agricultural research and development through raising awareness of the benefits to Australia and developing countries from investment in the sector and through training programs for developing country scientists who draw on Australian experience.



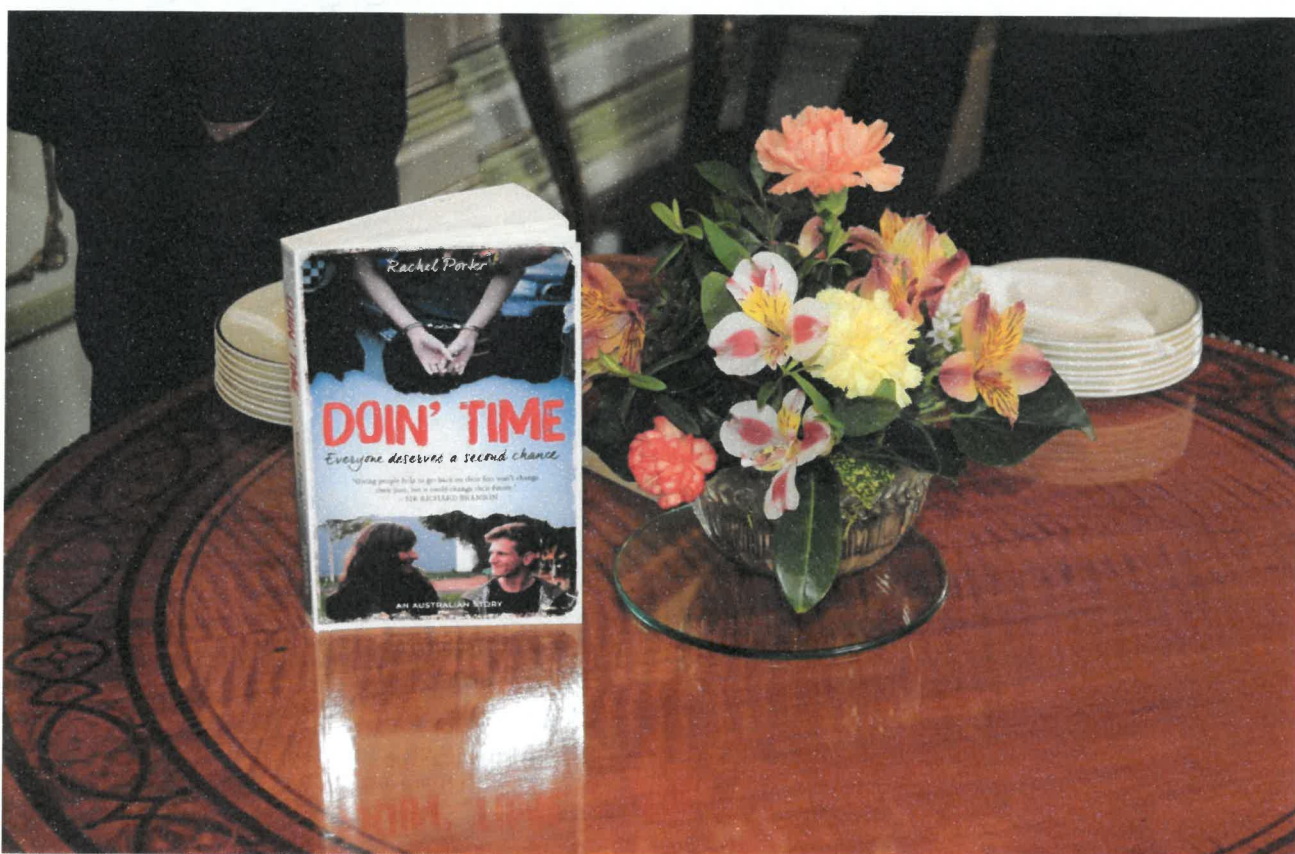
Mr Warner addresses a Crawford Fund meeting.
The Honourable Jeremy Rockliff MP, Deputy Premier, also addressed the meeting

On Friday 11 November the Governor and Mr Warner hosted the presentation of the Australian of the Year Awards (Tasmania) on behalf of the National Australia Day Council. This was the first occasion the ceremony was held at Government House; the appropriateness of the venue means that it will be held at Government House in future years.

On Sunday 13 November the Governor and Mr Warner travelled to King Island for an official Municipal visit. This marked the 13th of the total 29 Tasmanian Municipal visits that will be undertaken during Her Excellency's term of office.

On Thursday 17 November the Governor and Mr Warner attended a Governors' Dinner in honour of the 90th Birthday of Her Majesty The Queen, hosted by His Excellency the Honourable Paul de Jersey AC, Governor of Queensland and Mrs Kaye de Jersey.

On Saturday 26 November the Governor delivered an address on leadership and inclusive culture to Australian Command and Staff College course members at the Australian Defence College, Canberra.



Book launch at Government House.

On Monday 28 November the Governor and Mr Warner travelled to Riveaux Cave in southern Tasmania to view Aboriginal hand stencils with melythina tiakana warana Aboriginal Corporation.

On Saturday 3 December the Governor and Mr Warner attended Mannalargenna Day (of which Her Excellency is Patron) at Tebrakunna Visitor Centre, Little Musselroe Bay, Cape Portland.

On Wednesday 7 December the Governor and Mr Warner hosted a presentation ceremony for the Tasmania Police Service Medal for Diligent and Ethical Service (the Commissioner's Medal).

On Saturday 10 December the Governor and Mr Warner hosted a Children's Christmas Party (incorporating the St Giles 2016 'Walk with Me' event), attended by some 500 children and parents and carers.

On Thursday 15 December the Governor and Mr Warner hosted a morning tea to mark the *Tasmanian Constitution Amendment (Constitutional Recognition of Aboriginal People) Act 2016*. Her Excellency gave Royal Assent to the Act in the presence of many members of Tasmania's Parliament, representatives of Tasmanian Aboriginal organisations and associations and members of the public.



Tasmanian Constitution Amendment (Constitutional Recognition of Aboriginal People) Act 2016.
Her Excellency and Auntie Patsy Cameron, attended by
the Governor's Aide-de-Camp Flight Lieutenant Catherine Saunders

Between Monday 16 and Monday 23 January 2017 the Governor rafted the Franklin River in Tasmania's World Heritage Wilderness Area. She was accompanied by Honorary Aide-de-Camp Lieutenant Colonel David Hughes, the trip being undertaken through the company Water By Nature.

On Friday 20 January Mr Warner hosted a reception to mark the Antarctic Circumnavigation Expedition of the Swiss Polar Institute. The circumnavigation's sponsors included the Swiss Institute of Forest, Snow and Landscape Research, the University of Bern, and Frederik Paulsen, Chairman of the Board of Directors of Ferring Pharmaceuticals.

On Monday 13 February the Governor and Mr Warner boarded the motor launch Egeria to view the Australian Wooden Boat Festival sail-past of the 2017 Royal Hobart Regatta; Her Excellency had earlier delivered an address to officially open the Australian Wooden Boat Symposium of the Festival, which has become the largest of its kind internationally.

On Wednesday 15 February the Governor delivered a presentation at the Applied Research in Crime and Justice Conference in Sydney.

On Thursday 16 February Mr Warner attended an all-day Agriskills Project meeting in Hobart. Mr Warner is Chair of the Agriskills Reference Panel, which is closely associated with the Tasmanian Government's Agrivision 2050 Plan for agriculture with a commitment to grow the value of the agriculture sector by tenfold to \$10 billion per year by 2050. A key part of the Plan is to revitalise agricultural education and training in Tasmania with government support to enhance employment expertise in agriculture by better aligning the skills required in the farming sector with the provision of agricultural education in the State.

On Friday 17 February the Governor and Mr Warner hosted a 'Variety of Gins' fundraising event for Variety Tasmania. The event was staged at various locations in the grounds of Government House, culminating in a successful fundraising auction for Variety Tasmania, supporting children and families who are facing many challenges through sickness, disadvantage or living with a disability.

On Monday 20 February the Governor and Mr Warner hosted a visit by students and staff from Aarhus Business School, Denmark, together with their hosts from Hobart College.

On Thursday 23 February the Governor hosted an all-day meeting of the Board of Reconciliation Australia.



Directors of the Board of Reconciliation Australia. Left to right:
Melinda Cilento, Bill Lawson, Joy Thomas, Peter Nash,
Glen Kelly, Djapirri Mununggirritj, Kenny Bedford, Kirstie Parker,
Justin Mohammed (CEO), Tom Calma

On Thursday 23 February Mr Warner attended a Canberra meeting of the Board of the Crawford Fund.

On Monday 27 February the Governor attended a meeting of the Underwood Centre Advisory Committee. Her Excellency is Chair of the Committee. In this role she works closely and actively with the Peter Underwood Centre for Educational Attainment, the purpose of which is to contribute to sustained improvements in learning and educational experiences, aspirations and attainment, particularly in Tasmania.

On Sunday 5 March the Governor and Mr Warner participated in Day 3 of the 2017 Diabetes Tasmania Pollie Pedal raising funds for Diabetes Tasmania, of which organisation Her Excellency is Patron.

On Monday 27 March the Governor and Mr Warner hosted a dinner to showcase the inaugural harvest of produce from the Government House kitchen garden replicating the 'French Garden' at Recherche Bay. The Government House imagined recreation is named Lahaye's Garden. (In April 1792 a French maritime expedition landed at Recherche Bay. An experimental vegetable garden was planted there by Felix Lahaye.)

On Wednesday 29 March the Governor and Mr Warner hosted a fundraising reception in support of RSPCA Tasmania, of which Her Excellency is Patron.



OAK Tasmania Duke of Edinburgh Bronze Awards

On Friday 31 March Government House Executive Chef Ainstie Wagner hosted a 'Tasmanian Produce Masterclass' for eight prominent Japanese chefs visiting Tasmania with a view to sourcing produce for their restaurants in Japan. Their Tasmanian visit was coordinated by the Department of State Growth.

On Thursday 6 April Mr Warner attended an all-day Agriskills Meeting in Launceston.

On Thursday 6 April ABC Television filmed aspects of Government House and the role of the Governor for an 'Australia Wide' educational program.

On Friday 7 April the Governor and Mr Warner hosted a Quilting Day in the Ball Room for members of the Tasmanian Quilting Guild in support of charitable organisations.

On Tuesday 25 April the Governor delivered the address and led the wreath-laying ceremony at the main service to commemorate ANZAC Day 2017.

On Friday 28 April the Governor and Mr Warner travelled to Canberra. At Yarralumla, Her Excellency attended an investiture ceremony where she was invested as a Companion of the Order of Australia by the Governor-General, His Excellency General the Honourable Sir Peter Cosgrove AK MC. (Retd.)

On Friday 12 May the Governor and Mr Warner hosted the Australia Day Investiture for 2017.

On Thursday 8 June the Governor and Mr Warner hosted a 2017 Queen's Birthday Charity Fundraising Concert in aid of Foodbank Tasmania, of which Her Excellency is Patron.

On Friday 16 June the Governor and Mr Warner hosted a fundraising lecture and reception to mark the 35th anniversary of the Friends of the Tasmanian Museum and Art Gallery.

Government House Tasmania Forward Plan

The Plan outlines a range of proposals to raise modest revenue to contribute to the future maintenance of Government House, through enhanced public interaction with Government House and its Estate. The proposals will be implemented such that they will not in any way impede or diminish the status and proper functioning of the Office of the Governor. In the Year under review the Plan was debated in the Parliament of Tasmania and passed unanimously. On Friday 26 May the Speaker of the House of Assembly, the Honourable Elise Archer MP, issued a Media Release:

“More community engagement for Government House: I am pleased the *Government House Land Amendment Bill 2017* has passed the Legislative Council. The Bill will allow Government House the capacity to undertake revenue-raising activities that are in keeping with the status of the site. For some time Government House has been investigating ways in which it can connect with the community and make the site more accessible to more people. Government House's *Forward Plan 2015-2025* outlines a number of extra activities to be undertaken at Government House to enhance general public interaction with the site as well as opportunities for co-hosting events that are approved by Government House. All revenues raised will go directly towards the ongoing maintenance of the site. Government House is a key part of our history, and this Bill will provide more community engagement opportunities between Government House and the people of Tasmania.”

School and Community Groups

During the year 50 school and community groups visited Government House to view the House and grounds and to learn more about the role of the Governor and the many and varied functions of the Office.

School Visits:

Channel Christian School; Dominic College; Rosny College; Taroona High School; South George Town Primary School; The Friends' School Hospitality students; Guilford Young College; Aarhus Business College, Denmark and Hobart College; St Michael's Collegiate School; Goulburn Street Primary School; Mount Nelson Primary School; Inokuchi Senior High School, Japan, and Elizabeth College.

Community Group Visits:

Young Presidents Organisation, WA; GlobalNet Academy; Hobart Photographic Society; Royal Hobart Bowling Club and Anglesea Barracks teams; TMAGgots; 'Wednesday Painters' group; Variety of Gins auction prize winners; Tasmanian Quilting Guild; Japanese Chefs masterclass; The Hutchins School Hospitality students; Diabetes Tasmania Pollie Pedal cyclists; Epilepsy Tasmania volunteers; Australian Decorative and Fine Arts Society Launceston; Cruising Yacht Club of Tasmania; Australian Air Force Cadets; Kingston School for Seniors; Huonville High School; Southern Cross Care; Jane Franklin Hall; Christian Homes Tasmania; Seconds Count Gala Ball auction prize winners; Cressy Garden Group; Art Society of Tasmania; Lower Sandy Bay Ladies' Probus Club; TMAG Foundation members (3 group visits); Rotary District 9830 members; Guide Dogs Tasmania; RAAF Cadets; 'TS Argonaut' Navy Cadets; TasTAFE Horticulture.



Children's Christmas Party 2016 – Lion's Court, Government House

Official Callers and Diplomatic Visits

The Governor received 140 official callers. These included senior Australian Defence Force personnel, heads of Government Agencies, visiting overseas dignitaries including Ambassadors, High Commissioners and Consuls, representatives of community organisations including those with Vice-Regal patronage and representatives from the fields of commerce, education and the arts.

In 2016–2017 among those the Office of the Governor received calls from or provided accommodation and hospitality for were: the Ambassador of the Republic of Korea, His Excellency Mr Kyoung-ha Woo and Dr Jinah L Woo; the Ambassador of the Federal Republic of Germany, Her Excellency Dr Anna Prinz; the Ambassador of Denmark, His Excellency Mr Tom Nørring and Mrs Claudia-Christina Papagianni; the Ambassador of Finland, His Excellency Mr Lars Backström and Mrs Brigitta Backström; the Ambassador of Switzerland, His Excellency Mr Pedro Zwahlen and Her Excellency Ms Yasmine Chatila Zwahlen; the Ambassador of Japan, His Excellency Mr Sumio Kusaka and Mrs Ikuko Kusaka; the Ambassador of the United States of America, His Excellency Mr John Berry.

Ambassadors and High Commissioners regularly pay two or three day official visits to Tasmania. A notable feature of these visits is the invitation from the Governor to host the dignitary and partner in the Royal Suite. Tasmania is the only Australian State offering accommodation at Government House as part of the official visit; this hospitality is understood to be much appreciated by the guests. The Office of the Governor works closely with the Protocol Office of the Department of Premier and Cabinet in facilitating these important economic and cultural diplomatic engagements.

Official visits provide many Tasmanian guests with opportunities to meet the diplomats and their partners at Luncheons and Dinners at Government House.



Main Bedroom, Royal Suite

Morning and Afternoon Teas

Heart Foundation Tasmania/Menzies Institute for Medical Research; Royal Hobart Hospital Research Foundation; Hobart Legacy; Clarence Community Volunteer Service 'Eating with Friends'; National Trust Volunteers; Guide Dogs Australia; Rotary District 9820, Victoria; ADFAS Pokolbin NSW; First Fleet Association Derwent Chapter; Department of Education Early Childhood Intervention Service; Fairway Rise Lifestyle Village; RHH Volunteer Service; Northern Suburbs Table Tennis Association; Anzac Centenary Arts and Culture Fund; Tasmanian Rhodes Scholar 2017; Frank MacDonald Memorial Prize; National Youth Science Forum; East Coast Cancer Support Group; IMM v. The Queen Expert Panel members; Probus Club of Lauderdale.



Tasmanian Quilting Guild Day in support of charities

Receptions

In the period under review the Office of the Governor held 43 receptions totalling 5590 guests. They were: AMN, ISMM, APCBM and Australia-New Zealand Nano-Microfluids; Old Virgilians Association; Royal Australian & New Zealand College of Ophthalmologists; Oxfam Australia; Women Supporting Women Forum; Order of St John of Jerusalem; Dutch Australian Society 'Abel Tasman'; Ten Days on the Island Festival; Tasmanian Leaders' Program; St Michael's Collegiate School; Royal Hobart Regatta, Hobart Cup Carnival and Australian Wooden Boat Festival; Tasmanian Polar Network and Australia Japan Society; Antarctic Circumnavigation Expedition of the Swiss Polar Institute; Sexual Assault Support Service; St Giles 'Walk with Me'; Design Tasmania; Langford Support Services; Smart Media and Applications Conference; Australian and New Zealand Society of Criminology; Tasmania Law Reform Institute; Homeward Bound Project; TMAG Foundation; Global

Eco Asia-Pacific Tourism Conference; Archdiocese of Hobart; Robogals Tasmania; Australian Decorative and Fine Arts Society; Pre-Vocational Medical Education Forum; Hobart District Nursing Service; 26TEN Week; Royal Hobart Show; Australian Red Cross Tasmania Division; National Golden Gavel Conference; MIKTA (Mexico, Indonesia, Korea, Turkey, Australia) Speakers' Consultation; Menzies Institute for Medical Research; Business Educators Australasia; Mature Moves; Winston Churchill Fellowships book launch; A Fairer World; Australian Society for Fish Biology and the Oceania Chondrichthyan Society; Plane Tree Studio; Science Week; Women in Tourism and Hospitality; Local Government Association of Tasmania.



Australian Army Band Tasmania quartet perform at the Quarry Pond during the fundraising event for Variety, the Children's Charity.

Monthly tours – State Rooms; Behind the Scenes; Furniture; Gardens

These are tours for which patrons book online at modest cost (\$10) and which are conducted by Honorary Aides-de-Camp and Garden staff and Volunteers. They are consistently popular. A limit is set for numbers to ensure a high-quality experience.

Government House productivity and training services

Hospitality —

The many functions at Government House provide a showcase for promoting Tasmanian food and beverages. All food served is produced in the Government House kitchen and is of a consistently high standard. Wherever possible Tasmanian produce is used, much of it grown on the Estate, and Tasmanian wines, beers and spirits are served.

Government House includes occasional ‘Taste of Tasmania’ experiences at functions with interstate and international guests. Food is served using the produce that is on display. Commercial producers showcase and discuss with guests their uniquely Tasmanian produce.

In addition to her regular operations, Executive Chef Ainstie Wagner facilitates and supervises a range of educational and charitable activities. In the Year under review these included Work Placements, School tours and Professional Development, for Tarremah Steiner School; TasTAFE; Sacred Heart College; Huonville High School; The Hutchins School; Elizabeth College; Guilford Young College; The Friends’ School; Rosny College; Ogilvie High School; Princes Street Primary School; Taroona High School; GlobalNet Academy.



Cooking Masterclass for visiting Japanese Chefs. (See page 18.)
Rachael Calvert, Sous-Chef, is on the left of Executive Chef Ainstie Wagner.

Gardens—

Garden Supervisor Steve Percival and his staff, in addition to maintaining the Estate grounds in immaculate condition, carry out a range of educational and other activities. In the Year under review these included hosting TAFE horticulture students as work placements or for practical field days.

On-site vegetable production, and cut flower production (arranged throughout Government House with great professionalism and flair by florist Ineke Souris), contribute significantly to both the Kitchen and floristry requirements.

Lahaye's Garden is the recreation of the Recherche Bay garden planted in 1792 by Felix Lahaye, a member of the Bruni d'Entrecasteaux French maritime expedition. In recreating the garden, modern varieties of original seed stock were acquired from France and plantings include cos lettuce, spinach, leek, onion, chicory, pumpkin, parsley, cabbage, lettuce, celery, butter bean, scarlet runner bean, carrot.

Also planted are a selection of native grasses common to the bushland in Recherche Bay, including some species that were collected by d'Entrecasteaux's naturalist Jacques Julien de Labillardière and gardener Felix Lahaye and featuring the grass *Poa Labillardier* named after the French naturalist.



The Dining Room in preparation for the the first meal celebrating Lahaye's Garden and the legacy of the French expeditioners of 1792-93 who enjoyed extensive and amicable interations with the Recherche Bay Aborigines.

Government House bees produce small but valuable quantities of honey, following an initial harvest in 2014/15 of 9kg. This quantity has now doubled.

Government House laying hens produce on average 15 dozen eggs per week.

A range of citrus, particularly lemons and limes, have been introduced, enabling seasonal supply to the Kitchen.

Cattle, a prominent visual feature of the Government House paddocks, are agisted from the Jordan River Learning Federation at Bridgewater.

External Events

These are many and varied and in the year under review the Governor or Lieutenant Governor or Administrator attended 253 events around Tasmania.

Speeches were delivered to open local, national and international conferences and meetings; and speeches were given to a variety of community organisations. In the year 2016–2017 there were 197 speeches delivered.



Day-long walk up Mt. Strzelecki while visiting Flinders Island

The Governor and Mr Warner opened numerous art exhibitions and launched books by Tasmanian authors. They are keen supporters of the performing arts in Tasmania and their support for the cultural industry was evident in the numerous theatrical and musical performances they attended in their official capacity.

Many community events are recurring and attended by the Governor or Lieutenant Governor, some of which are: the Royal Hobart Show and the Royal Launceston Show; the Hobart Cup and the Launceston Cup; the Combined Clubs Opening Day; University of Tasmania Town and Gown parades in Hobart and Launceston; The Sydney to Hobart yacht race; Royal Hobart Regatta; Australian Wooden Boat Festival; Scouts and Guides Tasmania AGM; Legacy Luncheons; Australian Institute of Company Directors Annual Gold Medal Luncheon.

The Governor or Lieutenant Governor officiated at commemorative services including: Anzac Day; Armistice Day; the Battle of Britain; the Battle of the Coral Sea; the Battle of Crete; the Dedication Service for the Annual Field of Remembrance.

Among the many other events: Tasmanian Architecture Awards; Inaugural Blundstone Associate Degree Agribusiness Dinner; Australasian Association of College and University Housing Officers Conference; Australian Lions National Convention; Royal Australian Infantry Corp Annual Dinner (Her Excellency is Representative Colonel); Cancer Council Tasmania Relay for Life; National Superannuation Lawyers' Conference; John Glover, artist, 250th anniversary; Applied Research in Crime and Justice Conference; Black Tuesday Bushfires 50-Year Commemoration; Honourable Hiromichi Nakano, Mayor of Yaizu City, Sister City of Hobart; Hobart International Tennis Tournament; Australia's National Research Organisation for Women's Safety; English Australia Conference; Tasmanian Olympic Team reception; Republic of Indonesia Independence Day anniversary; Tasmania Police Commissioned Officers' Mess Annual Dinner; Clarence High School address: Respectful Relationships.

The Government House Website

The website provides information on all aspects of the operation of the Office, ranging from the functions of the Governor, biographical information, a pictorial diary of Vice-Regal engagements and access to the texts of speeches, through to advice regarding protocol, the history of the House and a guide to the House and Gardens. The website is a valuable site for increasing awareness of the role and activities of the Office.

The home page of the website provides advice on events at Government House, for which tickets are able to be reserved online; in the Year under review these included concerts and the conducted monthly tours of the State Rooms, Behind the Scenes, Furniture and the Gardens.

The Government House Estate

The *Government House Land Act 1964* designates the Government House Estate as the place of residence of the Governor and her spouse, which is its principal role. However, the Governor and her spouse personally occupy only a small part of the residence for their personal accommodation. Government House has a much broader function than as a home. Being the premises in and from which the Governor carries out her responsibilities, including many of the Governor's constitutional functions, Government House is primarily a working establishment.

An important part of the Governor's role is to provide hospitality to Tasmanians and visitors to the State and a significant portion of Government House is set aside for this purpose. This includes the State Rooms, which are used principally for official functions, and the kitchen and catering facilities, which provide for these events.

Some staff members and their families are accommodated in cottages on the Estate. These are staff members who are required to be on call at all times, seven days a week, and whose remuneration package includes accommodation. The other buildings on the Estate are all fully utilised as storage areas, workshops and garages.

The Estate comprises 15 hectares of grounds including 4.5 hectares of ornamental gardens; substantial vegetable and picking gardens and an orchard. Produce from the gardens provide a significant proportion of the fruit and vegetables used in the kitchen and in the floral arrangements used throughout the House.

Staff

Current Staff positions: Official Secretary; Deputy Official Secretary; Executive Chef; Executive Butler; Aide-de-Camp; Garden Supervisor; Building and Assets Manager; Accountant (part-time); Senior Executive Officer (part-time); Executive Officer (part-time); Invitations Secretary; Cook; Household Attendants (3 full-time, 2 part-time); Gardeners (2 full-time, 3 part-time); Maintenance/Gardener Assistant.



Staff support for Epilepsy Awareness Month. Left to right: Ineke Souris, Sandra Wehse, Leigh Millington, Alison Frankl, Christine Dobson, Alethea Stevenson

Honorary Aides-de-Camp

The Office of the Governor benefits from outstanding service provided in a variety of roles to Her Excellency by her Honorary Aides-de-Camp. They provide, at no charge to the Office of Governor, assistance at all major functions at Government House and they attend the Governor at numerous external events, particularly during weekends. In their work they exemplify the high standards and attention to detail that Tasmanians and visitors to Tasmania appreciate in the Office of the Governor.



Honorary ADCs. Front: Flight Lieutenant Emily Angus, Flight Lieutenant Catherine Saunders ADC, Her Excellency, Mr Warner, Lieutenant Shona Prior, Lieutenant Christopher Sykes.
Rear: Major Malcolm McWilliams, Flight Lieutenant Paula Chatwood, Inspector Grant Twining, Ancillary Constable Glen Woolley. (Absent: Lieutenant Colonel David Hughes.)

Security Guards

Government House is well serviced through appropriately trained Security Guards.

HUMAN RESOURCE MANAGEMENT

Indicators of Organisational Health

Sick Leave & Overtime	2014-2015	2015-2016	2016-2017
Average sick leave taken per FTE (days)	8.1	5.5	6.4
Total sick leave taken (days)	148.41*	112.48	139.23
Total overtime payments for the year (\$)	6,108	7,658	6,912
Total overtime payments per FTE (\$)	507	375	319

*71 attributable to one staff member

Staff Turnover	2014-2015	2015-2016	2016-2017
Separations	3	1	0
Commencements	2	3	0
FTE at 30 June*	18.27	20.42	21.67

*This does not include casual or externally contracted staff

Staff Leave Balances	2014-2015	2015-2016	2016-2017
Current entitlements – all employees (days)	1,331	1,438	1,392
Average number of LSL days per FTE*	51	51	46
Average number of annual recreation leave days per FTE	22	19	18

* Including pro rata recreation leave

Workers' Compensation	2014-2015	2015-2016	2016-2017
Cases at 1 July	0	0	0
New cases for F/Y	1	0	0
Completed cases at 30 June	1	0	0
Total cases at 30 June	0	0	0
Working days lost F/Y	0	0	0

Staff Enterprise Agreement and Staff Award

The conditions of service of all staff employed by the Official Secretary are determined by the Governor of Tasmania Staff Enterprise Agreement and the amended Governor of Tasmania Staff Award, both of which are being comprehensively renegotiated in consultation with the State Service Management Office of the Department of Premier and Cabinet and the Australian Workers Union and the Community and Public Sector Union Tasmania.

The Enterprise Agreement is designed to recognise the variety of employee positions and their specific tasks tailored to the unique working environment of the Office of the Governor. Emphasis is placed on flexible working arrangements to maintain an efficient and productive organisation, while striving to ensure appropriate job satisfaction for all staff.

Training and Development

Staff training is encouraged and funded where relevant to staff work and professional development.

Staff Development and Training	2014-2015	2015-2016	2016-2017
Number of individual staff who received formal training	9	9	4
Number of person days training	9	18	4
Expenditure on training	\$2,262	\$2,128	\$1,000

Industrial Relations

To promote an equitable and harmonious working environment employees are encouraged to raise issues and concerns with their supervisors or the Official Secretary. Should the internal grievance-resolution system be unsuccessful in resolving a grievance or dispute, employees are able to have disputes reviewed by the Tasmanian Industrial Commission.

Work Health and Safety

The practices of the Office of the Governor are in accordance with the *Workers Rehabilitation and Compensation Act 1988*. The Office of Governor Workers Compensation Injury Management Program was given approval pursuant to S143(7) of the *Workers Compensation and Rehabilitation Act* in August 2010.

Following commencement of the *Work Health and Safety Act 2012* on 1 January 2013, the Office of the Governor commenced implementing workplace measures and standards to ensure compliance with the provisions of the Act. This included funds expended on staff development and training.

ASSET MANAGEMENT AND RISK POLICIES

Asset Management

The financial statements for 2016–2017 are reported on a cash and accrual basis, and they contain full details of the Office of the Governor’s asset-management policies as notes to the statements. The assets of the Office of the Governor have been valued in accordance with the Office’s accounting policies and procedures, and these values are disclosed in the statements, together with appropriate notes on valuation methods.

The Office of the Governor maintains a register of assets with a value of \$10,000 or more. In addition, other factors such as attractiveness and portability are considered when determining whether an asset should be recorded in the Office of the Governor’s asset register.

The major assets of the Office of the Governor are the buildings on the Estate, including Government House and its outbuildings, and the colonial and imported antique furniture in the main building. These assets are classified as items of exceptional heritage significance. A complete valuation of the buildings and land was made as at 1 July 2015.

A full valuation of *objets d’art* and other heritage assets was completed in June 2015. A full valuation of heritage furniture was completed in June 2015.

Maintenance and Capital Programs

The following works were undertaken in 2016-2017: all external windows of Government house painted in Deep Brunswick Green; Mr Warner's study ceiling – cornice replaced / repainted; the Morning room ceiling – cornice replaced / repainted; NBN Stage 2 installation completed (fibre and boxes); annual fire protection plant and equipment serviced; all gutters, chimneys on main house and 5 other houses plus outbuildings cleaned; Security tower roof leaks repaired; slate and lead flashing repairs to main house and outbuildings as a result of high winds; comprehensive Report of roof structures and building condition undertaken by Structural Engineer Mr Peter Spratt; Cottage 7 hallway and ceiling repaired and repainted; Cottage 2 Kitchen, bathroom, and lounge walls repainted and re-grouted; Cottage 3 Bathroom re-grouted, taps replaced; Control boxes to main gates replaced and electronics upgraded; repairs to fencing carried out (cattle).

Asset Management Systems

The Office of the Governor maintains a computerised database of assets, with regular updates to record acquisitions, transfers and disposals.

Acquisition and Disposal of Assets

The acquisition and disposal of assets is undertaken in accordance with the requirements of the *Financial Management and Audit Act 1990*.

Risk Management

The Office of the Governor recognises that risk management is an integral part of the management process, and has a number of mechanisms for the management of risks associated with its activities.

Government Procurement

Support for Local Business: The Office of the Governor ensures that Tasmanian businesses are given every opportunity to compete for the provision of goods and services to the Office. It is the Office of the Governor's policy to support Tasmanian businesses whenever they offer best value for money.

SUPPLEMENTARY INFORMATION

Pricing Policy

The Office of the Governor has only limited activities for which the pricing of goods and services is required. On occasion, the Governor of Tasmania may agree to host or co-host events of significance on behalf of other Agencies. The Office of the Governor's pricing policy is based on full-cost recovery. In addition, in accordance with the provisions of the *Government House Land Act 1964* as amended by the *Government House Land Amendment Act 2017*, the Office of the Governor undertakes activities to raise revenue to be applied for the maintenance and preservation of the site and the residence.

Legislation Administered by the Office of the Governor

There are no statutes administered by the Office of the Governor.

Freedom of Information Requests

There were no requests in 2016–2017.

COMPLIANCE INDEX TO DISCLOSURE REQUIREMENTS

The compliance index below details the statutory disclosure requirements applicable to the Office of the Governor, a description of the reporting requirements and a page reference for the location within the Annual Report where the requirement is satisfied.

Compliance Index Table

Reference	Description	Location
FMAAs.27(1)(a)	A report on the performance of the functions and powers of the Head of Agency	Page 5
TI 701(1)(b)	Details of, and reasons for, any major changes which have taken place in relation to the programs, aims, functions or organisational structure of the Agency.	Staff - page 27
TI 701(1)(a) & (e)	A summary, together with quantitative measures where relevant, of the objectives and functions of programs or activities, including significant outcomes, key efficiency measures, targets, proposed plans and any ministerial objectives.	Pages 6&7
TI 701(1)(b)	Economic or other factors that have affected the achievement of operational objectives	Financial Statement
PSSRA s.13	Statement regarding contributions to non-RBF superannuation funds, including a report that the Department has met its obligations under the <i>Superannuation Guarantee (Administration) Act 1992</i> .	Financial Statement
TI 701(1)(d)(i) & (ii)	Details of maintenance projects.	Page 31
TI 701(1)(g)	Statement of asset management policies and an outline of asset management strategies and initiatives.	Page 30
TI 701(1)(f)	Statement of risk management policies and an outline of significant risk management activities and initiatives.	Page 31
TI 701(1)(c)	Pricing policies of goods and services provided, the last review date and reference to documents that contain the pricing information; with details of cost-recovery policies and their application, as appropriate.	Page 31
TI 701(1)(i) & (ii)	Details of all major contracts awarded, including the value of work and the name and locality of contractors.	nil
TI 701(1)(h)(i)(l)	The Office of the Governor's support for local businesses, including the number of procurement contracts awarded, the number of local bids received and the extent of local participation in procurement activities.	Page 31
TI 701(1)(n)	Any matters deemed relevant by the Head of Agency.	Annual Report
TI 701(1)(l) FMAA s.27(2) & (3) FMAA s.27(1)(c)	Financial statements of the Office of the Governor for the financial year.	appended
TI 701(1)(m)	Auditor-General's report on Financial Statements	appended

Independent Auditor's Report

To the Members of Parliament

Office of the Governor

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Office of the Governor (the Office), which comprise the statement of financial position as at 30 June 2017 and statements of comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the statement of compliance by the Official Secretary.

In my opinion, the accompanying financial statements:

- (a) present fairly, in all material respects, the financial position of the Office as at 30 June 2017 and of its financial performance and its cash flows for the year then ended
- (b) are in accordance with *Financial Management and Audit Act 1990* and Australian Accounting Standards.

Basis for Opinion

I conducted the audit in accordance with 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 Office in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

The *Audit Act 2008* further promotes the independence of the Auditor-General. The Auditor-General is the auditor of all Tasmanian public sector entities and can only be removed by Parliament. The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Office's financial statements.

Responsibilities of the Official Secretary for the Financial Statements

The Official Secretary is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, and the financial reporting requirements of Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes such internal control as determined necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Official Secretary is responsible for assessing the Office's ability to continue as a going concern unless the Office's operations will cease as a result of an administrative restructure. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are 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 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 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 Office's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Official Secretary.
- Conclude on the appropriateness of the Official Secretary'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 Office'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 conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Office to cease to continue as a going concern.

- 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 Official Secretary 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.



Minyan Qiu
Acting Group Leader
Delegate of the Auditor-General

Tasmanian Audit Office

12 September 2017
Hobart



OFFICE OF THE GOVERNOR

Financial Statements

For the year ended

30 June 2017

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GOVERNMENT HOUSE

TASMANIA 7001

Statement of Certification

The accompanying Financial Statements of the Office of the Governor are in agreement with the relevant accounts and records and have been prepared in compliance with the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2017 and the financial position as at the end of the year.

At the date of signing, I am not aware of any circumstances which would render the particulars included in the Financial Statements misleading or inaccurate.

A handwritten signature in black ink, appearing to read 'D Owen'.

David Owen

Official Secretary

14 August 2017

Statement of Comprehensive Income for the year ended 30 June 2017

	Notes	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
Continuing operations				
Revenue and other income from transactions				
Revenue from Government				
Appropriation revenue - recurrent	3.1	3,990	3,879	3,668
Sale of goods and services	3.2	55	77	74
Other revenue	3.3	-	16	44
Total revenue and other income from transactions		4,045	3,972	3,786
Expenses from transactions				
Employee benefits	4.1	3,044	2,882	2,798
Depreciation and amortisation	4.2	298	253	272
Grants and subsidies	4.3	-	9	12
Supplies and consumables	4.4	932	919	766
Other expenses	4.5	31	56	60
Total expenses from transactions		4,305	4,119	3,908
Net result from transactions (net operating balance)		(260)	(147)	(122)
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	5.1	-	-	80
Total other economic flows included in net result		-	-	80
Net result		(260)	(147)	(42)
Other comprehensive income				
Land and buildings revaluation surplus	9.1	300	-	(5,247)
Revaluation of other assets	9.1	-	-	-
Total other comprehensive income		300	-	(5,247)
Comprehensive result		40	(147)	(5,289)

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2 of the accompanying notes.

Statement of Financial Position as at 30 June 2017

	Notes	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	10.1	185	207	121
Receivables	6.1	-	14	-
Other financial assets	6.2	11	24	16
<i>Non-financial assets</i>				
Property, plant and motor vehicles	6.3	65	232	219
Land and Buildings	6.3	37,299	31,540	31,770
Heritage Assets	6.3	3,586	3,586	3,586
Total assets		41,146	35,603	35,712
Liabilities				
Payables	7.1	99	57	71
Employee benefits	7.2	505	487	475
Other liabilities	7.3	-	40	-
Total liabilities		604	584	546
Net assets		40,542	35,019	35,166
Equity				
Reserves	9.1	29,797	23,949	23,949
Accumulated funds		10,745	11,070	11,217
Total equity		40,542	35,019	35,166

This Statement of Financial Position should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2 of the accompanying notes.

Statement of Cash Flows for the year ended 30 June 2017

	Notes	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities				
Cash inflows				
Appropriation receipts - recurrent		3,990	3,919	3,668
GST receipts		60	78	72
Other cash receipts		55	93	118
Total cash inflows		4,105	4,090	3,858
Cash outflows				
Employee benefits		(2,787)	(2,641)	(2,572)
Superannuation		(241)	(245)	(235)
GST payments		(60)	(86)	(80)
Other cash payments		(962)	(996)	(849)
Total cash outflows		(4,050)	(3,968)	(3,736)
Net cash from (used by) operating activities	10.2	55	122	122
Cash flows from investing activities				
Cash inflows				
Proceeds from the disposal of non-financial assets		-	-	96
Total cash inflows		-	-	96
Cash outflows				
Payments for acquisition of non-financial assets		-	(36)	(89)
Total cash outflows		-	(36)	(89)
Net cash from (used by) investing activities		-	(36)	7
Net increase (decrease) in cash and cash equivalents held		55	86	129
Cash and deposits at the beginning of the reporting period		130	121	(8)
Cash and deposits at the end of the reporting period	10.1	185	207	121

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 2 of the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2017

	Reserves Accumulated	Total
	Funds	Equity
	\$'000	\$'000
Balance as at 1 July 2016	23,949	11,217
Net result	-	(147)
Other comprehensive income	-	-
Balance as at 30 June 2017	23,949	11,070

	Reserves Accumulated	Total
	Funds	Equity
	\$'000	\$'000
Balance as at 1 July 2015	29,196	11,259
Net result	-	(42)
Other comprehensive income	(5,247)	-
Balance as at 30 June 2016	23,949	11,217

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements for the year ended 30 June 2017

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Note 1 Office Output Schedules

1.1 Output Group Information

The Office only has a single output called Office of the Governor to fulfil its Outcome Statement of ensuring that it provides support of the Governor. The summary of budgeted and actual revenues and expenses for this Output are the same as in the Statement of Comprehensive Income. Therefore, the inclusion of a separate Output Schedule is not necessary.

Explanations of material variances between budget and actual outcomes are provided in Note 2 below. A reconciliation of the net result of the Output Group to the net surplus on the Statement of Comprehensive Income is not necessary as the Office only has one output group. For the same reason there is no separate reconciliation between the total net assets deployed for the Output Group to net assets on the Statement of Financial Position.

Note 2 Explanations of Material Variances between Budget and Actual Outcomes

Budget information refers to original estimates as disclosed in the 2016-17 Budget Papers and is not subject to audit.

The following are brief explanations of material variances between Budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate or \$40,000.

2.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Revenue from Government	(a)	3,990	3,879	(111)	(3)
Sale of goods and services	(b)	55	77	22	40
Other Revenue	(c)	0	16	16	100
Land and buildings revaluation surplus	(d)	300	230	(70)	(23)

Notes to Statement of Comprehensive Income variances

(a) A saving was made largely due to the Reserved by Law Appropriation. As the Governor was in the State for much of the year there was a reduced requirement for the Lieutenant Governor to take up the position.

A Sec 8A Carry Forward of \$40k was also approved for the maintenance of stonework which was unable to be completed prior to June 2017 due to the unavailability of the contracted stoneworker.

(b) The Office receives a modest income through the rental of 3 of the cottages on the Estate where the funds will be put back into the maintenance of the Estate buildings. The remainder has been carried over from the previous year to be utilised in due course.

(c) This includes the voluntary contribution made by the Governor that is not budgeted for as it is voluntary.

(d) There was no change in the valuation of Land and Buildings therefore the increase in the budget figure that was anticipated was too high.

2.2 Statement of Financial Position

Budget estimates for the 2016-17 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2016-17. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2016-17. The following variance analysis therefore includes major movements between the 30 June 2016 and 30 June 2017 actual balances.

	Note	Budget \$'000	2017 Actual \$'000	2016 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	185	207	121	22	86
Receivable	(b)	0	14	0	14	14
Property, plant and motor vehicles	(c)	65	232	219	167	13
Land and Buildings	(d)	37,299	31,770	31,770	(5,529)	0
Other liabilities	(e)	0	40	0	(40)	(40)

Notes to Statement of Financial Position variances

(a) The Office receives a modest income through the rental of 3 of the cottages on the Estate where the funds will be put back into the maintenance of the Estate buildings. The remainder has been carried over from the previous year to be utilised in due course.

(b) The increase in receivables is the Office's Fringe Benefits Tax refund not yet paid from the Australian Taxation Office.

(c) The increase in property, plant and motor vehicles was for the purchase of outdoor equipment of two modest items that were not previously budgeted for.

(d) There was no change in the valuation of Land and Buildings therefore the increase in the budget figure that was anticipated was too high.

(e) A Sec 8A Carry Forward of \$40k was approved for the maintenance of stonework which was unable to be completed prior to June 2017 due to the unavailability of the contracted stoneworker.

2.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts - recurrent	(a)	3,990	3,919	71	2
Payments for acquisition of non-financial assets	(b)	0	36	(36)	(100)

Notes to Statement of Cash Flows variances

(a) A saving was made largely due to the Reserved by Law Appropriation. As the Governor was in the State for much of the year there was a reduced requirement for the Lieutenant Governor to take up the position.

A Sec 8A Carry Forward of \$40k was also approved for the maintenance of stonework which was unable to be completed prior to June 2017 due to the unavailability of the contracted stoneworker.

(b) The payments for acquisition of non-financial assets was for the purchase of outdoor equipment of two modest items that were not previously budgeted for.

Note 3 Income from transactions

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

3.1 Revenue from Government

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Office gains control of the appropriated funds. Except for any amounts identified as carried forward in Notes 7.3, control arises in the period of appropriation.

Revenue from Government includes revenue from appropriations, appropriations carried forward under section 8A(2) of the *Public Account Act 1986* and Items Reserved by Law.

The Budget information is based on original estimates and has not been subject to audit.

	2017 Budget \$'000	2017 Actual \$'000	2016 Actual \$'000
Continuing operations			
Appropriation revenue - recurrent			
Current year	3,433	3,393	3,140
Items Reserved by Law			
Salary, Her Excellency the Governor (<i>Governor of Tasmania Act 1982</i>)	542	476	508
Salary, The Administrator (<i>Governor of Tasmania Act 1982, Section 5(1)</i>)	15	10	20
Total revenue from Government	3,990	3,879	3,668

3.2 Sale of goods and services

Amounts earned in exchange for the provision of goods are recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from the provision of services is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

	2017 \$'000	2016 \$'000
Rent revenue	57	50
Other	20	24
Total	77	74

3.3 Other revenue

Revenue from any other source is recognised when the obligation to pay arises.

	2017 \$'000	2016 \$'000
Transfer from other agencies	-	29
Other fees and recoveries	16	15
Total	16	44

Note 4 Expenses from transactions

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

4.1 Employee benefits

(a) Employee expenses

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

	2017	2016
	\$'000	\$'000
Wages and salaries	2,393	2,292
Annual leave	132	133
Long service leave	57	92
Sick leave	41	30
Superannuation – defined contribution scheme	220	210
Superannuation – defined benefit scheme	25	25
Other employee expenses (<i>Training, uniforms, memberships</i>)	14	16
Total	2,882	2,798

Superannuation expenses relating to defined benefits schemes relate to payments into the Consolidated Fund. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 12.85 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.5 per cent of salary. In addition, the Office is also required to pay into the Consolidated Fund a “gap” payment equivalent to 3.5 per cent of salary in respect of employees who are members of contribution schemes.

(b) Remuneration of Key management personnel

2017	Short-term benefits		Long-term benefits		Termination Benefits \$'000	Total \$'000
	Salary	Other Benefits	Superannuation	Other Benefits and Long-Service Leave		
	\$'000	\$'000	\$'000	\$'000		
<i>Key management personnel</i>						
D. Owen, Official Secretary, 13 August 2012	161	53	15	5	-	234
R. Catt, Deputy Official Secretary, 4 February 2013	121	-	12	3	-	136
Total	282	53	27	8	-	370

2016	Short-term benefits		Long-term benefits		Termination Benefits \$'000	Total \$'000
	Salary	Other Benefits	Superannuation	Other Benefits and Long-Service Leave		
	\$'000	\$'000	\$'000	\$'000		
<i>Key management personnel</i>						
D. Owen, Official Secretary, 13 August 2012	164	54	15	5	-	238
R. Catt, Deputy Official Secretary, 4 February 2013	126	-	12	14	-	152
Total	290	54	27	19	-	390

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the agency, directly or indirectly.

Remuneration during 2016-17 for key personnel is set by the *State Service Act 2000*. Remuneration and other terms of employment are specified in employment contracts. Remuneration includes salary, motor vehicle and other non-monetary benefits. Long-term employee expenses include long service leave, superannuation obligations and termination payments.

Acting Arrangements

When members of key management personnel are unable to fulfil their duties, consideration is given to appointing other members of senior staff to their position during their period of absence. Individuals are considered members of key management personnel when acting arrangements are for more than a period of one month.

(c) Related party transactions

There were no related party transactions with Key Management Personnel (KMP) (including Cabinet Ministers), or their Close Family Members (CFM) or entities that are controlled or jointly controlled by KMP or CFM in 2017 (2016 \$0).

4.2 Depreciation and amortisation

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land, being an asset with an unlimited useful life, is not depreciated.

Key estimate and judgement

Depreciation is provided for on a straight-line basis, using rates which are reviewed annually. Major depreciation periods are:

Plant, equipment and vehicles	5 years
Buildings	100 years
Other - Piano	20 years
Tractor	10 years
Convotharm Oven	10 years
Under carpet heating	15 years
Service lift	20 years

Heritage assets are not depreciated on the basis that they have an unlimited useful life.

Depreciation rates have been adjusted to reflect the life of each asset.

(a) Depreciation

	2017	2016
	\$'000	\$'000
Plant, equipment and motor vehicles	23	42
Buildings	230	230
Total	253	272

4.3 Grants and subsidies

Grant and subsidies expenditure is recognised to the extent that:

- the services required to be performed by the grantee have been performed; or
- the grant eligibility criteria have been satisfied.

A liability is recorded when the Office has a binding agreement to make the grants but services have not been performed or criteria satisfied. Where grant monies are paid in advance of performance or eligibility, a prepayment is recognised.

	2017	2016
	\$'000	\$'000
Donations	9	12
Total	9	12

The Office does not have a grants program. The donation made in 2015-16 was part of Her Majesty Queen Elizabeth II 90th birthday celebrations. This was repeated in 2016-17 for her 91st birthday. Her Majesty's birthday reception ticket receipts were donated to Foodbank.

4.4 Supplies and consumables

	2017	2016
	\$'000	\$'000
Audit fees – financial audit	10	11
Operating lease costs	55	50
Property services	198	198
Maintenance	283	122
Communications	41	40
Information technology	72	38
Travel and transport	33	25
Other supplies and consumables	227	282
Total	919	766

4.5 Other expenses

Expenses from acquisition of supplies and services are recognised when the obligation to pay is identified, usually at the time of supply of such supplies and services.

	2017	2016
	\$'000	\$'000
Salary on-costs	22	17
Insurance	34	43
Total	56	60

Note 5 Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions.

5.1 Net gain/loss on non-financial assets

Gains or losses from the sale of Non-financial assets are recognised when control of the assets has passed to the buyer.

	2017	2016
	\$'000	\$'000
Gain on disposal of motor vehicle	-	62
Gain on disposal of outdoor equipment	-	18
Total	-	80

Note 6 Assets

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Office and the asset has a cost or value that can be measured reliably.

6.1 Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

	2017	2016
	\$'000	\$'000
Receivables	14	-
Total	14	-
Other receivables	14	-
Total	14	-

6.2 Other financial assets

Tax assets are recognised when the related transactions occur and are measured at the nominal amount. Prepayments are recognised when they occur and are measured at the nominal amount.

	2017	2016
	\$'000	\$'000
Tax assets	22	15
Prepayments	2	1
Total	24	16
Settled within 12 months	24	16
Settled in more than 12 months	-	-
Total	24	16

6.3 Property, plant, equipment and motor vehicles

Key estimate and judgement

(i) Valuation basis

Land, buildings, heritage and cultural assets and other long-lived assets are recorded at fair value less accumulated depreciation. All other Non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses. All assets within a class of assets are measured on the same basis.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Fair value is based on the highest and best use of the asset. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the current purpose for which the asset is being used or build occupied.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Office and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Asset recognition threshold

The asset capitalisation thresholds adopted by the Office are:

Vehicles	\$10,000
Plant and Equipment	\$10,000
Land & Buildings	\$10,000
Heritage assets	\$10,000

Assets valued at less than \$10,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

(iv) Revaluations

The Office has adopted a revaluation threshold of \$10,000 above which assets are revalued on a fair value basis. All heritage assets are subject to revaluation and are revalued every 3 to 5 years.

Land and buildings are revalued with sufficient regularity to ensure they reflect fair value at balance date. Indices are applied between formal valuations.

Assets are grouped on the basis of having a similar nature or function in the operations of the Office.

Revaluations are shown on a net basis.

(a) Carrying amount

	2017 \$'000	2016 \$'000
Land		
At fair value (1 July 2016)	9,000	9,000
Total	9,000	9,000
Buildings		
At fair value (1 July 2016)	23,000	23,000
Less: Accumulated depreciation	(460)	(230)
Total	22,540	22,770
Plant, equipment and motor vehicles		
At cost	340	304
Less: Accumulated depreciation	(108)	(85)
Total	232	219
Heritage and cultural assets		
At fair value (dates detailed below)	3,586	3,586
Total	3,586	3,586
Total property, plant, equipment and motor vehicle	35,358	35,575

Assets have been revalued independently as listed below:

Heritage and cultural assets consisting of:

- Paintings (Heritage assets) – Rosanna Cameron BA, Registered Valuer as at 30 June 2015. Based on fair market value.

- Furniture (Heritage assets) – A.F. Coleman, Approved Commonwealth Government Valuer as at 30 June 2015. Based on replacement value.
- China, silver etc. (Heritage assets) – Craig Broadfield, Leven Antiques, 30 June 2015. Based on retail replacement value; and
- Clocks (Heritage assets) – Peter Reading L.B.H.I. B.A.D.A. certified, as at 30 June 2015.

Land and Buildings were last fully revalued as at 1 July 2015. The Valuer General provides indexation factors for the intervening years based on fair value for existing use. Government House is a specialised, iconic heritage building. The property possesses significant intrinsic social and cultural attributes. The following were used in undertaking the valuation;

- AASB 13 “Fair Value Measurement”
- AASB 116 “Property, Plant and Equipment”
- Treasurer’s Instruction No 303 “Recognition and Measurement of Non-Current Assets”

(b) Reconciliation of movements (including fair value levels)

Reconciliations of the carrying amounts of each class of Property, plant, equipment and motor vehicles at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2017	Land	Buildings	Plant equipment and motor vehicles	Heritage and cultural assets	Heritage and cultural assets	Total
	Level 2	Level 2	Level 2	Level 2	Level 3	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	9,000	22,770	219	410	3,176	35,575
Additions	-	-	36	-	-	36
Disposals	-	-	-	-	-	-
Revaluation increments (decrements)	-	-	-	-	-	-
Depreciation and amortisation	-	(230)	(23)	-	-	(253)
Carrying value at 30 June	9,000	22,540	232	410	3,176	35,358

2016	Land	Buildings	Plant equipment and motor vehicles	Heritage and cultural assets	Heritage and cultural assets	Total
	Level 2	Level 2	Level 2	Level 2	Level 3	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying value at 1 July	8,800	28,447	188	410	3,176	41,021
Additions	-	-	89	-	-	89
Disposals	-	-	(16)	-	-	(16)
Revaluation increments (decrements)	200	(5,447)	-	-	-	(5,247)
Depreciation and amortisation	-	(230)	(42)	-	-	(272)
Carrying value at 30 June	9,000	22,770	219	410	3,176	35,575

(c) Level 3 significant valuation inputs and relationship to fair value

Description	Fair Value at 30 June	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Description of how changes in inputs will affect the fair value
Heritage and Cultural	\$3,176	Cost of replacement	Note 1	The higher the cost to acquire similar assets the higher the fair value

Note 1. There were no significant interrelationships between unobservable inputs that materially affect fair values.

Note 7 Liabilities

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

7.1 Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Office becomes obliged to make future payments as a result of a purchase of assets or services.

	2017 \$'000	2016 \$'000
Creditors	26	39
Accrued expenses	31	33
Total	57	71
Settled within 12 months	57	71
Settled in more than 12 months	-	-
Total	57	71

Settlement is usually made within 30 days.

7.2 Employee benefits

Key estimate and judgement

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

	2017	2016
	\$'000	\$'000
Accrued salaries	33	21
Annual leave	123	114
Long service leave	331	340
Total	487	475
Settled within 12 months	207	156
Settled in more than 12 months	280	319
Total	487	475

7.3 Other liabilities

Revenue in advance and discounts held are recognised at the time of receipt and treated as revenue in the period to which they relate.

	2017	2016
	\$'000	\$'000
Revenue in advance – Sec 8A Carry Forward	40	-
Total	40	-
Settled within 12 months	40	-
Settled in more than 12 months	-	-
Total	40	-

The Sec 8A Carry Forward is to be used by the Office for the expenditure of stonework that was budgeted for but unable to be completed in this financial year due to the unavailability of the contracted stoneworker.

Note 8 Commitments and Contingencies

8.1 Schedule of Commitments

	2017	2016
	\$'000	\$'000
By type		
<i>Lease Commitments</i>		
Operating leases	163	209
<i>Total lease commitments</i>	163	209
By maturity		
<i>Operating lease commitments</i>		
One year or less	54	56
From one to five years	101	135
More than five years	8	18
<i>Total operating lease commitments</i>	163	209
Total	163	209

Motor Vehicles

- The Office's motor vehicle fleet is managed by LeasePlan Australia Pty Ltd
- Lease payments vary according to the type of vehicle and where applicable the price received for replaced vehicles
- Lease terms for regular vehicles are either three years or five years. The truck is leased for a ten year term, with no change to the lease rate
- No restrictions or purchased options are contained in the lease arrangements.

Equipment

Photocopiers

- Lease payments are determined at the time of the lease agreement and are paid quarterly
- Lease terms are for four years with no change to the lease rate
- No restrictions or purchased options are contained in the lease arrangements.

8.2 Contingent Assets and Liabilities

As at the 30th June 2017, the Office had no known contingent assets or liabilities.

Note 9 Reserves

9.1 Reserves

2017	Land \$'000	Buildings \$'000	Heritage and cultural	Total \$'000
			assets \$'000	
Asset revaluation reserve				
Balance at the beginning of financial year	5,000	13,787	5,162	23,949
Revaluation increments/ (decrements)	-	-	-	-
Balance at end of financial year	5,000	13,787	5,162	23,949

2016	Land \$'000	Buildings \$'000	Heritage and cultural	Total \$'000
			assets \$'000	
Asset revaluation reserve				
Balance at the beginning of financial year	4,800	19,234	5,162	29,196
Revaluation increments/ (decrements)	200	(5,447)	-	(5,247)
Balance at end of financial year	5,000	13,787	5,162	23,949

(a) Nature and purpose of reserves

Asset revaluation reserve

The Asset revaluation reserve is used to record increments and decrements on the revaluation of Non-financial assets.

Note 10 Cash Flow Reconciliation

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

10.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Account held by the Office, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2017 \$'000	2016 \$'000
Special Deposits and Trust Fund balance		
Operating account	205	120
Total	205	120
Other cash held		
Petty cash	2	1
Total	2	1
Total cash and deposits	207	121

10.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2017	2016
	\$'000	\$'000
Net result from transactions (net operating balance)	(147)	(42)
Depreciation and amortisation	253	272
(Gain) loss from sale of non-financial assets	-	(80)
Decrease (increase) in Receivables	(14)	-
Decrease (increase) in Prepayments	(1)	1
Decrease (increase) in Tax assets	(7)	(7)
Increase (decrease) in Employee entitlements	13	2
Increase (decrease) in Payables	(13)	(12)
Increase (decrease) in Accrued expenses	(2)	(12)
Increase (decrease) in Other liabilities	40	-
Net cash from (used by) operating activities	122	122

Note 11 Financial Instruments

11.1 Risk exposures

(a) Risk management policies

The Office does not hold any derivative financial instruments.

The Official Secretary has overall responsibility for the establishment and oversight of the Office's risk management framework. Risk management policies are established to identify and analyse risks faced by the Office, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

The credit risk on financial assets to the Office which have been recognised in the Statement of Financial Position is generally the carrying amount, net of any provision for impairment.

The Office's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Comprehensive Income.

(c) Liquidity risk

Liquidity risk is the risk that the Office will not be able to meet its financial obligations as they fall due. The Office's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

11.2 Net Fair Values of Financial Assets and Liabilities

2017

	Total Carrying Amount \$'000	Net Fair Value \$'000
Financial assets		
Petty Cash	2	2
Cash in Special Deposits and Trust Fund	205	205
Total financial assets	207	207
Financial liabilities		
Payables	57	57
Total financial liabilities	57	57

2016

	Total Carrying Amount \$'000	Net Fair Value \$'000
Financial assets		
Petty Cash	1	1
Cash in Special Deposits and Trust Fund	120	120
Total financial assets	121	121
Financial liabilities		
Payables	71	71
Total financial liabilities	71	71

Financial Assets

The net fair values of cash approximate their carrying amounts.

Financial Liabilities

The net fair values of accrued expenses are based on their carrying amounts.

The net fair values for trade creditors are approximated by their carrying amounts.

Note 12 Other Significant Accounting Policies and Judgements

12.1 Objectives and Funding

The Office's objectives are to support the Governor in the performance of her constitutional, administrative, ceremonial and community responsibilities by:

- providing a high standard of policy advice and administrative support to the Governor, including the organisation of constitutional and ceremonial duties, and her program of community engagements;
- facilitating the efficient and effective interaction between the Office of the Governor, the Parliament, the Executive and the State Service; and
- maintaining Government House estate.

The Office is structured to meet the following outcomes:

- safeguarding the integrity of the State's democratic system of government;
- promoting community involvement in government and understanding of the democratic process;
- promoting community understanding of the role of Governor;
- fostering activities in rural areas through speeches, visits, functions and other events;
- encouraging the involvement of young people in the community;
- supporting activities which promote a multi-cultural, diverse and tolerant society;
- stimulating culture and the arts;
- promoting the State's exports and its tourism industry; and
- protecting and maintaining the heritage values of Government House and its grounds.

The Office's activities are classified as controlled.

Controlled activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Office in its own right.

The Office is a Tasmanian Government not-for-profit entity that is predominantly funded through Parliamentary appropriations. The Financial Statements encompass all funds through which the Office controls resources to carry on its functions.

12.2 Basis of Accounting

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board; and
- The Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

The Financial Statements were signed by the Official Secretary on the 14th August 2017.

Compliance with the Australian Accounting Standards may not result in compliance with International Financial Reporting Standards, as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Office is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 12.5.

The Financial Statements have been prepared on the basis that the Office is a going concern. The continued existence of the Office in its present form, undertaking its current activities, is dependent on Government policy and on continuing appropriations by Parliament for the Office's administration and activities.

The Office has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

12.3 Reporting Entity

The Financial Statements include all the controlled activities of the Office. The Financial Statements consolidate material transactions and balances of the Office.

12.4 Functional and Presentation Currency

These Financial Statements are presented in Australian dollars, which is the Office's functional currency.

12.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

In the current year, the Office has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- *2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* – The objective of this Standard is to make amendments to AASB 124 Related Party Disclosures to extend the scope of that Standard to include not-for-profit public sector entities. This Standard applies to annual reporting periods beginning on or after 1 July 2016. The impact is increased disclosure in relation to related parties. There is no financial impact.
- *2015 10 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 -* The objective of this Standard is to make amendments to AASB 10 Consolidated Financial Statements and AASB 128 Investments in Associates and Joint Ventures as a consequence of the issuance of International Financial Reporting Standard Effective Date of Amendment to IFRS 10 and IAS 28 by the International Accounting Standards Board in December 2015. This Standard applies to annual reporting periods beginning on or after 1 January 2016. The impact is a revised application date. There is no financial impact.

(b) Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

- *AASB 9 Financial Instruments and 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)* - the objective of these Standards is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant information to users of financial statements for their assessment of the amounts, timing, uncertainty of an entity's future cash flows, and to make amendments to various accounting standards as a consequence of the issuance of AASB 9. These standards apply to annual reporting periods beginning on or after 1 January 2018. There will be no significant financial impact.
- *AASB 15 Revenue from Contracts with Customers* – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. In accordance with AASB 16-7 Amendments to Australian Accounting Standards - Effective Date of AAS 15, this Standard applies to annual reporting periods beginning on or after 1 January 2019. Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. It is anticipated that there will be no significant financial impact.
- *2014-5 Amendments to Australian Accounting Standards arising from AASB 15* – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 Revenue from Contracts with Customers. This Standard applies when AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard shall be applied when AASB 15 is applied. It is anticipated that there will be no significant financial impact.
- *2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* – The objective of this Standard is to amend AASB 107 Statement of Cash Flows to require entities preparing statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This Standard applies to annual periods beginning on or after 1 January 2017. The impact is increased disclosure in relation to cash flows and non-cash changes.
- *AASB 16 Leases* – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to leases. The Office has not yet determined the potential effect of the revised Standard on the Office's Financial Statements.

- *2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* - The objective of this Standard is to amend AASB 136 Impairment of Assets to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and to clarify that the recoverable amount of primarily non-cash-generating assets of not-for-profit entities which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 Fair Value Measurement, with the consequence that AASB 136 does not apply to such assets that are regularly revalued to fair value under the revaluation model in AASB 116 and AASB 138, and AASB 136 applies to such assets accounted for under the cost model in AASB 116 and AASB 138. This Standard applies to annual reporting periods beginning on or after 1 January 2017. The impact is enhanced disclosure in relation to non-cash-generating specialised assets of not-for-profit entities. It is anticipated that there will be no significant financial impact.
- *AASB 1058 Income of Not-for-Profit Entities* - The objective of this Standard is to establish principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives, and the receipt of volunteer services. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to income of not-for-profit entities.

12.6 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

12.7 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. As a consequence, rounded figures may not add to totals. Amounts less than \$500 are rounded to zero and are indicated by the symbol "...".

12.8 Taxation

The Office is exempt from all forms of taxation except Fringe Benefits Tax and Goods and Services Tax.

12.9 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax, except where the GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the Australian Taxation Office is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.