



Office of the Governor of Tasmania



Annual Report 1 July 2017—30 June 2018

*Government House
Hobart*

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

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OFFICE OF THE GOVERNOR
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24 October 2018

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 2017 to 30 June 2018 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 blue ink, appearing to read 'D 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.

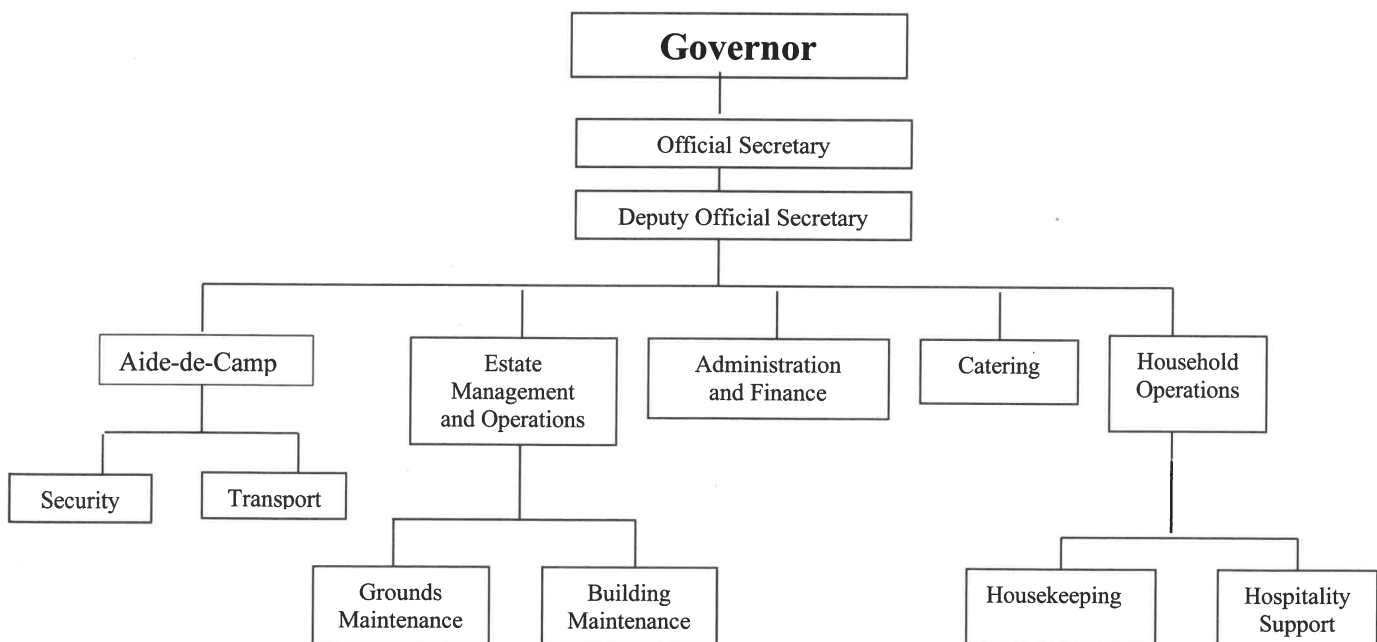
THE OFFICE OF THE GOVERNOR

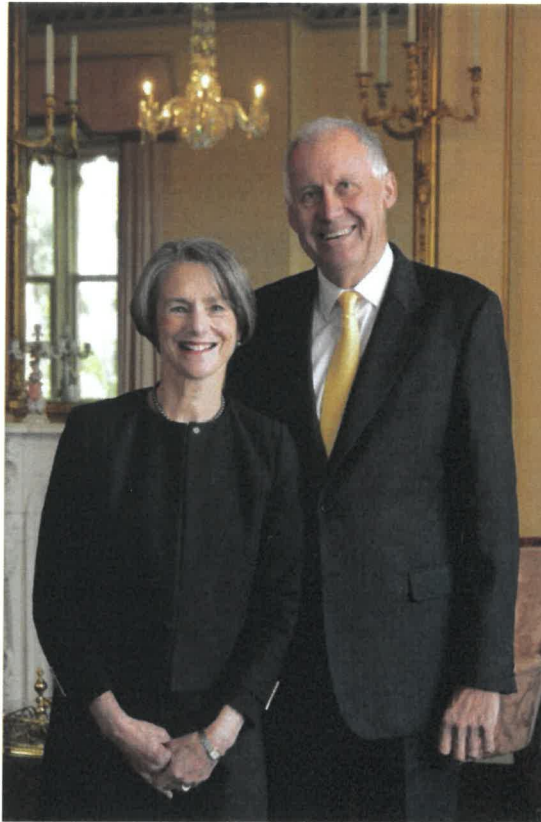
Overview

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 — 151 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 Wood 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 \$4,069 million for recurrent services.

Consolidated Fund	2017–2018	2017–2018	Variation
	Budget \$'000	Actual \$'000	
Recurrent Services (Appropriation)	4,069	3,995	(74)

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 502 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 2017–2018

Key Results	Number	
	2016-2017	2017-2018
Executive Council meetings presided over	23	20
Acts receiving Royal Assent	66	37
Receptions held at Government House	43	46
Ambassadors and High Commissioners hosted at Government House	7	7
Official dinners and luncheons	15	15
School visits to Government House	13	18
Visits to Government House by community groups, including service clubs, special interest groups, exchange students, and charitable organisations	35	39
Swearings-In, Investitures, presentation ceremonies	28	30
Official callers received by the Governor/Lt Gov/ADM*	140	143
Forums, lectures, launches, fundraising, in-house musical events	0	18
External events attended by the Governor/Lt Gov/ADM	253	251
Speeches delivered by the Governor/Lt Gov/ADM	197	198
Visitors on Open Day	0	5753
Monthly tours	0	42
Total number of guests	12,752	17,591

*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 2017–2018 Her Excellency or the Lieutenant Governor or Administrator gave Royal Assent to 37 Bills presented by the President or Deputy President of the Legislative Council of Tasmania.

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 2017–2018 Her Excellency or the Lieutenant Governor or Administrator presided over 20 meetings of the Executive Council.

Administration in the absence of the Governor

The Lieutenant Governor the Honourable Justice Alan Blow AO administered the State on these occasions: Saturday 15 July to Monday 7 August 2017; Monday 20 to Tuesday 21 November 2017.

Ceremonial

At Government House Her Excellency officiated at a variety of ceremonial events. In the year under review there were a total of 30 investitures and presentations. 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.

Swearings-in and related ceremonies:

Ceremonial Opening, 49th Parliament of Tasmania; Swearing-in of Premier of Tasmania and Cabinet Ministers, State Election; Swearing-in of Cabinet Ministers (4); Presentation of the newly elected Speaker of the House of Assembly (2); Swearing-in of Mr Gregory Geason as a Judge of the Supreme Court of Tasmania; Swearing-in of the Honourable Justice Helen Wood and the Honourable Justice Stephen Estcourt as Administrators of the State of Tasmania; Address-in-Reply, President and Members of the Legislative Council; Address-in-Reply, Speaker and Members of the House of Assembly.

Investitures and presentations:

Australia Day Investitures (2); Australian Citizenship Ceremonies (2); Australian Library and Information Association 80th Anniversary presentations; Australian Mathematics Competition National Medals Presentations; Churchill Fellowship Presentations; Defence Reserves Support Council Employer Awards; Duke of Edinburgh's Gold Awards; Florence Nightingale Tasmania Grants and Awards Committee presentations; Governor's Environment Scholarships; Heart Foundation Tasmania/Menzies Institute for Medical Research Honours Scholarships;

OAK Possability Duke of Edinburgh's Bronze Awards presentations; Order of St John Investiture; Premier's Literary Prizes; Queen's Birthday Investiture; Queen's Scout and Guide Awards; Royal Life Saving Society Association Honours presentations; Tasmanian Assessment, Standards and Certification Outstanding Achievement Awards; Tasmanian Australian of the Year Awards presentations; Tasmanian Human Rights Awards; Tasmanian Volunteering Awards; Tasmanian Women in Resources Awards.

Visitors to Government House

Events and functions hosted by the Governor and Mr Warner or the Lieutenant Governor or Administrator brought 17,271 visitors to Government House in 2017-2018, being: Receptions, 4948; Investitures, Presentations, Lectures, Musical evenings, 4,371; Open Day, 5753; Morning and Afternoon Teas, 409; Other visitors (such as private tours, work experience placements), 701; School visits, 703; Lunches, Dinners, 243; Official callers, 143.

Municipal Visits

In the Year under review the Governor and Mr Warner paid official visits to the Tasmanian Municipalities of: Central Coast; Circular Head; Dorset; Glamorgan/Spring Bay; Latrobe; Meander Valley.

Significant events

His Royal Highness The Prince Edward, Earl of Wessex KG GCVO, visited Tasmania on Monday 9 and Tuesday 10 April 2018 in his capacity as Chair of Trustees of the Duke of Edinburgh's International Award Foundation. The Earl stayed at Government House as Royal Guest of Her Excellency and Mr Warner. The Earl's schedule included a Real Tennis Challenge Dinner in the Ball Room with 114 guests; a Luncheon hosted by Her Excellency in the Dining Room, at which guests included the Premier, the Commissioner of Police and the Vice-Chancellor of the university of Tasmania; and with Her Excellency the Earl performed the official opening of the Lily Pad decks at the Royal Tasmanian Botanical Gardens.

Other significant events during the year:

Anzac Day Dawn Service; Anzac Day Address (Deloraine); Australian Girls' Choir performance; 'Casting an Indigenous Hook': Removing barriers and providing opportunities for increased Indigenous engagement in fisheries and marine research; Ceremonial Sitting to mark the retirement of Supreme Court Judge the Honourable Justice Shan Tennent; Children's Book Council of Australia Children's Book of the Year Awards; Children's University Holiday Program; 'Footsteps Towards Freedom' sculptures unveiling; Government House Open Day; Governor's Winter Concert; Hamilton Literary Society Annual Lecture; Hobart Legacy Inc. fundraising concert;

Official Secretaries' Meeting; Queen's Birthday Charity Fundraising Concert; Queen's Birthday Concert and reception; Reconciliation Council of Tasmania launch; Remembrance Day Service; Royal Society of Tasmania Lecture; Save the Tasmanian Devil Program field trip; Standing Committee of Solicitors'-General Dinner; State Funeral, the late Dr Vanessa Goodwin; Tasmanian Museum and Art Gallery Friends 35th anniversary fundraising lecture; Tasmanian Museum and Art Gallery Foundation fundraising event; Tree Planting ceremony by former and current Premier(s) of Tasmania; Vice-Regal Gathering, Sydney.

Diplomatic Guests and Callers

On Saturday 14 October 2017 Her Excellency officiated with the President of Ireland, His Excellency Michael D Higgins, at the unveiling of the 'Footsteps towards Freedom' sculptures in Hobart by Irish sculptor Rowan Gillespie. That evening Her Excellency and Mr Warner hosted a Dinner at Government House in honour of the visit to Tasmania by the President and Mrs Sabina Higgins.

Ambassadors:

Argentine Republic, His Excellency Dr Hugo Gobbi and Dr Beatriz Mollerach; Brazil Federative Republic, His Excellency Mr Manuel Innocencio de Lacerda Santos Jr and Mrs Sonia Maria Queiroz de Lacerda Santos; Czech Republic, His Excellency Mr Martin Pohl; Egypt Arab Republic, His Excellency Mr Mohamed Khairat and Mrs Omneya Khairat; European Union, His Excellency Dr Michael Pulch and Mrs Gabriele Pulch; France, His Excellency Mr Christophe Penot and Mrs Yukimi Saito; Republic of Korea, His Excellency Mr Kyoung-ha Woo and Dr Jinah L Woo; Democratic Republic of Timor Leste, His Excellency Mr Abel Guterres; His Excellency Mr Richard Andrews, Australian Ambassador to the Republic of Ireland.

High Commissioners:

India, His Excellency Dr Ajay Marotrao Gondane and Mrs Varsha Gondane; Singapore, His Excellency Mr Fook Seng Kwok and Ms Pearl Su-Ann and Ms Lee.

Consuls-General:

British Consulate in Melbourne, Mr Christopher Holtby; Japan in Melbourne, Mr Kazuyoshi and Mrs Yoko Matsunaga; Indonesia (Victoria and Tasmania), Ms Dewi Savitri Wahab; US Consulate in Melbourne, Ms Frankie Reed.

Official Callers

Major General the Honourable Michael Jeffrey AC AO; Mrs Janet Holmes à Court and Mr Gilbert George; Professor Matt King, President, and Dr John Thorne AM, Honorary Secretary, Royal Society of Tasmania; University of Tasmania Chancellor, Mr Michael Field AC, and Vice-Chancellor, Professor Peter Rathjen; Ms Penny Egan, CEO of Cancer Council Tasmania, and Mr A. Mark Thomas, Director M&M Communications; Mr Malcolm White, President, Mr John Kirwan, CEO, Royal Flying Doctor Service Tasmania;

Stephen D Mathias, UN Assistant Secretary-General Legal Affairs and Mrs Lynn Mathias; Mr Cameron Brown, CEO TasCAHRD; Professor Andrew Ashworth, Emeritus Fellow All Souls College, University of Oxford; Mr Geoff Willis and Ms Janet Carding, Tasmanian Museum and Art Gallery; Mr Michael Hovington, Chief Commissioner and Mr Brendan Kelly, President, Scouts Tasmania; Mr Nicholas Heyward, Managing Director, Tasmanian Symphony Orchestra; Ms Harriet Baillie and Mr Charles Brewer, Co-State Directors, DFAT;

Ms Miriam Moreton, CEO and Mr Ian Munday, Board President, Richmond Fellowship Tasmania; Commander Lewis Gaha, (Outgoing), Commander Robert Curtis, (Incoming) Commanding Officer, RAN; Dr John Whittington, Secretary DPIPWE and Dr Lloyd Klumpp, General Manager, Biosecurity Tasmania; Captain John Stavridis RAN, Commanding Officer 'HMAS Hobart'; Lieutenant Colonel Mark Neich, Commanding Officer and Major General Steve Smith, Colonel Commandant, 12th/40th Battalion Royal Tasmanian Regiment; Australia-Korea Foundation Board members;

Linda Barry, General Manager Programs, Alannah and Madeline Foundation; Mr Brian Scullin, Chairman and Mr Drew Beswick, CEO, OAK Possability; Commander Richard Lindsey, CO HMAS Waller and Commander Robert Curtis, CO Navy Headquarters Tasmania; Mr Andrew Wright (Outgoing) and Dr David Agnew (Incoming) Executive Secretary, CCAMLR; Professor Ross Large, President, Ms Mary Koolhof, Vice-President, Professor Matt King, Immediate Past President, Royal Society of Tasmania; Mrs Kathryn Westwood, President and Mr Harvey Lennon, Group Chief Executive, RACT;

Professor Tim McCormack, Dean, Faculty of Law, University of Tasmania; Dr David Pemberton, Manager, Save the Tasmanian Devil Program and Mr Jeff Sailer, CEO Toledo Zoo; Mr Matthew Smithies, Managing Director and Ms Estelle Phillips, Property manager, National Trust Tasmania; Ms Lynda Warner, graphic designer; Ms Amanda Ducker, Associate Editor, Mercury newspaper; Ms Brett Torossi, Chair and Mr Pete Smith, Director, Heritage Tasmania;

Mr Tony Ferrall, Secretary, Department of Treasury and Finance; Professor Dianne Nicol, Chair Academic Senate and Professor Jane Long, Provost, University of Tasmania; Professor Natalie Brown, Director, Peter Underwood Centre; Ms Jane Hutchinson (Outgoing) and Mr James Hattam (Incoming) CEO, Tasmanian Land Conservancy; Mr Michael Field, Chancellor and Professor Rufus Black, Vice-Chancellor, University of Tasmania.

Morning and Afternoon Teas

Cancer Council Tasmania 'Australia's Biggest Morning Tea'; Eastern Shore Post-Polio Support Group; Epilepsy Tasmania; 'Get Fruity' Campaign launch for Eat Well Tasmania; Kingston Mixed Probus Club; 'L'Astrolabe' French icebreaker; Mosaic Support Services; National Youth Science Forum; 'Psychs on Bikes' for Rural Alive and Well; Rhodes Scholarship announcement; Royal Hobart Hospital Research Foundation; 'Start Today Again' men's research project, Salvation Army Tasmania/University of Tasmania; Tasmanian Quilting Guild; University of Tasmania Associate Degree in Business graduates.

Receptions

12th/40th Battalion, Royal Tasmanian Regiment; Advances in Microfluids & Nanofluidics (AMN), International Symposium on Microchemistry and Microsystems (ISMM), Asia-Pacific Chemical and Biological Microfluidic Conference (APCBM) and the Australia New Zealand Nano-Microfluidics Symposium (ANZNMF) Joint International Meetings; Alcorso Foundation; Antarctic Climate & Ecosystems CRC; Australasian Study of Parliament Group; Australian Association of Crown Prosecutors; Australian Institute of International Affairs;

Australian Miniature Enthusiasts Association; Australian Native Plants Society Conference; Australian Red Cross Tasmanian Division; Baskerville Raceway 60th Anniversary; CCAMLR XXXVI; Child Health Association of Tasmania; Chinese Community Association of Australia; Coal River Products Association; Crescendo Choir performance; Education Transforms Symposium; Friends of the Tasmanian Museum & Art Gallery; Finland Independence; Friendship Force in Australia National Conference; Hobart Orpheus Choir; Impact 100 Tasmania;

International Plant Propagators' Society; International Women's Forum Conference; Lords Taverners Australia; National Histology Conference; National Science Week Southern Tasmania; Old Virgilians Association Centenary; RAN Clearance Diving Branch; Royal Australian & New Zealand College of Ophthalmologists; Royal Hobart Regatta; Royal United Services Institute lecture, Professor Melanie Oppenheimer; 'Shakespeare in the Gardens' 20th anniversary; Speaking Made Easy (formerly Penguin

Club of Australia); St Mary's College; Tasmanian Forest Practices Authority; Tasmanian Heritage Council; Tasmanian Historical Research Association; Tasmanian Symphony Orchestra 70th anniversary; Tasmanian Theatre Awards; Tasmanian Youth Parliament; Tristan Jepson Memorial Foundation Lecture and reception; United Nations and Overseas Policing Association of Australia; Women in Policing Centenary.

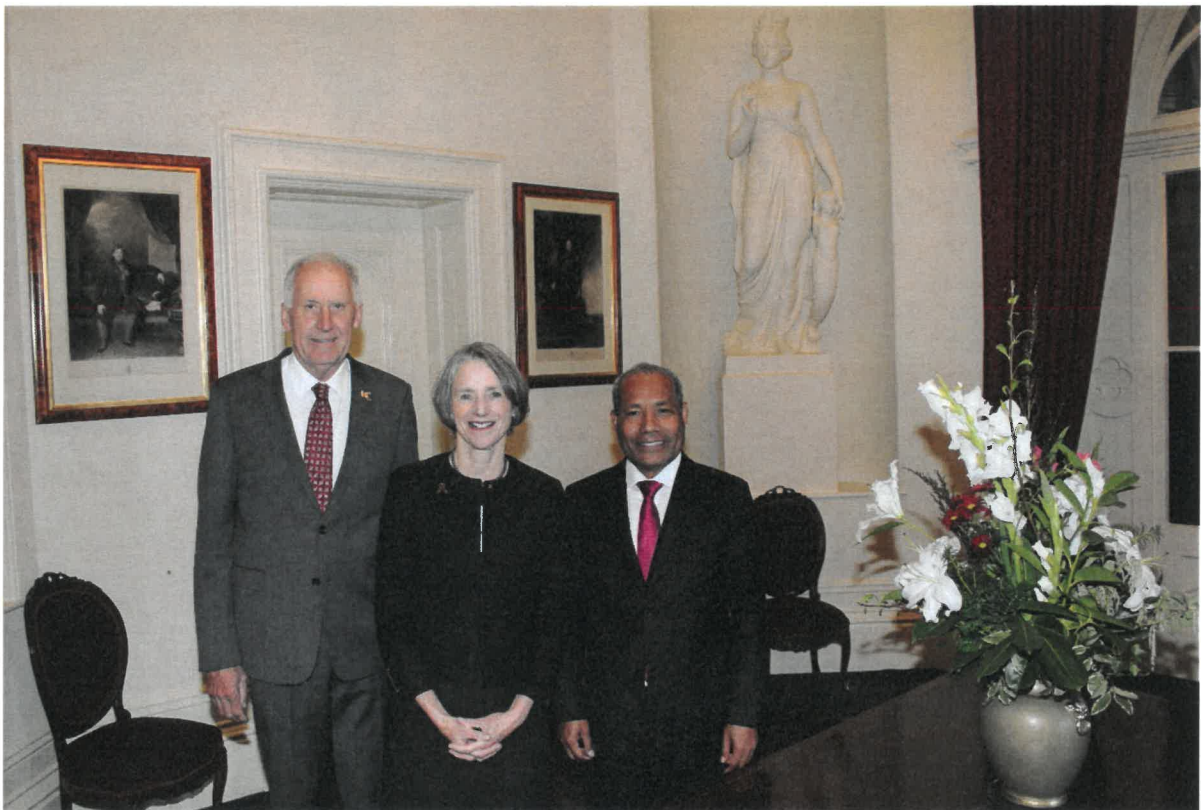
Image Gallery



Swearing-In Ceremony Premier of Tasmania and Cabinet Ministers, 21 March 2018
Hon Sarah Courtney MP; Hon Guy Barnett MP; Hon Jacque Petrusma MP; Hon Michael Ferguson
MP; Hon Roger Jaensch MP; Hon Elise Archer MP; Hon Jeremy Rockliff MP; Her Excellency;
Hon Will Hodgman MP, Premier; Hon Peter Gutwein MP



HRH The Prince Edward, Earl of Wessex, Her Excellency and Mr Warner, Mr Gary Davies, Director, Ms Beth Mathison, Board Chair, Royal Tasmanian Botanical Gardens, April 2018



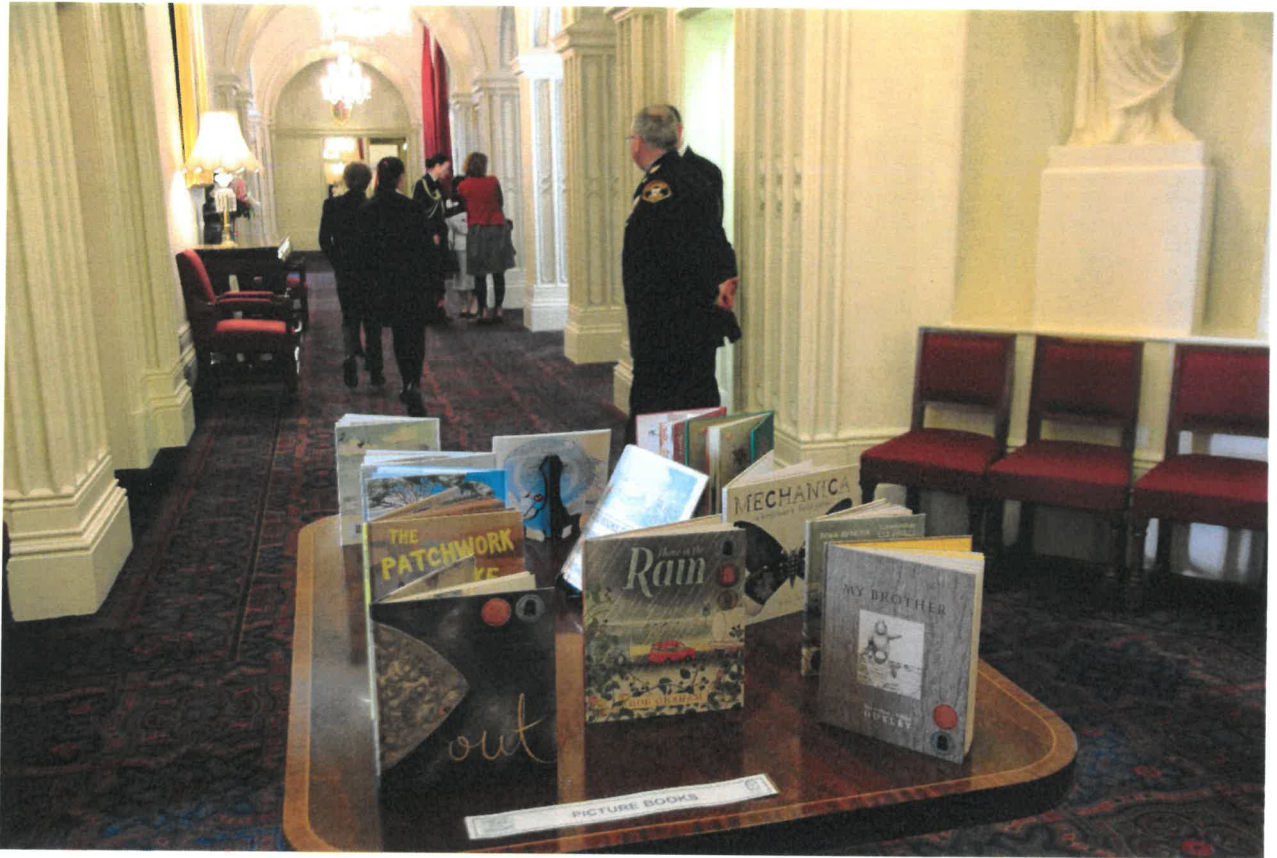
Visit of the Ambassador of Timor Leste, His Excellency Mr Abel Guterres, September 2017



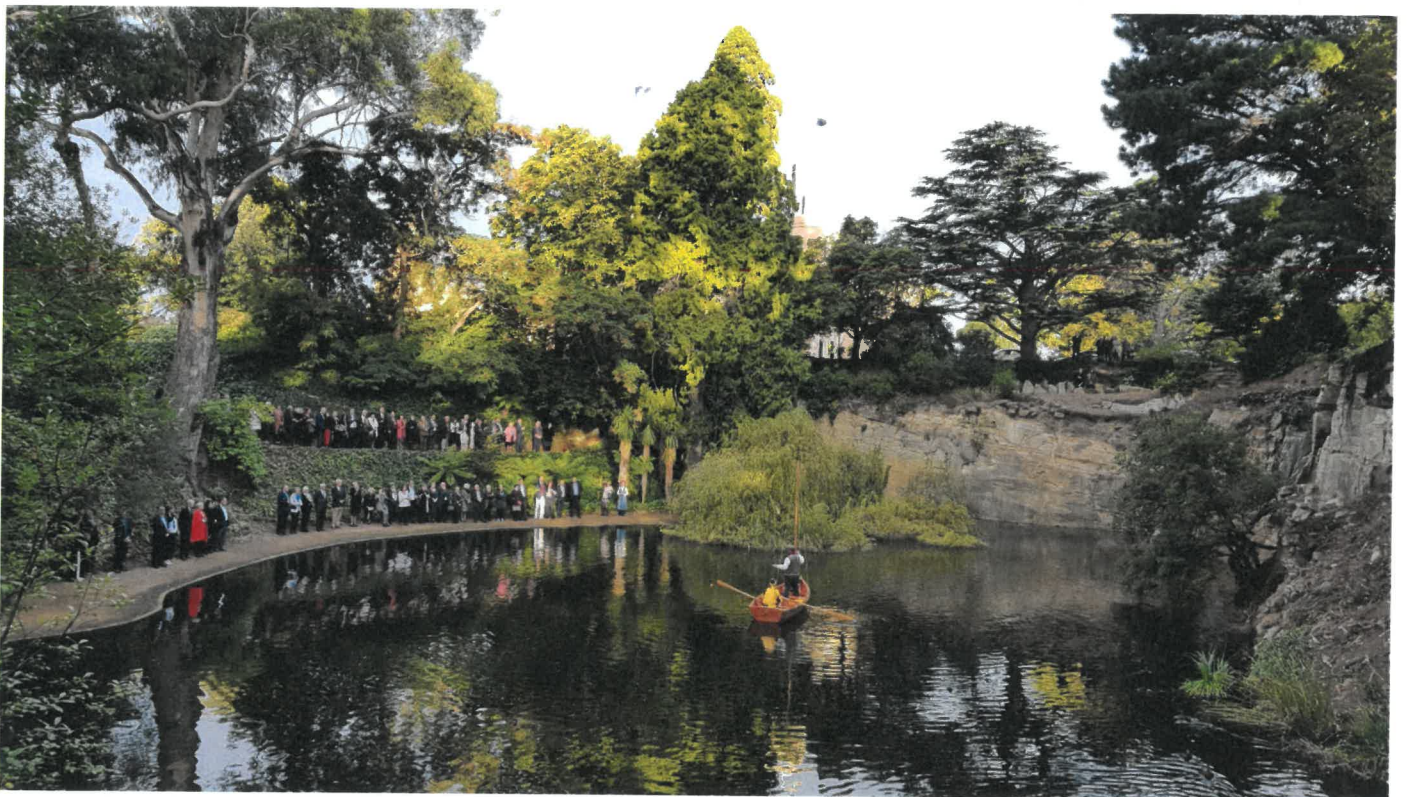
Australian Citizenship Ceremony, March 2018



Bhutanese Elders visit, September 2017



Children's Book Council of Australia National Awards, August 2017



Tasmanian Museum and Art Gallery Fundraising event, March 2018



Psychs on Bikes Tour, May 2018



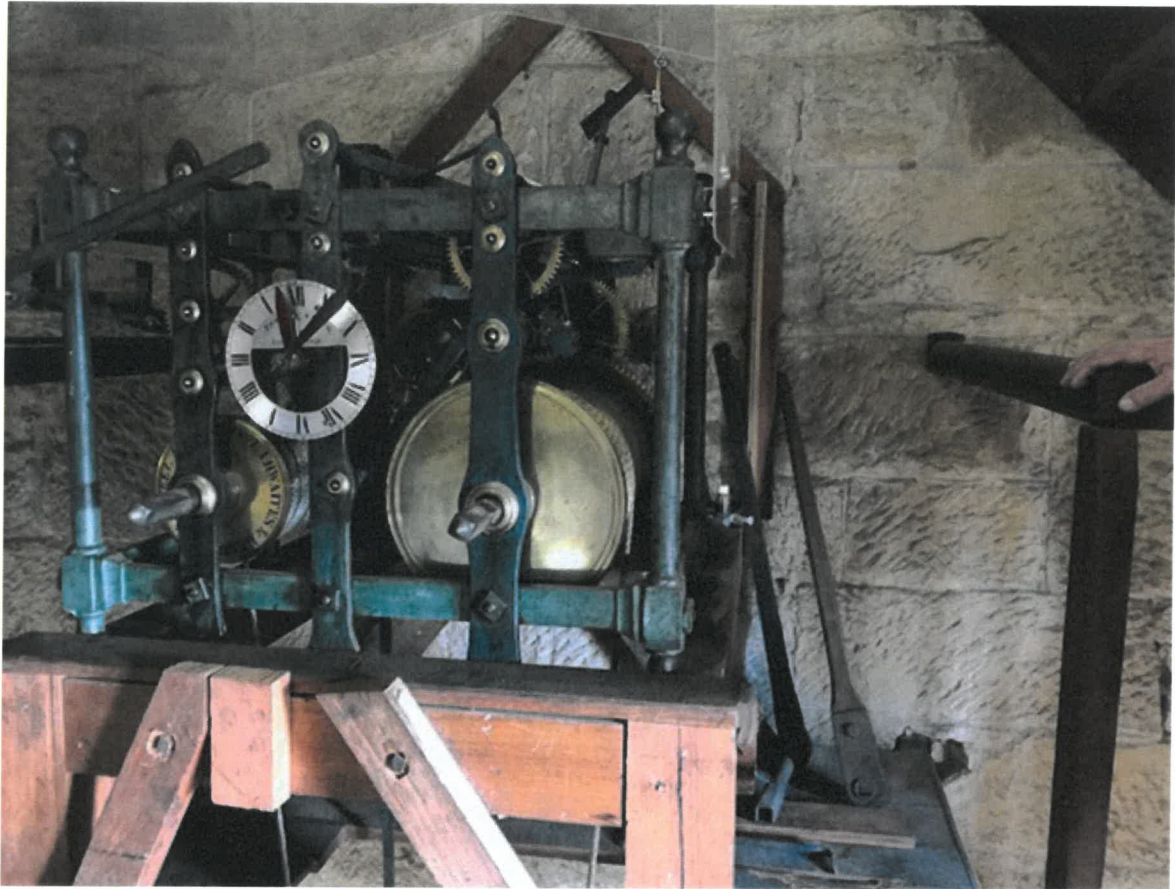
Governor's Christmas Party, December 2017



Baskerville Raceway Reception, February 2018



Her Excellency with the Deloraine Concert Band, April 2018



The Government House Turret Clock (1818) underwent specialist maintenance



Behind the Scenes Tour – Government House Flower Room



Flooded croquet lawn, May 2018



Government House lit up for Pinktober National Breast Cancer Awareness Month, 2017



Surplus fruit produce collected by Second Bite, May 2018



Drone technology enables effective monitoring of gutters and Welsh slate tiles, March 2018



Her Excellency's Aide-de-Camp Major Malcolm McWilliams with Honorary ADCs Shona Prior, Paula Chatwood, Grant Twining, Glen Woolley, Tom Calderwood



Government House Vineyard, May 2018

External events

Agriskills Leaders' Program awards; Alannah and Madeline Foundation and Tasmania Police Charity Trust; Army Museum of Tasmania 'Medals Room' opening; Art Society of Tasmania Annual Exhibition; Association of Heads of Independent Schools of Australia Conference; Australasian Regional Championships Gaelic Football trophies presentations; Australasian University Safety Association Conference opening; Australian and New Zealand Association of Psychiatry, Psychology and Law dinner; Australian and New Zealand Industrial and Applied Mathematics Conference;

Australian and New Zealand Society of Criminology Conference, Canberra; Australian Association for the Teaching of English (AATE) and the Australian Literacy Educators' Association (ALEA) joint National Conference opening; Australian Army Cadets Annual Field Exercise; Australian Association of Crown Prosecutors Conference opening; Australian Institute of Company Directors Award Luncheon; Australian National Committee on Large Dams; Australian National Maritime Museum exhibition 'Submerged: Stories of Australia's Shipwrecks';

Australian Native Plants Society Conference; Australian Society for Medical Research Gala Dinner; Australian Trefoil Guild gathering; Battle of Britain Commemoration; Battle of the Coral Sea; Battle of Crete; Blooming Tasmania Flower and Garden Festival; Blundstone Associate Degree Inaugural Agribusiness Dinner; Bookend Trust's 'Where? Where? Wedgie!' launch and 'Sixteen Legs' screening; Bruni D'Entrecasteaux Memorial unveiling; Cancer Council Tasmania Relay for Life; Cancer Support Centre Sandy Bay opening; 'Casting an Indigenous Hook' – Centre for Marine Socioecology, University of Tasmania;

CCAMLR XXXVI Opening; 'Charge of Beersheba' Centenary; Children's University Graduation Ceremony; Council of United Commonwealth Societies Annual Queen's Birthday Luncheon; Combined Clubs Open day; *Convict Lives at the Cascades Female Factory* book launch; Council of United Commonwealth Societies Annual Queen's Birthday Luncheon; Cradle Mountain Wilderness Gallery re-launch on behalf of the Royal Automobile Club of Tasmania; Dunalley Spring Flower Show; Engineering Heritage National Marker, Red Bridge – Campbell Town; Eskleigh Home visit; Field of Remembrance Annual dedication Service;

Fight Cancer Foundation 'Little Red Luncheon'; First Nations, Anglican Parish of Channel and Cygnet; 'Gallery of First Tasmanians' (Queen Victoria Museum and Art Gallery NAIDOC Week) opening; Gordon Power Station and Dam visit; Governor's Plate Horse Race; Guilford Young College Ceremony of Commendation; Headstone Project, First World War Veterans; HMAS Sydney II Memorial Service; Hobart Legacy dinner; Hobart Synagogue tour; Huon Valley Science Expo award presentations; *Houses and Estates of Old Glamorgan* book launch;

Hutchins Australian Contemporary Art Prize; Institute for the Study of Social Change Advisory Board meeting; International Mining Geology Conference; International Wall of Friendship, Icelandic community; International Women's Day Breakfast, Launceston, Hobart; Jane Franklin Hall Founder's Day Dinner; John Kable Memorial Scholarship in Law; Jordan River Senior School Presentation Evening; Judicial Conference of Australia Colloquium; 'Justice in Focus' event, Queensland Sentencing Advisory Council and Caxton Legal Centre; Karinya Young Women's Service; 'Lady Nelson' sail training vessel 30th anniversary; Launceston Cup; Lawrenny Estate Distillery opening; Lloyd Rees Art Prize award presentations; Mary Hutchinson Women's Prison visit; Menzies Institute for Medical Research; National Heritage Festival of National Trust Tasmania; National Histology Conference; National Police Remembrance Day; Naval, Military & Air Force Club Armistice

Luncheon; Netball Tasmania annual presentation dinner; New Norfolk Historical Information Centre 30th anniversary;

Newstead College Law students; RAF 97th Anniversary; Reconciliation Week Breakfast; Rotary District 9830 Conference; Royal Australian Infantry Corps Annual Dinner; Royal Hobart Show; Scouts Tasmania Good Service Awards; Tasmanian Architecture Awards; Royal Launceston Show; Rural Alive and Well Luncheon; Scout Guide Regatta; Tasmanian Parliamentary Annual Prayer Breakfast; Sweet Adelines Regional Chorus and Quartet Competition; Tasmanian Seafarers' Memorial Service; Tasmanian Volunteering Awards launch;

Theo Murphy Australian Frontiers of Science meeting; 'Toast for Kids' Charity Gala, Devonport; Trans-Tasman Radiation Oncology Group Annual Scientific Meeting; 'Umitaka Maru' Tokyo University Ship visit; United States of America 241st Anniversary reception; University of Tasmania Farewell event for Vice-Chancellor Peter Rathjen; University of Tasmania Graduation Ceremony for the School of Health Sciences and Faculty of Health; *Whose Life is it Anyway?* book launch; Women in Resources National awards; Yacht Races presentations – Sydney to Hobart, Launceston to Hobart; Young MILE (Young Migrant Leadership Program) Graduation Ceremony presentations; Zonta Club of Launceston.

School and community group visits

Channel Christian School Years 5/6; Derwent Primary School Launch into Learning; Dominic College; Elizabeth College and Hiroshima Inokuchi Senior High School; Fahan School garden visit; Friends' School; Guilford Young Hospitality students; Hobart College; Howrah primary School; Jordan River Learning Federation East; Kingston High School with visiting Thai students; Lindisfarne Primary School; Ogilvie High School; Rose Bay Hospitality students; St Michael's Collegiate School; Sacred Heart College VET students; Primary School Children Christmas Reception; Rosny College Hospitality students; Tasman District School.

Kitchen and Hospitality Report

The last 12 months has seen our kitchen staff rise from two to four with the addition of two contract part-time staff, Rachael Calvert, our Sous Chef and Jacqui Lowe, our second chef. Our kitchen has relied heavily on casuals for a very long time which has proven challenging at times, although the casuals themselves have been, and continue to be, a real asset to Government House.

Donations of Food:

Personnel from Second Bite collected a good quantity of excess produce from the garden. The fruit proved especially valuable when delivered in the North to schools who provide breakfast every day for children in lower socio-economic areas and in the areas affected by Fruit Fly outbreak.

Cooking for a Teenage Mindfulness Retreat:

When the staff at Government House kitchen learned that a chef was suddenly not able to help for a teenage retreat they cooked up a feast of food and the Executive Chef donated herself to a weekend of cooking. The retreat provides a way for teenagers to learn how to navigate the ups and downs of teenage life through mindfulness and meditation, and is especially helpful to those teenagers who are in need of support and encouraging them to learn some coping capabilities.

Tas Veterans Garden Plot:

Tas Veterans, who cultivate an area of vegetables at the Royal Tasmanian Botanical Gardens, picked produce from there and also from the Government House gardens. Recipe folders were given out, and

lively discussions were had regarding healthy, cheap eating and the important place it has in regard to mental health and physical health. We then had a cooking day with the veterans, complete with a gregarious emotional support dog. The Veterans then dispersed and reassembled for dinner with Her Excellency and Mr Warner.

Work Placement and School Tour groups:

Some 65 hospitality and kitchen studies students undertook work experience/observation studies in the Kitchen on work placement during the 2017-2018 period.

Kitchen staff also hosted 135 students for kitchen and vegetable garden tours where students tasted produce that has been processed and preserved in different ways. Students experienced the operation of Paddock to Plate and how this can be translated easily into school and home gardens.

Eat Well Tasmania:

The Executive Chef is a board member of Eat Well Tasmania and sees it as part of Government House Tasmania's community engagement. Eat Well launched the 'Get Fruity' campaign in 2018 as part of their initiative to encourage the public to eat more fruit (and vegetables). Her Excellency is the Patron of Eat Well Tasmania.

Government House hosted the Executive and Sous Chefs from Government house, Victoria, Mr Robert Harris and Mr Danny Kalfoglou; they visited Tasmania for four days to research Tasmanian producers and to see what Tasmania has on offer. The Executive Chef took them to southern Tasmania to observe salmon processing, sheep cheese products and sheep whey vodka. On the east coast at Bicheno they saw baby abalone production, pure Tasmanian sea salt production and farmed mussels. At South Arm they tried out gourmet olive oil and saw a few more small to medium local producers. They also toured the Government House vegetable and herb gardens, the kitchen and dry stores and discussed at length garden produce and different ways to use and preserve what is harvested.

Under the auspices of Government House the kitchen continues to foster a vibrant interactive community engagement, from cooking with lively prep school students making pots and pots of kale pesto and sugared rose petals for Mother's Day, through to providing an exciting and supportive kitchen for students to assist them to cope better in a smaller nurtured environment.

Gardens Report

Steve Percival (Garden Supervisor) retired in March 2017. In his 26 years at Government House Steve brought consistently high quality management skills to the maintenance and progression of the Estate's gardens.

Ben Essex has been appointed Estate Gardens Manager and is most welcome at Government House.

In addition to the garden staff continuing to maintain the Estate's gardens to an immaculate level, they also continue to supply the Government House kitchen and Florist with fresh produce and cut flowers daily.

The garden staff welcomed the addition of a new glasshouse, which is used to propagate plants for the garden, vegetable production and cut flowers produced on site.

Government House continues to have a strong relationship with TAFE Tasmania, numerous work placements offered to both Horticultural students and youth migrant students.

Regular garden tours are conducted by staff and experienced Volunteers.

The addition of a bird and possum-proof structure in the fruit orchard has seen an oversupply of fruit to the Kitchen for which the Executive Chef, has donated all excess produce to the Second Bite charity organisation.

The onsite vineyard produced its first crop, with nearly three tonne of grapes being picked by the garden staff. All wine produced will be served at various Government House functions.

Livestock continues to be a part of the Estate, with the agistment of cattle from the Tasman District School and the Tassie Brown Chickens producing dozens of eggs daily.

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

These are tours for which patrons book online at modest cost (\$20) 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. In the year under review 320 bookings were made.

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 fundraising events and conducted monthly tours of the State Rooms, Behind the Scenes, Furniture and the Gardens.

Staff

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

Her Excellency's Aide-de-Camp Flight Lieutenant Catherine Saunders completed two highly professional years of service for the Governor, in a role that is demanding, requiring immaculate attention to detail and long working hours. Her service was greatly appreciated. Major Malcolm McWilliams commenced in the role of ADC to Her Excellency in January 2018.

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. Honorary ADCs are drawn from the Royal Australian Navy, Australian Army, the Royal Australian Air Force and Tasmania Police. Honorary ADCs 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 during the period under review:

Lieutenant Shona Prior, RANR, ADC, Lieutenant Chris Sykes, RANR, ADC, Lieutenant Colonel David Hughes, ADC, Flight Lieutenant Emily Angus, ADC, Flight Lieutenant Paula Chatwood ADC, Inspector Grant Twining, ADC, Inspector Glen Woolley, APM, OAM, ADC.

Security Guards

Government House is well serviced through appropriately trained Security Guards.

HUMAN RESOURCE MANAGEMENT

Indicators of Organisational Health

Sick Leave and Overtime	2015-2016	2016-2017	2017-2018
Average sick leave taken per FTE (days)	5.5	6.4	7.5
Total sick leave taken (days)	112.48	139.23	166.68
Total overtime payments for the year (\$)	7,658	6,912	15,516
Total overtime payments per FTE (\$)	375	319	698

*71 attributable to one staff member

Staff Turnover	2015-2016	2016-2017	2017-2018
Separations	1	0	4
Commencements	3	0	4
FTE at 30 June*	20.42	21.67	22.24

*This does not include casual or externally contracted staff

Staff Leave Balances	2015-2016	2016-2017	2017-2018
Current entitlements – all employees (days)	1,438	1,392	1,381
Average number of LSL days per FTE*	51	46	44
Average number of annual recreation leave days per FTE	19	18	18

* Including pro rata recreation leave

Workers' Compensation	2015-2016	2016-2017	2017-2018
Cases at 1 July	0	0	0
New cases for F/Y	0	0	2
Completed cases at 30 June	0	0	1
Total cases at 30 June	0	0	1
Working days lost F/Y	0	0	6

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	2015-2016	2016-2017	2017-2018
Number of individual staff who received formal training	9	4	17
Number of person days training	18	4	20
Expenditure on training	\$2,128	\$1,000	\$5,327

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 2017–2018 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 2017-2018:

The Main turret clock underwent a full restoration to its mechanism. This was the most comprehensive work done on the clock for many years.

The Ball Room, Main Hallway and Main Staircase were all painted and restored to original condition.

The Kitchen Office was completely stripped in order to install new purpose-built office furniture and fittings.

The existing glasshouse was removed and a new, larger state-of-the-art glasshouse installed with new drainage and electrics fitted.

The Security system underwent a comprehensive upgrade of software and operating programs.

Automation of the rear gates was completed, with additional cameras installed for enhanced security.

The Governor's Apartment bedroom ceiling was replaced, with redecoration of the room taking place at the same time.

Cottages 1 and 2 were partly repainted for new tenants. In addition Cottage 2 had a new ceiling fitted in the sitting room and was redecorated.

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 2017–2018.

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 28
TI 701(1)(g)	Statement of asset management policies and an outline of asset management strategies and initiatives.	Page 28
TI 701(1)(f)	Statement of risk management policies and an outline of significant risk management activities and initiatives.	Page 28

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 29
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)(1)	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 28
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 comprises the statement of financial position as at 30 June 2018 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, other explanatory notes and the statement of certification by the Official Secretary.

In my opinion, the accompanying financial statements:

- (a) presents fairly, in all material respects, the Office's financial position as at 30 June 2018 and its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *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.

...1 of 3

To provide independent assurance to the Parliament and Community on the performance and accountability of the Tasmanian Public sector.
Professionalism | Respect | Camaraderie | Continuous Improvement | Customer Focus

Strive | Lead | Excel | To Make a Difference

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 is 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 this 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

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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 represents 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.



Alex Irwin
Senior Manager, Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

7 September 2018
Hobart



OFFICE OF THE GOVERNOR

Financial Statements

For the year ended

30 June 2018

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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 2018 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 'David Owen'.

David Owen

Official Secretary

13th August 2018

Statement of Comprehensive Income for the year ended 30 June 2018

	Notes	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Continuing operations				
Revenue and other income from transactions				
Revenue from Government				
Appropriation revenue - recurrent	3.1	4,069	3,995	3,879
Appropriation Carried Forward under sec 8A(2)		-	40	-
Sale of goods and services	3.2	55	78	77
Other revenue	3.3	-	17	16
Total revenue and other income from transactions		4,124	4,130	3,972
Expenses from transactions				
Employee benefits	4.1	3,217	3,134	2,882
Depreciation and amortisation	4.2	298	257	253
Grants and subsidies	4.3	-	7	9
Supplies and consumables	4.4	838	980	919
Other expenses	4.5	31	68	56
Total expenses from transactions		4,384	4,446	4,119
Net result from transactions (net operating balance)		(260)	(316)	(147)
Other comprehensive income				
Land and buildings revaluation surplus	8.1	300	-	-
Revaluation of other assets	8.1	-	-	-
Total other comprehensive income		300	-	-
Comprehensive result		40	(316)	(147)

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 2018

	Notes	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	9.1	231	149	207
Receivables	5.2	15	-	14
Other financial assets	5.2	3	11	24
<i>Non-financial assets</i>				
Plant, equipment and motor vehicles	5.3	232	231	232
Land and Buildings	5.3	31,761	31,310	31,540
Heritage Assets	5.3	3,586	3,586	3,586
Total assets		35,828	35,287	35,603
Liabilities				
Payables	6.1	75	82	57
Employee benefits	6.2	507	502	487
Other liabilities	6.3	-	-	40
Total liabilities		582	584	584
Net assets		35,246	34,703	35,019
Equity				
Reserves	8.1	24,549	23,949	23,949
Accumulated funds		10,697	10,754	11,070
Total equity		35,246	34,703	35,019

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 2018

	Notes	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Appropriation receipts - recurrent		4,069	3,995	3,919
GST receipts		60	103	78
Other cash receipts		55	94	93
Total cash inflows		4,184	4,192	4,090
Cash outflows				
Employee benefits		(2,954)	(2,846)	(2,641)
Superannuation		(247)	(264)	(245)
GST payments		(60)	(85)	(86)
Other cash payments		(868)	(1,030)	(996)
Total cash outflows		(4,129)	(4,225)	(3,968)
Net cash from (used by) operating activities	9.2	55	(33)	122
Cash flows from investing activities				
Cash outflows				
Payments for acquisition of non-financial assets		-	(25)	(36)
Total cash outflows		-	(25)	(36)
Net cash from (used by) investing activities		-	(25)	(36)
Net increase (decrease) in cash and cash equivalents held		55	(58)	86
Cash and deposits at the beginning of the reporting period		176	207	121
Cash and deposits at the end of the reporting period	9.1	231	149	207

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 2018

	Reserves Accumulated		Total
	\$'000	Funds \$'000	Equity \$'000
Balance as at 1 July 2017	23,949	11,070	35,019
Net result	-	(316)	(316)
Other comprehensive income	-	-	-
Balance as at 30 June 2018	23,949	10,754	34,703

	Reserves Accumulated		Total
	\$'000	Funds \$'000	Equity \$'000
Balance as at 1 July 2016	23,949	11,217	35,166
Net result	-	(147)	(147)
Other comprehensive income	-	-	-
Balance as at 30 June 2017	23,949	11,070	35,019

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 2018

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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 2017-18 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)	4,069	3995	(74)	(2)
Appropriation Carried Forward under sec 8A(2)	(b)	0	40	40	100
Sale of goods and services	(c)	55	78	23	42
Other Revenue	(d)	-	17	17	100
Land and buildings revaluation surplus	(e)	300	-	(300)	(100)

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.

(b) A Sec 8A Carry Forward of \$40,000 was approved and expended for the maintenance of stonework which was unable to be completed prior to June 2017 due to the unavailability of the contracted stoneworker.

(c) The Office receives a modest income through the rental of 4 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 as and when required.

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

(e) 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 2017-18 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2017-18. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2017-18. The following variance analysis therefore includes major movements between the 30 June 2017 and 30 June 2018 actual balances.

	Note	Budget \$'000	2018 Actual \$'000	2017 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	231	149	207	(82)	(58)
Land and Buildings	(b)	31,761	31,310	31,540	(451)	(230)
Other liabilities	(c)	-	-	40	-	40

Notes to Statement of Financial Position variances

(a) The Office expended a reasonable amount of funds this year from the rental income that went towards the maintenance of the Estate.

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

(c) A Sec 8A Carry Forward of \$40,000 was approved in 2016-17 for the maintenance of stonework which was unable to be completed prior to June 2017 due to the unavailability of the contracted stoneworker. This has been treated as an expense in this financial year.

2.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
GST Receipts	(a)	60	103	(43)	(72)
Other cash payments	(b)	(868)	(1,030)	162	(19)

Notes to Statement of Cash Flows variances

(a) An increase in expenditure, including the use of rental income for maintenance on the Estate, meant that our GST receipts were higher than anticipated.

(b) The increase in cash payments was a combination of the following; an increase in rates by local government, an increase in insurance premiums for the Tasmanian Risk Management Fund, the upgrade of office telephones, the upgrade of security equipment and an increase in electricity.

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 6.3, 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.

Section 8A(2) of the Public Account Act allows for an unexpended balance of an appropriation to be transferred to an Account in the Special Deposits and Trust Fund for such purposes and conditions as approved by the Treasurer. In the initial year, the carry forward is recognised as a liability, Revenue Received in Advance (refer note 6.3). The carry forward from the initial year is recognised as revenue in the reporting year, assuming that the conditions of the carry forward are met, and the funds are expended.

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

	2018 Budget \$'000	2018 Actual \$'000	2017 Actual \$'000
Continuing operations			
Appropriation revenue - recurrent			
Current year	3,492	3,492	3,393
Items Reserved by Law			
Salary, Her Excellency the Governor (<i>Governor of Tasmania Act 1982</i>)	562	488	476
Salary, The Administrator (<i>Governor of Tasmania Act 1982, Section 5(1)</i>)	15	15	10
Total	4,069	3,995	3,879
Revenue from Government - other			
Appropriation carried forward under section 8A(2) of the <i>Public Account Act 1986</i> taken up as revenue in the current year	-	40	-
Total	-	40	-
Total revenue from Government	4,069	4,035	3,879

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.

	2018 \$'000	2017 \$'000
Rent revenue	65	57
Other	13	20
Total	78	77

3.3 Other revenue

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

	2018	2017
	\$'000	\$'000
Transfer from other agencies	-	-
Other fees and recoveries	17	16
Total	17	16

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.

	2018	2017
	\$'000	\$'000
Wages and salaries	2,644	2,393
Annual leave	137	132
Long service leave	29	57
Sick leave	41	41
Superannuation – defined contribution scheme	246	220
Superannuation – defined benefit scheme	18	25
Other employee expenses (<i>Training, uniforms, memberships</i>)	19	14
Total	3,134	2,882

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 12.95 per cent (2017: 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 (2017: 9.5 per cent) of salary. In addition, the Office is also required to pay into the Consolidated Fund a “gap” payment equivalent to 3.45 per cent (2017: 3.35 per cent) of salary in respect of employees who are members of contribution schemes.

(b) Remuneration of Key management personnel

2018	Short-term benefits		Long-term benefits		Termination Benefits	Total
	Salary	Other Benefits	Superannuation	Other Benefits and Long-Service Leave		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Key management personnel</i>						
D. Owen, Official Secretary, 13 August 2012	165	56	16	5	-	242
R. Catt, Deputy Official Secretary, 4 February 2013	124	-	12	4	-	140
Total	289	56	28	9	-	382

2017	Short-term benefits		Long-term benefits		Termination Benefits	Total
	Salary	Other Benefits	Superannuation	Other Benefits and Long-Service Leave		
	\$'000	\$'000	\$'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

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 2017-18 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 2018 (2017 \$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	5 years
Buildings	100 years
Other - Piano	20 years
Tractor	10 years
Greenhouse	15 years
Convotherm 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

	2018	2017
	\$'000	\$'000
Plant, equipment and motor vehicles	27	23
Buildings	230	230
Total	257	253

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.

	2018	2017
	\$'000	\$'000
Donations	7	9
Total	7	9

The Office does not have a grants program. The donation made in 2016-17 was part of Her Majesty Queen Elizabeth II 91st birthday celebrations. This was repeated in 2017-18 for Her Majesty's 92nd birthday. The birthday reception ticket receipts were donated to the Royal Flying Doctor Service Tasmania.

4.4 Supplies and consumables

	2018	2017
	\$'000	\$'000
Audit fees – financial audit	10	10
Operating lease costs	61	55
Property services	266	198
Maintenance	260	283
Communications	71	41
Information technology	38	72
Travel and transport	22	33
Other supplies and consumables	252	227
Total	980	919

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.

	2018	2017
	\$'000	\$'000
Salary on-costs	29	22
Insurance	39	34
Total	68	56

Note 5 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.

5.1 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.

	2018	2017
	\$'000	\$'000
Receivables	-	14
Total	-	14
Other receivables	-	14
Total	-	14

5.2 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.

	2018	2017
	\$'000	\$'000
Tax assets	6	22
Prepayments	5	2
Total	11	24
Settled within 12 months	11	24
Settled in more than 12 months	-	-
Total	11	24

5.3 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

	2018	2017
	\$'000	\$'000
Land		
At fair value (30 June 2018)	9,000	9,000
Total	9,000	9,000
Buildings		
At fair value (30 June 2018)	23,000	23,000
Less: Accumulated depreciation	(690)	(460)
Total	22,310	22,540
Plant, equipment and motor vehicles		
At cost	365	340
Less: Accumulated depreciation	(134)	(108)
Total	231	232
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	35,127	35,358

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;
- 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.

2018	Land	Buildings	Plant	Heritage	Heritage	Total
	Level 2	Level 2	equipment	and	and	
	\$'000	\$'000	and motor	cultural	cultural	
	Level 2	Level 2	vehicles	assets	assets	
	\$'000	\$'000	Level 2	Level 2	Level 3	\$'000
Carrying value at 1 July	9,000	22,540	232	410	3,176	35,358
Additions	-	-	25	-	-	25
Disposals	-	-	-	-	-	-
Revaluation increments (decrements)	-	-	-	-	-	-
Depreciation and amortisation	-	(230)	(26)	-	-	(256)
Carrying value at 30 June	9,000	22,310	231	410	3,176	35,127

2017	Land	Buildings	Plant	Heritage	Heritage	Total
	Level 2	Level 2	equipment	and	and	
	\$'000	\$'000	and motor	cultural	cultural	
	Level 2	Level 2	vehicles	assets	assets	
	\$'000	\$'000	Level 2	Level 2	Level 3	\$'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

(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 6 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.

6.1 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.

	2018	2017
	\$'000	\$'000
Creditors	50	26
Accrued expenses	32	31
Total	82	57
Settled within 12 months	82	57
Settled in more than 12 months	-	-
Total	82	57

Settlement is usually made within 30 days.

6.2 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.

	2018	2017
	\$'000	\$'000
Accrued salaries	36	33
Annual leave	131	123
Long service leave	335	331
Total	502	487
Settled within 12 months	212	207
Settled in more than 12 months	290	280
Total	502	487

6.3 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.

	2018	2017
	\$'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 for 2016-17 was expended by the Office in 2017-18 for stonework that was budgeted for in 2016-17 but unable to be completed until this financial year due to the unavailability of the contracted stoneworker.

Note 7 Commitments and Contingencies

7.1 Schedule of Commitments

	2018	2017
	\$'000	\$'000
By type		
<i>Lease Commitments</i>		
Operating leases	123	163
Total lease commitments	123	163
By maturity		
<i>Operating lease commitments</i>		
One year or less	49	54
From one to five years	74	101
More than five years	-	8
Total operating lease commitments	123	163
Total	123	163

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.

7.2 Contingent Assets and Liabilities

As at 30 June 2018, the Office had no known contingent assets or liabilities.

Note 8 Reserves

8.1 Reserves

2018	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

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

(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 9 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.

9.1 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.

	2018 \$'000	2017 \$'000
Special Deposits and Trust Fund balance		
Operating account	147	205
Total	147	205
Other cash held		
Petty cash	2	2
Total	2	2
Total cash and deposits	149	207

9.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2018	2017
	\$'000	\$'000
Net result from transactions (net operating balance)	(316)	(147)
Depreciation and amortisation	257	253
(Gain) loss from sale of non-financial assets	-	-
Decrease (increase) in Receivables	14	(14)
Decrease (increase) in Prepayments	(3)	(1)
Decrease (increase) in Tax assets	15	(7)
Increase (decrease) in Employee entitlements	15	13
Increase (decrease) in Payables	24	(13)
Increase (decrease) in Accrued expenses	1	(2)
Increase (decrease) in Other liabilities	(40)	40
Net cash from (used by) operating activities	(33)	122

Note 10 Financial Instruments

10.1 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.

10.2 Net Fair Values of Financial Assets and Liabilities

2018

	Total Carrying Amount \$'000	Net Fair Value \$'000
Financial assets		
Petty Cash	2	2
Cash in Special Deposits and Trust Fund	147	147
Total financial assets	149	149
Financial liabilities		
Payables	82	82
Total financial liabilities	82	82

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

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 11 Other Significant Accounting Policies and Judgements

11.1 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.

11.2 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 13 August 2018.

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 11.5.

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.

11.3 Reporting Entity

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

11.4 Functional and Presentation Currency

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

11.5 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:

- *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 of financial activities in relation to cash flows and non-cash changes as shown at Note 10.2. There is no financial impact.
- *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 Property, Plant and Equipment and AASB 138 Intangible Assets, 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. There will be no significant 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. The Office of the Governor does not have material financial assets and liabilities.
- *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 2015-8 Amendments to Australian Accounting Standards - Effective Date of AAS 15 applies to annual reporting periods beginning on or after 1 January 2018. Where an entity applies the Standard to an earlier annual reporting period, it will disclose that fact. It is anticipated that there will be no 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 will be applied when AASB 15 is applied. It is anticipated that there will be no financial impact.
- *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. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The standard will result in most of the Office’s operating leases being brought onto the Statement of Financial Position and additional note disclosures. The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease. There are limited exceptions relating to low-value assets and short-term leases with a term at commencement of less than 12 months. Operating lease costs will no longer be shown. The Statement of Comprehensive Income impact of the leases will be through amortisation and interest charges. The Office’s current operating lease costs is shown at note 4.4. In the Statement of Cash Flows lease payments will be shown as cash flows from financing activities instead of operating activities. Further information on the Office’s current operating lease position can be found at note 8.1. There will not be a significant impact of the revised Standard on the Office’s Financial Statements. The only leases to be considered are the leasing of five motor vehicles.
- *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. The Office expects there to be no financial impact of the revised Standard on the Office’s Financial Statements.

11.6 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.

11.7 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 “...”.

11.8 Taxation

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

11.9 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.