



Office of the Governor of Tasmania



Annual Report 1 July 2019—30 June 2020

*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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26 October 2020

The Honourable Peter Gutwein 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 Act 2016*, 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 2019 to 30 June 2020 and outlines the achievements and business of the Office of the Governor in providing effective and accountable support to the Governor of Tasmania.

Yours sincerely,

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

David Owen
Official Secretary

MISSION

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

OBJECTIVES

The objectives of the Office of the Governor are to:

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

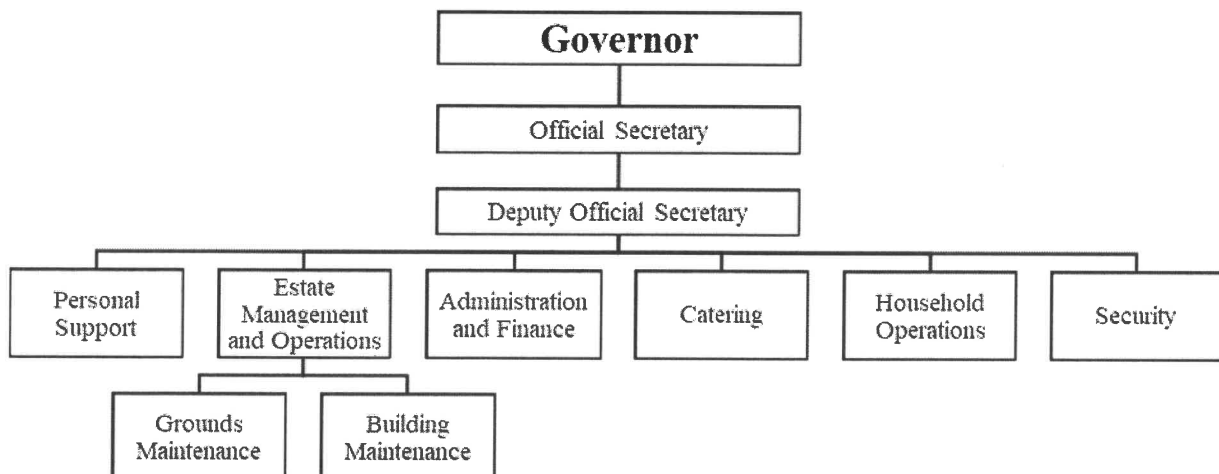
THE OFFICE OF THE GOVERNOR

Overview

In accordance with the provisions of the *Financial Management Act 2016* the Office of the Governor is classified as a Legislative Agency. The accountable authority is the Official Secretary who 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 AM

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 — 152 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 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 accountable authority are specified in the *Financial Management Act 2016*. 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 \$4,304,000 for recurrent services.

Consolidated Fund	2019–2020	2019–2020	Variation
	Budget \$'000	Actual \$'000	
Recurrent Services (Appropriation)	4,304	4,320	16

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 381 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 2019–2020

Key Results	Number	
	2019-2020	2018-2019
Executive Council meetings presided over	26	28
Acts receiving Royal Assent	48	53
Receptions held at Government House	44	53
Ambassadors and High Commissioners hosted at Government House	4	11
Official dinners and luncheons	8	8
School visits to Government House	13	24
Visits to Government House by community groups, including service clubs, special interest groups, exchange students, and charitable organisations	21	34
Swearings-In, Investitures, presentation ceremonies	17	25
Official callers received by the Governor/Lt Gov	88	134
Forums, lectures, launches, fundraising, in-house musical events	12	19
External events attended by the Governor/Lt Gov	155	235
Speeches delivered by the Governor/Lt Gov	157	194
Visitors on Open Day	5,900	-
Monthly tours	61	102
Total number of guests/visitors	14,749	14,802

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 2019–2020 Her Excellency gave the Royal Assent to 48 Bills presented by the President of the Legislative Council of Tasmania or the Speaker of the House of Assembly of Tasmania (Consolidated Fund Supplementary Appropriation Bills).

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 2019-2020 Her Excellency or the Lieutenant Governor presided over 26 meetings of the Executive Council.

Administration in the absence of the Governor

The Lieutenant Governor of Tasmania, the Honourable Justice Alan Blow AO, administered the State from Saturday 20 July 2019 to Saturday 3 August 2019.

Ceremonial

Her Excellency officiated at a variety of ceremonial events at Government House. In the year under review, there were a total of 14 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. This year, however, due to COVID-19 restrictions, the Investiture for recipients of awards announced in the 2020 Australia Day Honours list were held later in the year at smaller ceremonies conducted in accordance with COVID-safe protocols. Other smaller, less formal presentations usually 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:

Swearing-in of the Premier of Tasmania; Swearings-in of Cabinet Ministers (2).

Investitures, presentations and ceremonies:

Australian Citizenship Ceremony; Churchill Fellowship Presentations; Duke of Edinburgh's Gold Awards; Equal Opportunity Tasmania and the Commissioner for Children and Young People Tasmania 'Why Human Rights Matter to You'; Flagpole installation re permanent flying of the Australian Aboriginal Flag; Florence Nightingale Tasmania Grants and Awards Committee presentations; Oak Possability Duke of Edinburgh's Bronze Awards presentations; Order of St John Investiture; Premier's Literary Prizes; Queen's Birthday Investiture; Reconciliation Council of Tasmania 'Youth Speakout' Program State Final; Tasmanian Assessment, Standards and Certification Outstanding Achievement Awards; Tasmanian Australian of the Year Awards presentations; Tasmanian Palliative Care Awards.

Visitors to Government House

Events and functions hosted by the Governor and Mr Warner or the Lieutenant Governor brought 14,749 visitors to Government House in 2019–2020, including: Receptions, 4,344; Investitures, Presentations, Lectures, Musical evenings, Fundraising events, 2,363; Morning and Afternoon Teas, 655; Other visitors (such as private tours, work experience placements), 394; School visits, 351; Lunches, Dinners, 114; Official callers, 88.

Municipal Visits

In the year under review, the Governor and Mr Warner paid an official visit to the Tasmanian municipality of Huon Valley to meet with local residents, business owners and staff to review recovery efforts following the bushfires of January 2019.

Significant events

In July 2019, Her Excellency the Governor and Mr Warner hosted a ceremony to install a flagpole to permanently fly the Australian Aboriginal Flag at the Main Gates to the Government House Estate. The event was attended by members of Aboriginal communities, organisations and groups in Tasmania, as well as Members of Parliament and other invited guests.

In August 2019, Her Excellency the Governor announced that her medical treatment for non-Hodgkin lymphoma had been successful following several cycles of chemotherapy over a period of eight months. Her Excellency had been able to continue with her official duties throughout this time.

In September 2019, Her Excellency the Governor and Mr Warner hosted a gathering of the Governor-General and Governors/Administrator and their spouses from the Government Houses of each State and Territory of the Commonwealth of Australia to discuss an agenda of mutual interest.

Also in September 2019, the Premier of Tasmania, the Honourable Will Hodgman MP, announced that Her Majesty The Queen had given formal approval to his request to extend Her Excellency's term of office as Governor of Tasmania for a further period of one year to 9 December 2020.

In November 2019, Her Excellency the Governor and Mr Warner hosted an Open Day to welcome members of the public to Government House.

In March 2020, the Official Secretary announced:

‘As a considered measure to help to minimise the spread within Tasmania of the COVID-19 virus, and following discussions with and advice from the Acting Director of Public Health, the Secretary, Department of Health and the office of the Premier, the Office of the Governor of Tasmania has decided to cancel or postpone Her Excellency and Mr Warner's non-essential official engagements at Government House and across the State, as well as other Government House public gatherings.’

Between March 2020 and June 2020, Her Excellency the Governor and Mr Warner arranged for floral bouquets and shortbread biscuits to be delivered to aged care facilities around Tasmania in response to the COVID-19 lockdown. The bouquets were arranged by staff florist, Ms Ineke Souris, using cut flowers from the Government House gardens. The shortbreads were baked by Kitchen staff, along with additional prepared meals and fresh produce harvested from the Government House gardens for donation to community organisations to assist members of the public in need.

In June 2020, the Premier of Tasmania, the Honourable Peter Gutwein MP, announced that Her Majesty The Queen had approved the extension of Her Excellency's term of office as Governor of Tasmania for a further six months to 9 June 2021 given the circumstances the State is facing in responding to COVID-19.

Other significant events during the year:

Anzac Day (dawn wreath laying at Government House flagpoles); Anzac Day Reflection (online via Government House website); Australian Institute of International Affairs – Tasmanian Branch Annual Lecture; Boston Children's Chorus and *The Velvetones* (Festival of Voices 2019); Chatter Matters Tasmania Symposium, *Connecting: The Heart of Literacy*; Garden History of Hobart Town Lecture; Hamilton Literary Society Annual Lecture; National Reconciliation Network Forum (Reconciliation Tasmania); Urban Permaculture and Foodscaping Lecture.

Vice-Regal Guests

His Excellency General the Honourable David Hurley AC DSC (Retd), Governor-General of the Commonwealth of Australia, and Her Excellency Mrs Linda Hurley; His Excellency the Honourable Paul de Jersey AC, Governor of Queensland, and Mrs Kaye de Jersey; His Excellency the Honourable Hieu Van Le AC, Governor of South Australia, and Mrs Lan Le; Her Excellency the Honourable Linda Dessau AC, Governor of Victoria, and Mr Anthony Howard AM QC; The Honourable Kim Beazley AC, Governor of Western Australia, and Ms Susie Annus; Her Excellency the Honourable Margaret Beazley AO QC, Governor of New South Wales, and Mr Dennis Wilson; Her Honour the Honourable Vicki O'Halloran AO, Administrator of the Northern Territory, and Mr Craig O'Halloran.

Diplomatic Guests and Callers

Ambassadors:

Czech Republic, His Excellency Mr Tomáš Dub, together with a delegation of Members of the Parliament of the Czech Republic; France, His Excellency Mr Christophe Penot, and Mrs Yukimi Penot; Japan, His Excellency Mr Reiichiro Takahashi, and Mrs Masako Takahashi; Uruguay, Her Excellency Mrs Victoria Francolino Slepak and Mr Juan Pablo Silveira Coutinho; Australia's Ambassador to Denmark, Ms MaryEllen Miller; Australia's Ambassador to Laos, Mr Jean-Bernard Carrasco; Australia's Ambassador to the Kingdom of the Netherlands, Mr Matthew Neuhaus; Australia's High Commissioner to Sri Lanka, Mr David Holly.

High Commissioners:

Bangladesh, His Excellency Mr Mohammad Sufiur Rahman; Fiji, His Excellency Mr Luke Daunivalu; New Zealand, Her Excellency the Honourable Dame Annette King DNZM, and Mr Raymond Lind.

Honorary Consuls:

Honorary Consul for France to Tasmania, Mr David Shelley; Honorary Consul for Lebanon to Tasmania, the Honourable Faddy Zouky OAM.

Official Callers

Commander Marcus Buttler RAN, Commanding Officer of HMAS *Melbourne*; Commander Brendan O'Hara, Commanding Officer of HMAS *Sirius*; Captain Terry Morrison DSM, RAN, Commanding Officer of HMAS *Canberra*; Commander Robert Curtis RAN, (outgoing) Commanding Officer, and Commander Andrew Wright CSC OAM ADC RAN (incoming) Commanding Officer, Navy Headquarters Tasmania;

Major General Paul Kenny DSC, DSM and Warrant Officer Class One Darren Murch OAM, Australian Defence Force Operation COVID-19 ASSIST; Lieutenant Colonel Jared Hill, incoming Commanding Officer, together with Major General Steve Smith, Colonel Commandant, of the 12th/40th Battalion, The Royal Tasmania Regiment; Lieutenant Colonel Mark Neich, outgoing Commanding Officer, 12th/40th Battalion, The Royal Tasmania Regiment, and Mrs Demelza Neich; Wing Commander Dion Wright, incoming Commanding Officer, together with Wing Commander Ben Cullen, outgoing Commanding Officer, No 29 (City of Hobart) Squadron;

Ms Bernadette Black, CEO and Founding Director, Brave Foundation; Dr David Agnew, Executive Secretary, CCAMLR; Ms Rosie Martin, Founder and CEO, Chatter Matters Tasmania; Ms Jenny Gale, Secretary, Department of Premier and Cabinet; Mr Bruce Levett, Executive Officer, Health Consumers Tasmania; Professor Richard Eccleston, Director, Institute for the Study of Social Change; Ms Jenna Cairney, Editor, *Mercury* newspaper, together with Mr Damon Wise, General Manager – Tasmania; Dr Julie Rimes, Deputy Chair, and Mr Peter Symonds, General Manager Operations Tasmania, Oak Possability; Professor Natalie Brown, Director, Peter Underwood Centre;

Ms Elizabeth Macdonald, Chair, and Mr Neil Broomfield, Director, Print Radio Tasmania; Mr Bill Lawson, Reconciliation Tasmania; Mr Mark Mugnaioni, Group Chief Executive, and Mrs Kathryn Westwood, President, Royal Automobile Club of Tasmania; Ms Julie Shelton, Media, Marketing, Fundraising Officer and Mr John Kirwan, Chief Executive Officer, Royal Flying Doctor Service Tasmania; Ms Mary Koolhof, President, together with Professor Ross Large AO, outgoing President, and Mr David Wilson, outgoing Honorary Secretary, The Royal Society of Tasmania; Ms Caroline Sharpen, Chief Executive Officer, Tasmanian Symphony Orchestra;

Ms Maree Thompson, Early Years Literacy Support Teacher/Coordinator of 'The Basics' – Channel, Ms Kate Slater, Principal of Margate Primary School, and Councillor Dean Winter, Mayor of Kingborough; Mr Michael Field AC, Chancellor, and Professor Rufus Black, Vice-Chancellor, University of Tasmania; Ms Elizabeth Barnes, CEO, VisAbility Guide Dogs WA and Guide Dogs Tasmania, and Mrs Susan Shoobridge, President, Royal Guide Dogs for the Blind Association of Tasmania;

Dr Lisa Schimanski, CEO, Volunteering Tasmania, together with the inaugural recipient of the 'Professor the Honourable Kate Warner AC Scholarship', Miss Hannah Rogers, and Ms Jenni Klaus, President, Tasmanian Youth Broadcasters; Ms Christine Hepburn, Zonta International District 23 Advocacy Chair and Defence Reserves Support Council Tasmania Acting State Chair.

Morning and Afternoon Teas

Council on the Ageing (COTA) Tasmania; Grand Installation for Freemasons Tasmania; Hamilton Literary Society Annual Lecture 2019; Life Without Barriers and the Foster and Kinship Association of Tasmania; National Youth Science Forum 2020; Reconciliation Tasmania National Reconciliation Network Forum meeting; Richmond Rural & Regional Parent Group; Rostrum's Voice of Youth Competition (National Final); Royal Hobart Hospital Research Foundation; Tasmanian Rhodes Scholar announcement; Tasmanian Wildlife Rehabilitators; Teach for Australia program;

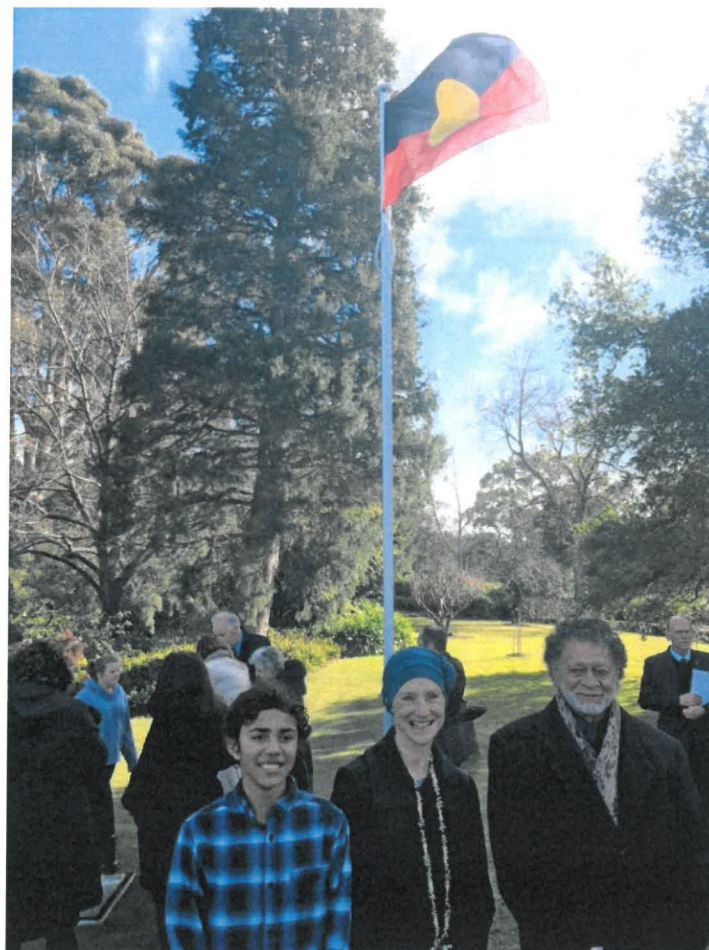
Receptions

Art Society of Tasmania; Australia Japan Society (Tasmania) Inc; Australia and New Zealand Burn Association (ANZBA); Australian Federation of Modern Languages Teachers Association; Australian Institute of International Affairs - Tasmanian Branch annual lecture; Australian Red Cross, Tasmanian Division; Australian Red Cross Tasmanian International Humanitarian Law Committee 70th

anniversary of the Geneva Conventions; Barbershop Harmony Australia; Big Monkey Theatre Inc; Brave Foundation; Cancer Council Tasmania; CCAMLR XXXVIII; Chinese Community Association of Tasmania Inc; Cygnet Singers; CSIRO book launch, *Saving the Tasmanian Devil: recovery through science based management*; Duke of Edinburgh's International Award – Australia; Early Childhood Australia; Engender Equality; Engineers Australia – Tasmania; Federation of Ethnic Communities Councils of Australia (FECCA) & Multicultural Council of Tasmania (MCOT); Festival of Voices 2019 performance by the Boston Children's Chorus and *The Velvetones*; Hobart International Tennis Tournament (Tennis Tasmania); Hobart Real Tennis Club; Intercultural Sports League; International Research Ship Operators (IRSO) Forum; The Itinerants; Kennerley Children's Homes; Landcare Tasmania; Mental Health Carers Tasmania;

Migrant Resource Centre; National Breast Cancer Foundation; National Science Week; Office of the Ombudsman; Parliamentary Bowls National Competition; Returned Services League (Tasmania) Hobart ANZAC Day Commemorative Committee; Royal Commonwealth Society – Southern Tasmanian Branch; Royal Hobart Regatta and Hobart Cup Carnival; Royal Over-Seas League, Tasmania Branch, and other Loyal Societies Concert ; Rural Alive & Well (RAW) Tasmania Inc; Save the Children Australia;

Tasmanian Canine Defence League Inc (Dogs' Homes of Tasmania); Tasmanian Family History Society; Tasmanian Theatre Awards; Tasmanian Youth Parliament; Veterans' Cricket Tasmania; Volunteering Tasmania; Zonta International; 12th Polar Law Symposium; 26TEN Week.



Installation of flagpole to permanently fly the Australian Aboriginal Flag, July 2019
[image courtesy of Guy Stayner, ABC News]



Vice-Regal Gathering, September 2019



Australian Citizenship Ceremony, September 2019



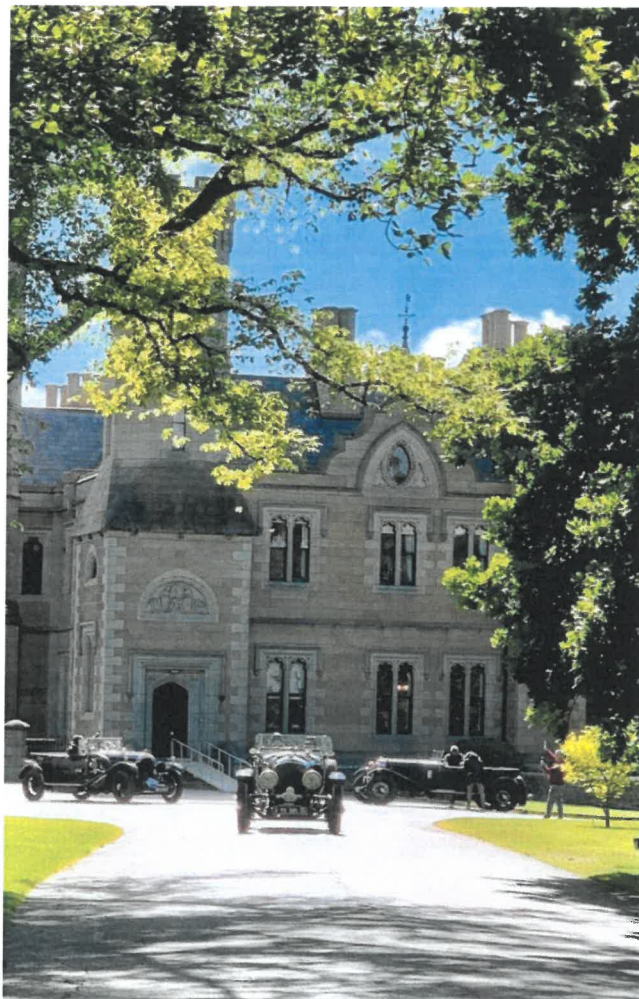
Queen's Birthday Order of Australia Investiture, September 2019



Florence Nightingale Grants and Awards, November 2019



Moonah Primary School, October 2019



Bentley Drivers Club, November 2019

Government House Open Day, November 2019





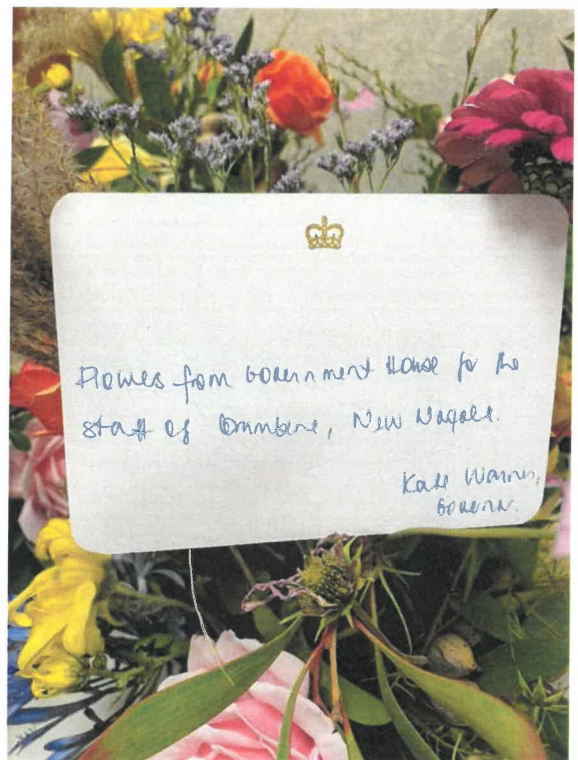


Significant Trees Tours



ANZAC Day Dawn Wreath Laying Ceremony, April 2020

Gifts of Floral Bouquets and Shortbread Biscuits during COVID-19 lockdown







Annual Cleaning of Ball Room Chandeliers



Government House Vineyard

External events

12th Polar Law Symposium; 12th/40th Battalion, the Royal Tasmania Regiment Officer and Mixed Dining-In Night; 14th Annual Tasmanian Parliamentary Prayer Breakfast; 24 Carrot Community Garden, Bridgewater; 25th 'Cubs Rock' Cuboree (Scouts Tasmania); 43rd Annual Scientific Meeting of the Australian & New Zealand Burn Association (ANZBA); 50th Anniversary of the Tasmania Police Pipe Band; 57th Scout Guide Regatta; 70th Anniversary of the founding of the People's Republic of China Reception;

79th National Commemoration of the Battle of Britain; 85th St George's Mariners' Service; 120th anniversary of the Naval, Military and Air Force Club of Tasmania, Inc; 135th Annual Exhibition of The Art Society of Tasmania Inc; 130th Anniversary Dinner of the Athenaeum Club Tas Inc; ABC Giving Tree Appeal 2019; Allegri Ensemble *In Dulci Jubilo*; Australian Decorative and Fine Arts Society Lecture *Stylish Times – Art Deco Design and Building Decoration*;

Australian Manufacturing Workers' Union Women's Forum Dinner; Australasian Coasts & Ports 2019 Conference; Australian Institute of Company Directors 2019 Gold Medal Award Luncheon; Australian Insurance Law Association (AILA) National Conference; Australian Medical Students Association (ASMA) Annual National Convention; Australian Society of Marine Artists National Exhibition; Australian Society of Miniature Art Tasmania Inc's 2019 annual awards exhibition *A Medley of Miniatures*; Australian Army Cadets Tasmania Battalion;

Bangarra Dance Theatre 30th Anniversary Season performance; Bell Shakespeare performance of William Shakespeare's *Much Ado About Nothing*; Bijou Creative performance of *My Fair Lady*; Blooming Tasmania 2019 Flower & Garden Festival; Bruny Island Community Association Inc visit; Stephenie Cahalan book launch, *Colour and Movement: The Life of Claudio Alcorso*; HMNZS *Canterbury* official reception; CatholicCare Tasmania affordable housing units opening;

CCAMLR XXXVIII opening; Centre for Food Plants of the World visit; Centre for Legal Studies Ltd re 2020 Legal Practice Course trainees; Children's University Tasmania 2019 Hobart Graduation Ceremony; Children's University Tasmania 2019 Launceston Graduation Ceremony; Combined Australian Netball Association (CANA) National Carnival; Combined Clubs Open Day 2019; Cradle Coast Authority briefing; Cruising Yacht Club of Tasmania Annual Dinner 2019;

Financial Counselling Association of Tasmania Biennial Conference; FIPS-Mouche World Fly Fishing Championships Opening 2019; Geeveston residents and business owners re bushfires; Governance Institute of Australia Annual Forum; The Headstone Project (Tas) Inc Service of Dedication; Hobart Cup Day 2020 (Tasmanian Racing Club); Hobart Legacy Inc Annual Dinner 2019; Hobart Legacy Badge Week 2019; Hobart Photographic Society Annual Exhibition 2019;

Hobart Real Tennis Club 'Governor's Cup' tournament; Hockey One home game matches (Tassie Tigers); Homeward Bound Project public lecture; Huonville Fire Brigade visit; Institute of Public Works Engineering Australasia (IPWEA) International Conference; Jordan River Senior School Annual Presentation Evening 2019; Launceston Cup 2020 (Tasmanian Turf Club Inc); Launceston Horticultural Society's February 2020 Flower Show; Launceston to Hobart Yacht Race 2019;

Macquarie Masonic Lodge visit; Mannalargenna Day 2019; Masonic Care Tasmania Inc opening of 'Peace Haven' facility; Migrant Resource Centre Tasmania Social Enterprise 'Friday Deli Day'; Moonah Primary School Stephanie Alexander Kitchen Garden Celebrity Chef Dinner 2019; National Association of Gambling Studies Inc Annual Conference; National Police Remembrance Day 2019;

Opening of the 2020 Legal Year; The Order of Australia Association North-West Regional Group Luncheon; Port Cygnet Sailing Club 2019 Opening Day; Possability Research Institute's 2019 Building Opportunities and Building Communities Conference; Palliative Care Tasmania State Conference 2019; Cassandra Pybus book launch, *Truganini: Journey through the apocalypse*; Relay for Life Huon Valley 2020; Remembrance Day 2019; Rostrum's Voice of Youth Competition National Final; Rotary Club of North Hobart 'Connect over Canapés' to mark International Women's Day; Royal Flying Doctor Service Tasmania post-AGM social function; Royal Hobart Golf Club Inc Annual Gala Dinner 2019; Royal Hobart Show 2019 (Royal Agricultural Society Tasmania); Royal Launceston Show 2019 (Royal National Agricultural and Pastoral Society of Tasmania Ltd);

The Royal Society of Tasmania 175th Anniversary; The Royal Society of Tasmania Christmas Lecture 2019; The Royal Society of Tasmania lecture *A glimpse into 175 years of the Royal Society of Tasmania's Minutes*; The Royal Society of Tasmania, Northern Chapter, public lecture; The Salvation Army Communities for Children breakfast and panel discussion; Seedlab Tasmania, 'Grazing Seedlab Tasmania' launch; The Smith Family Learning Club program visit; Fran Spears book launch, *His Crimes, her secrets*;

St Ann's Respect Aged Care visit; St Michael's Collegiate School 2019 Speech Night; Sydney to Hobart Yacht Race Trophy Presentation 2019; Ta Ann, Geeveston, re bushfires; Tahune Airwalk, Geeveston, re bushfires; Takara Waranta Tasmanian Aboriginal culture celebration (Trowunna Aboriginal Cultural Service); Lian Tanner picture book launch, *Ella and the Ocean*; Tasman District School Achievement Recognition Assembly 2019; Tasmania University Law Society (TULS) Women in Law Breakfast 2019; Tasmanian Aboriginal Centre Inc, NAIDOC Week flag raising; Tasmanian Botanic Pty Ltd visit; Tasmanian Society of Justices of the Peace annual dinner;

Tasmanian Symphony Orchestra performances *The Best of Rodgers and Hammerstein* and *Nordic Spirit*; Ten Lives Cat Centre plaque unveiling; Terror Australis Readers and Writers Festival 2019; 'The Basics' – Channel launch (Margate Primary School); Underwood Centre Advisory Committee meetings; Underwood Centre 'Education Transforms' Symposium 2019; Underwood Centre research project – Bowen Road Primary School; Unions Tasmania event to mark International Women's Day; University of Tasmania College of Arts, Law and Education Graduation Ceremony;

University of Tasmania College of Health and Medicine, official opening and launch of the Tasmanian Aboriginal timeline, 'takara milaythina lutruwita nika paywuta – walked this country forever'; University of Tasmania Faculty of Law Debate: 'Constitutional Enshrinement of an Aboriginal Voice to Parliament' – the Hon Robert French AC and the Hon Peter Heerey AM QC; University of Tasmania, The Hedberg Preview; University of Tasmania, Town and Gown Parade; Vietnam Veterans' Day Remembrance Service 2019; *Woodbank* garden visit (Friends of Woodbank).

School and community group visits

Elizabeth College; Glenorchy Primary School; Goodwood Primary School; Goulburn Street Primary School; Herdsmans Cove Primary School; Jordan River Learning Federation East Derwent Primary School Launching into Learning (LiL) families; Montrose Bay High School; New Norfolk High School; Princes Street Primary School; St Michael's Collegiate School; Moonah Primary School; Snug Primary School;

Bentley Drivers Club (Western Australian Area); Blackmans Bay Cub Scouts; Eastern Shore Croquet Club; Emmerton Park Aged Care Services, Smيثton; Migrant Resource Centre; Narryna Heritage Museum garden volunteers; Pittwater Photography Group; Reclink Australia; Tasmanian VIEW Club.

Kitchen and Hospitality Report

Government House continues to go quietly about the business of offering a wide range of community engagement programs which are greatly appreciated by those who visit and/or participate in activities. Here are just a few of the examples of what we have done in the last financial year in the kitchen:



Executive Chef visit to Flinders Island

Work Placement and School Tour Groups

Over 200 hospitality and kitchen studies students undertook work experience/observation studies in the kitchen on work placements during the 2019–2020 year. The students were accompanied by teaching staff, some of whom also chose to spend a day at different times over the year working on a Government House function as part of their professional development.

Staff Professional Development

Government House kitchen staff undertook two days of professional development this year. The kitchen staff spent a day on Bruny Island learning how to make breads and visiting the Bruny Island Seafood Restaurant (Pennicott Wilderness Journeys) and Bruny Island Cheese. They also spent a day visiting farms in the Coal River Valley, including Coal River Farm, Wicked Cheeses and Littlewood Berry Farm, followed by Tongola Cheese at Leap Farm.

The Executive Chef, as part of her personal professional development, is a Board member of EatWell Tasmania, an organisation of which the Governor is patron. The Executive Chef also undertook a 10-day trip to Flinders Island to meet with food producers and winemakers. She also met with staff at the Flinders Island School to tour the kitchen garden and discuss paddock-to-plate opportunities.

COVID-19

After identifying a significant level of need within the community during the COVID-19 lockdown, Government House Tasmania staff worked to prepare meals and harvest fresh produce from the gardens for donation to Colony 47, Kingborough Community Missions/Salvation Army and the Migrant Resource Centre. Stock on hand that had been dried, frozen or bottled was utilised wherever possible in order to assist with containing costs.

Government House prepared around 450 kg of fresh meals consisting of:

- Vegetable gratin with basil and thyme buttered breadcrumbs
- Feijoa and apple crumble
- Fragrant vegetable curry with cinnamon pilaf
- Braised veal in sour cream with herbed couscous.

Government House continues to provide fresh produce to the community during the COVID-19 pandemic. This includes:

- Fresh fruit, figs, feijoas, slow roasted quinces, apples, apricots
- Hot cross buns, quince cakes, apple cakes, banana cakes
- Boxes of fresh vegetables: potatoes, carrots, kale, onions, herbs, pumpkin, kohlrabi, capsicums, lettuce, beetroot, broccoli
- Fresh eggs
- Preserves from the dry store – jams, chutneys, pickled vegetables poached fruits.

Together with flowers from the gardens, around 5,000 shortbread biscuits with the Government House emblem were gifted to over 60 aged care facilities across Tasmania and also to members of the Australian Medical Assistance Team (AUSMAT) who assisted at the North West Regional Hospital.



Moonah Primary School Stephanie Alexander Kitchen Garden

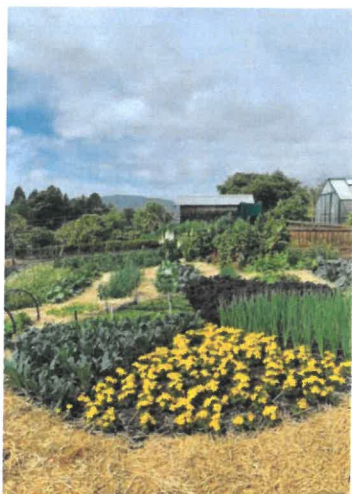
Her Excellency the Governor, accompanied by Mr Warner, officially opened and stayed for dinner at the annual celebrity chef fundraising dinner hosted by the Moonah Primary School Stephanie Alexander Kitchen Garden program. As the school's major fundraiser for the year, the theme was 'Eat Wild, Eat Well' where students cooked with indigenous native foods that were foraged locally around coastal areas with the assistance of Rees Campbell (author of *Eat Wild Tasmania*) who also provided ingredients and talked about the different foods. The students, along with the Executive Chef and Apprentice Chef, Lachlan McWilliams, worked to create a mouth-watering outdoor twilight feast of native and wild ingredients which was served in the school's kitchen garden.



Gardens Report

Our dedicated team of Horticulturalists continue to maintain the Estate gardens to an exceptional standard in what has been a challenging year. The ongoing role of the garden staff is to make significant improvements to the infrastructure and landscaping of the Estate while continuing community engagement through events and tours. Our staff expertise and considered approach respects the historic values of the original design while preparing the gardens in line with the Government House Forward Plan and a changing climate.

Specialised garden tours including Significant Trees, Garden Produce and Ornamental Garden Tours have had increased participation in this financial year. Advertising through the Government House Facebook page proved a powerful tool to raise awareness of these tours and the gardens more generally. We hosted the first 'Winter Series of Horticultural Speakers' during July 2019 and August 2019. These events aimed to bring together the Tasmanian gardening community to hear from industry leaders on a range of horticultural topics. Feedback on the lectures indicated that they were very well received and there is existing demand to continue the program next year. This initiative broadens the range of events and community engagement offered at Government House with an educational gardening focus and provides a modest income stream through ticket sales.



Two new staff members joined the Horticulture team this year after a recruitment process to fill vacant positions. They have extensive horticultural expertise, particularly in relation to ornamental horticulture and turf management. The addition of their skill sets complements our existing team and rounds out areas such as turf management that require dedicated full-time attention.

Mature tree maintenance was carried out as recommended in the 2019-2028 Government House Treescape Management Plan. This work to date has predominantly involved dead limb removal to improve the health and safety of our trees in response to increased public visitation to the Estate gardens.

Water restrictions over the summer months highlighted the need for significant upgrades to our current irrigation systems. This work is ongoing; however, we have made good progress on automating and improving these systems. They are already substantially more efficient and will decrease the labour required in the event that water restrictions are again applied this summer season.

Work continued in the renovation of the Quarry Pond gardens. Mature tree maintenance, weed removal, stone wall construction, soil improvements, upgrading the failing irrigation system and planning for new plantings have been carried out, influenced by the landscape concept plan prepared for Government House in 2018 by Lindsay Campbell.



Our Vineyard continues to produce good yields. The 2020 harvests were very similar to previous years' weights, thus providing the Estate with premium wine for use at events and potential future revenue. COVID-19 restrictions greatly reduced the program of planned public garden tours and events during this financial year. This resulted in an excess of garden produce and cut flowers. Hundreds of kilograms of fresh fruit and vegetables were donated to charitable organisations in southern Tasmania along with dozens of eggs from the Government House chickens. Almost 300 floral arrangements were delivered to nursing homes across Tasmania, filled with cut flowers from the Estate gardens. With uncertainty regarding the ongoing extent of COVID-19 restrictions, our gardeners continued planting crops throughout the winter period to ensure ongoing community support.



Smaller project work has been carried out throughout the gardens to enhance the beauty of the landscape, improve sustainability and productivity. Garden staff continue to engage in further education and to implement new industry techniques and standards in their maintenance of the grounds, ensuring that the Government House gardens remain a significant historical landscape.

Monthly tours – State Rooms; Behind the Scenes; Furniture; Gardens; Garden Produce; Significant Trees and ‘Winter Series of Horticultural Speakers’

These are tours for which patrons book online and are conducted by Honorary Aides-de-Camp and Garden staff and Volunteers. They are consistently popular; however, due to COVID-19 restrictions, the tour program was necessarily suspended from mid-March 2020 onwards. In the year under review 509 bookings were made for tours, together with a further 242 bookings for the inaugural ‘Winter Series of Horticultural Speakers’. All revenue from the tour and lecture program is directed to the maintenance and preservation of the Government House Estate, in accordance with the *Government House Land Amendment Act 2017*.

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, lectures and the guided tours of the State Rooms, Behind the Scenes, Furniture, Gardens, Garden Produce and Significant Trees.

Staff

Current Staff positions: Official Secretary; Deputy Official Secretary; Executive Chef; Executive Butler; Aide-de-Camp; Estate Gardens Manager (part-time); Building, Assets and Heritage Manager; Accountant; Senior Executive Officer; Executive Officer (part-time); Invitations Secretary; Chef (part-time); Apprentice Chef; Household Attendants (3 full-time, 2 part-time); Florist (part-time); Gardeners (4 full-time, 2 part-time); Building Maintenance/Gardener Assistant (part-time).

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 Jay McGlashan, RANR, ADC, Lieutenant Shona Prior, RANR, ADC, Sub Lieutenant Carolyn Docking, RANR, ADC, Captain Tom Calderwood, ADC, Captain Justin Fountain, ADC, Flight Lieutenant Paula Chatwood, ADC, Flight Lieutenant Jenna Steward, 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 & Overtime	2019-2020	2018-2019	2017-2018
Average sick leave taken per FTE (days)	8.8	9.3	7.5
Total sick leave taken (days)	210.98	222.09	166.68
Total overtime payments for the year (\$)	5,829	8,336	15,516
Total overtime payments per FTE (\$)	242	351	698

Staff Turnover	2019-2020	2018-2019	2017-2018
Separations	8	1	4
Commencements	6	1	4
FTE at 30 June*	24.06	23.76	22.24

*This does not include casual or externally contracted staff

Staff Leave Balances	2019-2020	2018-2019	2017-2018
Current entitlements – all employees (days)	1,263	1,195	1,381
Average number of LSL days per FTE*	31	32	44
Average number of annual recreation leave days per FTE	22	18	18

*Including pro rata leave

Workers' Compensation	2019-2020	2018-2019	2017-2018
Cases at 1 July	0	0	0
New cases for F/Y	1	0	2
Completed cases at 30 June	1	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	2019-2020	2018-2019	2017-2018
Number of individual staff who received formal training	15	10	17
Number of person days training	11	11	20
Expenditure on training	\$3,809	\$4,027	\$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's revised Injury Management Program was given approval pursuant to S143(7) of the *Workers Rehabilitation and Compensation Act 1988* in December 2019, effective from January 2020.

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.

Superannuation Certificate

I, David Owen, Official Secretary, Office of the Governor, hereby certify that the Office of the Governor has met its obligations under the Australian Government *Superannuation Guarantee (Administration) Act 1992* and the Tasmanian *Public Sector Superannuation Reform Act 2016* in respect of employees who contribute to complying superannuation funds.

The Office of the Governor only makes employer superannuation contributions to complying superannuation funds (other than those established under the provisions of the *Public Sector Superannuation Reform Act 2016*).



David Owen
Official Secretary

30 June 2020

ASSET MANAGEMENT AND RISK POLICIES

Asset Management

The financial statements for 2019–2020 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 30 June 2020.

A full valuation of *objets d’art* and other heritage assets was completed in June 2020. A full valuation of heritage furniture was completed in June 2020.

Maintenance and Capital Programs

The following works were undertaken in 2019-2020:

Tennis Pavilion – floor restored and internal walls repaired, new boards installed, all internal ceiling, walls and floor recoated – external walls taken back to bare timber and repainted four coats – roof water blasted, repainted three coats.

Burst water main adjacent to Quarry pond repaired.

Both fire panels upgraded to addressable units along with new detector heads fitted.

Cottage 8 – repairs to weatherboards, roof and windowsill replacement.

Cellar/Safe room door reinforced.

Major works undertaken to stabilise and reinforce Main House roof structure.

New three door fridge installed in main kitchen.

Annual roof and gutter inspection carried out on all buildings.

Cottage 4 – upgrade and replacement of kitchen stove.

Cottage 2 – wood heater replaced.

Cottages 1, 3, 4, 7 and 8 – wood heaters serviced and repaired.

New sensor lights fitted to moat and kitchen courtyard.

Additional shelving and power points fitted to Flower Room.

Cottage 1 – all rooms repainted, new carpet fitted to main sitting room, kitchen upgrade and new stove installed.

New pump installed to Quarry pond.

Rossbank roof structure stabilised and repaired.

Repairs to stonework carried out on Security steps, Portico paving, Conservatory balustrade, Conservatory paving and Eastern Lawn steps.

Main House chimneys swept.

Main House sections of ground floor carpets replaced and repaired.

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 Act 2016*.

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.

Right to Information

The Governor of Tasmania is excluded from the provisions of the *Right to Information Act 2009* by s.6 of the Act unless information relates to the Office's administration. The Office of the Governor is committed to ensuring that, where appropriate, its administrative information is available to the public, generally through its annual reporting process and the provision of information on its website.

There were no requests in 2019–2020.

Public Interest Disclosures

For the purposes of the *Public Interest Disclosures Act 2002*, the Office of the Governor is a public body. During the reporting period, the Office adopted the Model Procedures for public interest disclosure as prepared by the Ombudsman, available from the office on request.

The number and types of disclosures made to the Office of the Governor	0
The number of disclosures determined to be public interest disclosures	0
The number of disclosures investigated	0
The number and types of disclosed matters referred to the Office of the Governor by the Ombudsman	0
The number and types of disclosed matters referred by the Office of the Governor to the Ombudsman to investigate	0
The number and types of investigations of disclosed matters taken over by the Ombudsman from the Office of the Governor	0
The number and types of disclosed matters that the Office of the Governor has decided not to investigate	0
The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation	0
Any recommendations under the Act made by the Ombudsman that relate to the Office of the Governor	0

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
FMA s.42	<i>Financial Management Act 2016</i> – financial statements, audit report and certification.	appended
PSSRA s.55	<i>Public Sector Superannuation Reform Act 2016</i> – certification that the Office has met its obligations under the <i>Superannuation Guarantee (Administration) Act 1992</i> .	Page 32
RTIA s.23 and s.53	<i>Right to Information Act 2009</i> and the way in which people can exercise their rights under it and the number of applications made.	Page 35
PIDA s.86	<i>Public Interest Disclosures Act 2002</i> and statistics required to be provided in the Annual Report relating to disclosures.	Page 35



Tasmanian Audit Office

Independent Auditor's Report

To the Members of Parliament

Office of the Governor

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of the Office of the Governor (the Office), which comprise the statement of financial position as at 30 June 2020 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) present fairly, in all material respects, the Office's financial position as at 30 June 2020 and its financial performance and its cash flows for the year then ended
- (b) are in accordance with the *Financial Management Act 2016* 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 (including Independence Standards)* (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

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

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Why this matter is considered to be one of the most significant matters in the audit	Audit procedures to address the matter included
Valuation of land, buildings, heritage and cultural assets <i>Refer to note 6.3</i>	
The Office's Property, Plant and Equipment at 30 June 2020 includes land, buildings, heritage and cultural assets totalling \$38.6m recognised at fair value.	<ul style="list-style-type: none">• Assessing the scope, expertise and independence of experts engaged to assist in the valuations.• Evaluating the appropriateness of the valuation methodology applied to determine fair values.• Reviewing the valuations and assessing the accounting treatment of movements in those values.• Testing, on a sample basis, the mathematical accuracy of valuation calculations.• Examining financial statements disclosures and ensure compliance with Australian Accounting Standards.
Land and buildings are revalued with sufficient regularity to ensure they reflect fair value at balance date. Indices are applied to land and buildings between formal valuations. Heritage and cultural assets are independently revalued every three to five years.	
In determining the value of land, buildings, heritage and cultural assets, the Office exercises significant judgement and the valuation is highly dependent on a range of assumptions and estimates. For these reasons, the valuation of land, buildings, heritage and cultural assets is an area requiring particular audit attention.	
The Office had full revaluations undertaken by external experts during 2019-20.	

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 the *Financial Management Act 2016*. This responsibility includes such internal

control as determined necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements


My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

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

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

From the matters communicated with the Official Secretary, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Stephen Morrison
Assistant Auditor-General Financial Audit Services
Delegate of the Auditor-General

Tasmanian Audit Office

16 October 2020
Hobart



OFFICE OF THE GOVERNOR

Financial Statements

For the year ended

30 June 2020

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TELEPHONE: (03) 6234 2611



GOVERNMENT HOUSE

GPO Box 1574

HOBART 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 Act 2016* to present fairly the financial transactions for the year ended 30 June 2020 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 blue ink, appearing to read 'D Owen'.

David Owen

Official Secretary

14 August 2020

Statement of Comprehensive Income for the year ended 30 June 2020

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Income from continuing operations				
Revenue from Government				
Appropriation revenue – operating	4.1	4 304	4 320	4 263
Sale of goods and services	4.2	55	109	123
Contributions received	4.3	-	18	-
Other revenue	4.4	-	122	16
Total income from continuing operations		4 359	4 569	4 402
Expenses from continuing operations				
Employee benefits	5.1	3 395	3 466	3 320
Depreciation and amortisation	5.2	298	271	258
Supplies and consumables	5.3	887	793	814
Grants and subsidies	5.4	-	19	1
Finance costs	5.5	-	...	-
Other expenses	5.6	31	171	158
Total expenses from continuing operations		4 611	4 720	4 551
Net result from continuing operations		(252)	(151)	(149)
Other comprehensive income				
Items that will not be reclassified to net result in subsequent periods				
Changes in property plant and equipment revaluation surplus	9.1	300	5 483	3 993
Total other comprehensive income		300	5 483	3 993
Comprehensive result		48	5 332	3 844

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 2020

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and cash equivalents	10.1	262	276	230
Receivables	6.1	3	16	10
<i>Non-financial assets</i>				
Inventories	6.2	-	53	39
Property, plant and equipment	6.3	35 141	44 166	38 864
Right-of-use assets	6.4	-	12	-
Infrastructure	6.5	-	30	32
Other assets	6.6	7	2	2
Total assets		35 413	44 555	39 177
Liabilities				
Payables	7.1	86	79	58
Lease Liabilities	7.2	-	12	-
Employee benefits	7.3	518	585	572
Total liabilities		604	676	630
Net assets		34 809	43 879	38 547
Equity				
Reserves	9.1	24 549	33 425	27 942
Accumulated funds		10 260	10 454	10 605
Total equity		34 809	43 879	38 547

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 2020

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<i>Cash inflows</i>				
Appropriation receipts - operating		4 304	4 320	4 263
Sale of goods and services		55	109	123
GST receipts		60	77	83
Other cash receipts		-	140	16
Total cash inflows		4 419	4 646	4 485
Cash outflows				
Employee benefits		(3 387)	(3 457)	(3 248)
GST payments		(60)	(84)	(86)
Supplies and consumables		(886)	(781)	(878)
Other cash payments		(31)	(190)	(158)
Total cash outflows		(4 364)	(4 512)	(4 370)
Net cash from (used by) operating activities	10.2	55	134	115
Cash flows from investing activities				
Cash outflows				
Payments for acquisition of non-financial assets		-	(86)	(34)
Total cash outflows		-	(86)	(34)
Net cash from (used by) investing activities		-	(86)	(34)
Cash flows from financing activities				
Cash outflows				
Repayment of lease liabilities (excluding interest)		-	(2)	-
Total cash outflows		-	(2)	-
Net cash from (used by) financing activities		-	(2)	-
Net increase (decrease) in cash and cash equivalents held		55	46	81
Cash and deposits at the beginning of the reporting period		207	230	149
Cash and deposits at the end of the reporting period	10.1	262	276	230

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 2020

	Reserves	Accumulated	Total
	\$'000	Funds \$'000	Equity \$'000
Balance as at 1 July 2019	27 942	10 605	38 547
Net result	-	(151)	(151)
Other comprehensive income	5 483	-	5 483
Balance as at 30 June 2020	33 425	10 454	43 879

	Reserves	Accumulated	Total
	\$'000	Funds \$'000	Equity \$'000
Balance as at 1 July 2018	23 949	10 754	34 703
Net result	-	(149)	(149)
Other comprehensive income	3 993	-	3 993
Balance as at 30 June 2019	27 942	10 605	38 547

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 2020

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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 to 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 2019-20 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 %
Sale of goods and services	(a)	55	109	54	98
Other revenue	(b)	-	122	122	-
Employee benefits	(c)	3 395	3 466	71	2
Supplies and consumables	(d)	887	793	(94)	(11)
Other expenses	(e)	31	171	140	452
Changes in property plant and equipment revaluation surplus	(f)	300	5 483	5 183	1 728

Notes to Statement of Comprehensive Income variances

- (a) The Office received more income this year due to an increase in weekly cottage rental amounts, and more tour revenue than forecast.
- (b) The Office received reimbursements from the Department of Treasury from the Public Building Maintenance Fund as part of the Government's COVID-19 Economic Stimulus Plan. The Office also received reimbursement of wages from the Department of Defence for assistance received during Operation Bushfire Assist.
- (c) The Office employed a fixed-term accountant to cover paid maternity leave; The 2018-19 wage increase was back paid in 2019-20.
- (d) A savings was realised due to a reduction in visitors and events from April to June, stemming from COVID-19 restrictions being put in place.
- (e) There has been an increase in property insurance due to a change in valuation from market value to replacement value.
- (f) A full revaluation of land, buildings and heritage assets was undertaken as at 30 June 2020.

2.2 Statement of Financial Position

Budget estimates for the 2019-20 Statement of Financial Position were compiled prior to the completion of the actual outcomes for 2018-19. As a result, the actual variance from the Original Budget estimate will be impacted by the difference between estimated and actual opening balances for 2018-19. The following variance analysis therefore includes major movements between the 30 June 2019 and 30 June 2020 actual balances.

	Note	Budget \$'000	2020 Actual \$'000	2019 Actual \$'000	Budget Variance \$'000	Actual Variance \$'000
Cash and deposits	(a)	262	276	230	14	46
Inventories	(b)	-	53	39	53	14
Property, plant and equipment	(c)	35 141	44 166	38 864	9 025	5 302
Right-of-use assets	(d)	-	12	-	12	12
Lease liabilities	(e)	-	12	-	12	12

Notes to Statement of Financial Position variances

- (a) Business services revenue was greater than related expenditure for the 2019-20 year, increasing the cash position.
- (b) The inventories are the bottled wine and grapes undergoing wine production from the on-site vineyard. An additional year of production has been added to the inventory.
- (c) Land, Buildings and Heritage Assets were fully revalued by as at 30th June 2020. The value of Buildings has increased considerably.
- (d) The Office leased a new photocopier during 2019-20, which has been recorded as a right-of-use asset and lease liability as per AASB 16
- (e) The Office leased a new photocopier during 2019-20, which has been recorded as a right-of-use asset and lease liability as per AASB 16

2.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Sale of goods and services	(a)	55	109	54	98
Other cash receipts	(b)	-	140	140	-
Employee benefits	(c)	(3 387)	(3 457)	(70)	(2)
Supplies and consumables	(d)	(886)	(781)	105	12
Other cash payments	(e)	(31)	(190)	(159)	(512)

Notes to Statement of Cash Flows variances

- (a) The Office received more income this year due to an increase in weekly cottage rental amounts, and more tour revenue than forecast.
- (b) The Office received reimbursements from the Department of Treasury from the Public Building Maintenance Fund as part of the Government's COVID-19 Economic Stimulus Plan. The Office also received reimbursement of wages from the Department of Defence for assistance received during Operation Bushfire Assist.
- (c) The Office employed a fixed-term accountant to cover paid maternity leave, The 2018-19 wage increase was back paid in 2019-20.
- (d) A savings was realised due to a reduction in visitors and events from April to June, stemming from COVID-19 restrictions being put in place.
- (e) There has been an increase in property insurance due to a change in valuation from market value to replacement value.

Note 3 Underlying Net result

Non-operational capital funding is the income from continuing operations relating to funding for capital projects. This funding is classified as revenue from continuing operations and included in the Net result from continuing operations. However, the corresponding capital expenditure is not included in the calculation of the Net result from continuing operations. Accordingly, the Net result from continuing operations will portray a position that is better than the true underlying financial result.

For this reason, the Net result from continuing operations is adjusted to remove the effects of funding for capital projects.

	Notes	2020 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Net result from continuing operations		(252)	(151)	(149)
<i>Less impact of:</i>				
Non-operational capital funding				
Public Building Maintenance Fund		-	67	-
Contributions received	4.3	-	18	-
Total		-	85	-
Underlying Net result from continuing operations		(252)	(236)	(149)

Note 4 Revenue

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.

Until 30 June 2019, income is recognised in accordance with AASB 111 *Construction Contracts*, AASB 118 *Revenue* and AASB 1004 *Contributions*.

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15.

4.1 Revenue from Government

Appropriations, whether operating 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, 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.

As a result of the commencement of the Financial Management Act, from 2020-21 Revenue from Government will include revenue from appropriations, unexpended appropriations rolled over under section 23 of the *Financial Management Act 2016* 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. 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.

Section 23 of the Financial Management Act allows for an unexpended appropriation at the end of the financial year, as determined by the Treasurer, to be issued and applied from the Public Account in the following financial year. The amount determined by the Treasurer must not exceed five per cent of an Agency's appropriation for the financial year. Rollover of unexpended appropriations under section 23 will be disclosed under the Financial Management Act for the first time in 2020-21.

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

	2019 Budget \$'000	2020 Actual \$'000	2019 Actual \$'000
Continuing operations			
Appropriation revenue - operating			
Current year	3 695	3 812	3 756
Items Reserved by Law			
Salary, Her Excellency the Governor (<i>Governor of Tasmania Act 1982</i>)	594	500	499
Salary, The Administrator (<i>Governor of Tasmania Act 1982, Section 5(1)</i>)	15	8	8
Total revenue from Government	4,304	4 320	4,263

4.2 Sale of goods and services

In 2018-19, amounts earned in exchange for the provision of goods were recognised when the significant risks and rewards of ownership had been transferred to the buyer. Revenue from the provision of services was recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion was assessed by reference to surveys of work performed.

From 2019-20, revenue from Sales of goods are recognised when the Office satisfies a performance obligation when the goods are transferred to the customer. The Department recognises revenue associated with performance obligations using the output method.

Revenue from the provision of services is recognised when the Office satisfies its performance obligation by transferring the promised services. The Office typically satisfies its performance obligations upon delivery of the service to the customer. The Office recognises revenue associated with performance obligations using the output method.

	2020 \$'000	2019 \$'000
Rent revenue	83	88
Other	26	35
Total	109	123

4.3 Contributions received

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the Office obtains control of the asset, it is probable that future economic benefits comprising the contribution will flow to the Office and the amount can be measured reliably.

The Office recognises an inflow of resources in the form of volunteer services as an asset where the fair value of those services can be measured reliably, and the services would have been purchased if they had not been donated.

	2020 Actual \$'000	2019 Actual \$'000
Fair value of assets assumed at no cost or for nominal consideration ¹	18	-
Total	18	-

¹ Assets assumed were nine items of heritage furniture transferred from the Department of Treasury and Finance and a four poster bed donated by Her Excellency Professor the Honourable Kate Warner AC to Government House.

4.4 Other revenue

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

Lease income from operating leases where the Office is a lessor is recognised on a straight-line basis. The Office does not have any finance leases as lessor.

	2020	2019
	\$'000	\$'000
Other fees and recoveries	122	16
Total	122	16

Note 5 Expenses

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.

5.1 Employee benefits

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

(a) Employee expenses

	2020	2019
	\$'000	\$'000
Wages and salaries	2 856	2 741
Annual leave	178	127
Long service leave	43	70
Sick leave	59	55
Superannuation – defined contribution scheme	289	268
Superannuation – defined benefit scheme	6	7
Other post-employment benefits	11	27
Other employee expenses (<i>Training, uniforms, memberships</i>)	24	25
Total	3 466	3 320

Superannuation expenses relating to defined benefits schemes relate to payments into the Public Account. 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 (2019: 12.95 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 (2019: 9.5 per cent) of salary. In addition, the Office is also required to pay into the Public Account a “gap” payment equivalent to 3.45 per cent (2019: 3.45 per cent) of salary in respect of employees who are members of contribution schemes.

(b) Remuneration of Key management personnel

2020	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	158	58	16	7	-	239
R. Catt, Deputy Official Secretary, 4 February 2013 – 5 July 2019	6	-	3	-	-	9
D. Hughes, Deputy Official Secretary, 8 July 2019	120	-	11	1	-	132
Total	284	58	30	8	-	380

2019	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	168	57	16	5	-	246
R. Catt, Deputy Official Secretary, 4 February 2013	110	-	10	3	-	123
Total	278	57	26	8	-	369

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 2019-20 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 and superannuation obligations.

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 are no significant related party transactions requiring disclosure.

5.2 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. Depreciation periods are:

Plant, equipment	5 years
Buildings	100 years
Other - Piano	20 years
Outdoor Utilities	10 years
Scaffolding	15 years
Security System – Upgrade	10 years
Greenhouse	15 years
Convothem Oven	10 years
Under carpet heating	15 years
Industrial Fridge & Freezer	15 years
Service lift	20 years
Right-of-use Asset – Photocopier	5 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

	2020	2019
	\$'000	\$'000
Plant, equipment and motor vehicles	30	28
Buildings	238	230
Infrastructure	1	-
Right-of-use assets	2	-
Total	271	258

5.3 Supplies and consumables

	2020	2019
	\$'000	\$'000
Audit fees – financial audit*	18	11
Audit fees – internal audit	-	15
Lease Expense	2	58
Property services	239	251
Maintenance	188	128
Communications	26	34
Information technology	31	33
Travel and transport	66	30
Other supplies and consumables	223	254
Total	793	814

*Audit fees paid or payable to the Tasmanian Audit Office for the audit of the Office's financial statements were \$11k (2018-19, \$11k).

5.4 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.

	2020	2019
	\$'000	\$'000
Donations	19	1
Total	19	1

The Office does not have a grants program. The donation made in 2019-20 was part of Her Majesty Queen Elizabeth II 93rd birthday reception, donated to the Royal Flying Doctor Service Tasmania.

5.5 Finance Costs

All finance costs are expensed as incurred using the effective interest method.

Finance costs include:

- lease charges.

	2020	2019
	\$'000	\$'000
Interest expense		
Interest on leases liabilities	...	-
Total finance costs	...	-

Interest on lease liabilities was \$226 for 2019-20.

5.6 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.

	2020	2019
	\$'000	\$'000
Salary on-costs	36	34
Insurance	135	124
Total	171	158

Note 6 Assets

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

6.1 Receivables

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Receivables are held with the objective to collect the contractual cash flows and are subsequently measured at amortised cost using the effective interest method. Any subsequent changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. An allowance for expected credit losses is recognised for all debt financial assets not held at fair value through profit and loss. The expected credit loss is based on the difference

between the contractual cash flows and the cash flows that the entity expects to receive, discounted at the original effective interest rate.

For trade receivables, a simplified approach in calculating expected credit losses is applied, with a loss allowance based on lifetime expected credit losses recognised at each reporting date. The Office has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

	2020	2019
	\$'000	\$'000
Receivables	16	10
Total	16	10
GST Receivable	16	8
Other receivables	-	2
Total	16	10
Settled within 12 months	16	10
Total	16	10

For ageing analysis of the financial assets, refer to note 11.1

6.2 Inventories

Inventories held for distribution are valued at cost adjusted, when applicable, for any loss of service potential. Inventories acquired for no cost or nominal consideration are valued at current replacement cost.

Inventories are measured using the weighted average cost formula.

	2020	2019
	\$'000	\$'000
Bottled wine	20	11
Grapes	33	28
Total	53	39
Consumed within 12 months	20	11
Consumed in more than 12 months	33	28
Total	53	39

6.3 Property, plant, and equipment

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
Infrastructure	\$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.

(v) Assets in respect of leases where the Office is the lessor

The Office leases a photocopier under an operating lease with rental payments payable quarterly over 5 years. Lease payments include a principal and interest component

(a) Carrying amount

	2020	2019
	\$'000	\$'000
Land		
At fair value (30 June 2020)	10 500	11 250
Total	10 500	11 250
Buildings		
At fair value (30 June 2020)	29 500	23 791
Total	29 500	23,791
Plant, equipment and motor vehicles		
At cost	441	399
Less: Accumulated depreciation	(192)	(162)
	249	237
Work in progress	26	-
Total	275	237
Heritage and cultural assets		
At fair value (dates detailed below)	3 891	3 586
Total	3 891	3 586
Total Property, plant, equipment	44 166	38 864

Assets have been revalued independently as listed below:

Heritage and cultural assets consisting of:

- Paintings (Heritage assets) – Masterpiece Gallery (W. Nevin Hurst – Director, Paul O’Donnell – Assistant Director, BFA, MCultheritage) 30 June 2020. Based on fair market value.
- Furniture (Heritage assets) – A.F. Colman, Approved Commonwealth Government Valuer as at 30 June 2020. Based on replacement value.
- China, silver etc. (Heritage assets) – Craig Broadfield, Leven Antiques, 30 June 2020. Based on retail replacement value.
- Clocks (Heritage assets) – Peter Reading L.B.H.I. B.A.D.A. certified, as at 30 June 2020.

Land and Buildings was fully revalued as at 30 June 2020. 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 and equipment 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.

2020	Land	Buildings	Plant equipment & vehicles	Heritage & cultural assets	Heritage & cultural assets	Total
	Level 2	Level 2	Level 2	Level 2	Level 3	
	\$'000	\$'000	\$'000	\$'000	\$'000	
Carrying value at 1 July	11 250	23 791	237	410	3 176	38 864
Additions	-	-	68	-	18	86
Revaluation increments (decrements)	(750)	5 947	-	116	171	5 484
Depreciation and amortisation	-	(238)	(30)	-	-	(268)
Carrying value at 30 June	10 500	29 500	275	526	3 365	44 166

2019	Land	Buildings	Plant equipment and motor vehicles	Heritage and cultural assets	Heritage and cultural assets	Total
	Level 2	Level 2	Level 2	Level 2	Level 3	
	\$'000	\$'000	\$'000	\$'000	\$'000	
Carrying value at 1 July	9 000	22 310	231	410	3 176	35 127
Additions	-	-	34	-	-	34
Revaluation increments (decrements)	2 250	1 711	-	-	-	3 961
Depreciation and amortisation	-	(230)	(28)	-	-	(258)
Carrying value at 30 June	11 250	23 791	237	410	3 176	38 864

(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	\$3 365	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.

6.4 Right-Of-Use Assets

From 1 July 2019, AASB 16 requires the Office to recognise a right-of-use asset, where it has control of the underlying asset over the lease term. A right-of-use asset is measured at the present value of initial lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site. Right-of-use assets includes assets in respect of leases previously treated as operating leases under AASB 117, and therefore not recognised on the Statement of Financial Position.

The Office has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases, rental arrangements for which the Department of Treasury and Finance has substantive substitution rights over the assets and leases for which the underlying asset is of low-value. Substantive substitution rights relate primarily to office accommodation. An asset is considered low-value when it is expected to cost less than \$10 000.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the term of the lease. Where the Office obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the Office will exercise a purchase option, the Office depreciates the right-of-use asset over its useful life.

2020	Plant, equipment & vehicles \$'000	Total \$'000
Carrying value at 1 July	-	-
Additions	14	14
Depreciation and amortisation	(2)	(2)
Carrying value at 30 June	12	12

6.5 Infrastructure

(a) Carrying amount

	2020 \$'000	2019 \$'000
Vineyard		
At fair value (30 June 2019)	32	32
Less: Accumulated depreciation	2	-
Total	30	32

Key estimate and judgement

The valuation was independently conducted by a valuer at Saunders and Pitt as at 30th June 2019. The valuation was based on fair value with the valuer researching the market with regard to vineyard sales throughout the entire State and by using direct comparison methods as the most appropriate basis of assessment of the added value of the vineyard.

The carrying value of the vineyard does not include assets held under a finance lease.

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

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

	2020 Level 2 \$'000	2020 Total \$'000	2019 Total \$'000
Carrying amount at 1 July	32	32	-
Revaluation increments (decrements)	-	-	32
Depreciation expense	2	2	-
Carrying amount at 30 June	30	30	32

6.6 Other Assets

Prepayments are recognised when they occur and are measured at the nominal amount.

	2020	2019
	\$'000	\$'000
Other current assets		
Prepayments	2	2
Total	2	2
Settled within 12 months	2	2
Total	2	2

Note 7 Liabilities

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

7.1 Payables

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

	2020	2019
	\$'000	\$'000
Creditors	25	30
Accrued expenses	54	28
Total	79	58
Settled within 12 months	79	58
Total	79	58

Settlement is usually made within 30 days.

7.2 Lease liabilities

On 1 July 2019, a lease liability is measured at the present value of the lease payments that are not paid at that date. The discount rate used to calculate the present value of the lease liability is the rate implicit in the lease. Where the implicit rate is not known and cannot be determined the Tascorp indicative lending rate including the relevant administration margin is used.

The Office has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases, rental arrangements for which the Department of Treasury and Finance has substantive substitution rights over the assets and leases for which the underlying asset is of low-value. Substantive substitution rights relate primarily to office accommodation. An asset is considered low-value when it is expected to cost less than \$10 000.

The Office has entered into the following leasing arrangements:

Class of right-of-use asset	Details of leasing arrangements
Plant and equipment	Lease of photocopier over 60 months, with fixed quarterly payments over the duration of the lease.

	2020 \$'000
Current	
Lease liabilities	2
Non-current	
Lease liabilities	10
Total	12

The following amounts are recognised in the Statement of Comprehensive Income

	2020 \$'000
Interest on lease liabilities included in note 5.5	...
Lease expenses included in note 5.3:	
Lease of low-value assets	2
Net expenses from leasing activities	2

Interest on lease liabilities was \$226 for 2019-20.

7.3 Employee benefit liabilities

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.

	2020 \$'000	2019 \$'000
Accrued salaries	49	44
Annual leave	185	145
Long service leave	351	383
Total	585	572
Expected to settle wholly within 12 months	517	269
Expected to settle wholly after 12 months	68	303
Total	585	572

7.4 Superannuation

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Key estimate and judgement

The Office does not recognise a liability for the accruing superannuation benefits of its employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

Note 8 Commitments and Contingencies

8.1 Schedule of Commitments

In 2018-19, the Office had entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments were charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

From 2019-20, leases are recognised as right of use assets and lease liabilities in the Statement of Financial Position, excluding short term leases and leases for which the underlying asset is of low value, which are recognised as an expense in the Statement of Comprehensive Income.

	2020 \$'000	2019 \$'000
By type		
Lease Commitments		
Short-term and/or low value leases	2	11
Total lease commitments	2	11
Other commitments		
Motor vehicle agreements	74	128
Total other commitments	74	128
By maturity		
Operating lease commitments		
One year or less	2	4
From one to five years	-	7
More than five years	-	-
Total operating lease commitments	2	11
Other commitments		
One year or less	34	46
From one to five years	40	81
More than five years	-	1
Total other commitments	74	128
Total	76	139

Leased equipment

Photocopiers – low value lease

- 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 purchase options are contained in the lease arrangements.

Motor vehicle agreements

- The Office's motor vehicle fleet is owned and managed by the Department of Treasury and Finance Treasury (Treasury). Treasury is the central agency which purchases vehicles on behalf the Office. The Office makes monthly payments to Treasury via LeasePlan for use of the vehicles. LeasePlan administers the plan on behalf of Treasury;
- As there is no lease contract between Treasury and the Office for the purposes of AASB 16, the Office is not required to recognise a lease liability and right-of-use asset for its motor vehicle fleet, and costs are recognised as an expense as incurred.
- Agreed payments vary according to the type of vehicle and where applicable the price received for replaced vehicles;
- Agreed terms for regular vehicles are either three years or five years. The truck has a ten year term, with no change to the monthly payment;

8.2 Contingent Assets and Liabilities

As at 30 June 2020, the Office had no known contingent assets or liabilities.

Note 9 Reserves

9.1 Reserves

2020	Land \$'000	Buildings \$'000	Heritage and cultural		Total \$'000
			assets \$'000	Infrastructure \$'000	
Asset revaluation reserve					
Balance at the beginning of financial year	7 250	15 498	5 162	32	27 942
Revaluation increments/(decrements)	(750)	5 947	286	-	5 483
Balance at end of financial year	6 500	21 445	5 448	32	33 425

2019	Land \$'000	Buildings \$'000	Heritage and cultural		Total \$'000
			assets \$'000	Infrastructure \$'000	
Asset revaluation reserve					
Balance at the beginning of financial year	5 000	13 787	5 162	-	23 949
Revaluation increments/(decrements)	2 250	1 711	-	32	3 993
Balance at end of financial year	7 250	15 498	5 162	32	27 942

(a) Nature and purpose of reserves

Asset revaluation reserve

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

Note 10 Cash Flow Reconciliation

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

10.1 Cash and cash equivalents

Cash and deposits includes the balance of the Specific Purpose Accounts held by the Office, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2020 \$'000	2019 \$'000
Specific Purpose Account balances		
Operating account	275	229
Total	275	229
Other cash held		
Petty cash	1	1
Total	1	1
Total cash and deposits	276	230

Office of the Governor 25

10.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2020 \$'000	2019 \$'000
Net result	(151)	(149)
Depreciation and amortisation	271	258
Decrease (increase) in Receivables	2	(2)
Decrease (increase) in Prepayments	...	3
Decrease (increase) in Tax assets	(8)	(2)
Decrease (increase) in Inventories	(14)	(39)
Increase (decrease) in Employee benefit liabilities	13	70
Increase (decrease) in Payables	(5)	(20)
Increase (decrease) in Accrued expenses	26	(4)
Net cash from (used by) operating activities	134	115

Note 11 Financial Instruments

11.1 Risk exposures

(a) Risk management policies

The Office has exposure to the following risks from its use of financial instruments.

- 1) credit risk; and
- 2) liquidity risk;

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

Credit risk is the risk of financial loss to the Office if a customer or counterparty to a financial instrument fails to meet their contractual obligations.

Financial Instrument	Accounting and strategic policies (including recognition criteria, measurement basis and credit quality of instrument)	Nature of underlying instrument (including significant terms and conditions affecting the amount. Timing and certainty of cash flows)
Financial Assets		
Receivables	The Office has a debt management policy with processes surrounding the raising of debts payable to the Office and the management of outstanding debts. The Office does not have a significant exposure to credit risk as receivables are mainly from other government entities. The Office does not consider a need to have a provision for impairment.	General terms of trade are 30 days.
Cash and Deposits	Cash and deposits are recognised at face value.	Cash includes notes, coins, deposits held at call with a financial institution and funds held in the Special Purpose Account.

The Office's maximum exposures 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 Financial Position, net of any allowances for losses.

The Office does not have any significant exposure to credit risk.

Receivable age analysis – expected credit loss

The simplified approach to measuring expected credit losses is applied, which uses a lifetime expected loss allowance for all trade receivables.

The expected loss rates are based on historical observed loss rates adjusted for forward looking factors that will have an impact on the ability to settle the receivables. The loss allowance for trade debtors as at 30 June are as follows.

2020	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total gross carrying amount (B)	16	-	-	-	-	16
Expected credit loss (AxB)	-	-	-	-	-	-

2019	Not past due	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91+days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expected credit loss rate (A)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total gross carrying amount (B)	10	-	-	-	-	10
Expected credit loss (AxB)	-	-	-	-	-	-

(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.

Financial Instrument	Accounting and strategic policies (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
Financial liabilities		
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.	Settlement is usually made within 30 days.
Lease liabilities	Lease liabilities are recognised on an amortised cost basis, measured at the present value of future lease payments.	The Office has recognised one liability for a photocopier lease commencing October 2019 over a period of 5 years.

Maturity analysis for financial liabilities

The following tables detail the undiscounted cash flows payable by the Office by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2020	1 year \$'000	2 years \$'000	3 years \$'000	4 years \$'000	5 years \$'000	5+ years \$'000	Undiscounted Total \$'000	Carrying Amount \$'000
Financial liabilities								
Payables	79	-	-	-	-	-	79	79
Lease liabilities	2	3	3	3	1	-	12	12
Total	91	-	-	-	-	-	91	91

2019	1 year \$'000	2 years \$'000	3 years \$'000	4 years \$'000	5 years \$'000	5+ years \$'000	Undiscounted Total \$'000	Carrying Amount \$'000
Financial liabilities								
Payables	58	-	-	-	-	-	58	58
Total	58	-	-	-	-	-	58	58

11.2 Categories of financial assets and liabilities

	2020 \$'000	2019 \$'000
Financial assets		
Financial assets measured at amortised cost	292	240
Total	292	240
Financial Liabilities		
Financial liabilities measured at amortised cost	91	58
Total	91	58

Note 12 Other Significant Accounting Policies and Judgements

12.1 Objectives and Funding

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

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

The Office is structured to meet the following outcomes:

- safeguarding the integrity of the State's democratic system of government;
- promoting community involvement in government and understanding of the democratic process;
- promoting community understanding of the role of Governor;
- fostering activities in rural areas through speeches, visits, functions and other events;

- encouraging the involvement of young people in the community;
- supporting activities which promote a multi-cultural, diverse and tolerant society;
- stimulating culture and the arts;
- promoting the State's exports and its tourism industry; and
- protecting and maintaining the heritage values of Government House and its grounds.

The Office's activities are classified as controlled.

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

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

12.2 Basis of Accounting

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

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board; and
- The Treasurer's Instructions issued under the provisions of the *Financial Management Act 2016*.

The Financial Statements were signed by the Official Secretary on 14 August 2020.

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

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

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

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

12.3 Reporting Entity

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

12.4 Functional and Presentation Currency

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

12.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

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

- **AASB 15 Revenue from Contracts with Customers** – This Standard establishes principles that require an entity to apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

AASB 15 supersedes AASB 111 *Construction Contracts*, AASB 118 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Standard requires the Office to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The Standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the Standard requires relevant disclosures.

The Office has adopted AASB 15 retrospectively with the cumulative effect of applying the Standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

The Office has determined that the application of this Standard has not impacted the 2019-20 Financial Statements or prior year comparatives.

- **AASB 16 Leases** – This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities. The standard results 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 takes into account appropriate discount rates, assumptions about the lease term, and required lease payments. A corresponding right to use asset is recognised, which is amortised over the term of the lease. Operating lease costs are no longer shown. In the Statement of Comprehensive Income, impact of leases is through amortisation and interest charges. In the Statement of Cash Flows, lease payments is shown as cash flows from financing activities instead of operating activities. The Office has adopted AASB 16 retrospectively with the cumulative effect of applying the standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard.

The Office elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10 000 or under when new (low value assets).

- not recognise a lease liability and right-of-use-asset for short-term leases that end within 12 months of the date of initial application.

Additionally, the Office must not recognise right-of-use assets and lease liabilities arising from rental arrangements for which the Department of Treasury and Finance has substantive substitution rights over the assets, including vehicles in the fleet administered by LeasePlan.

There was no effect of adopting AASB 16 on the Statement of Financial Position as at 1 July 2019.

Reconciliation of operating lease commitments as at 30 June 2019 to lease liabilities on 1 July 2019:

	\$'000
Operating lease commitments as at 30 June 2019 (ex GST)	139
Less:	
Commitments relating to vehicle agreements with the Department of Treasury and Finance	128
Commitments relating to leases of low-value assets	11
Lease liabilities as at 1 July 2019	0

- **AASB 1058 *Income of Not-for-Profit Entities*** - This Standard establishes principles for not-for-profit entities that applies 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.

The timing of income recognition under AASB 1058 depends on whether a transaction gives rise to a liability or other performance obligation, or a contribution by owners, related to an asset (such as cash or another asset) received. If the transaction is a transfer of a financial asset to enable the Office to acquire or construct a recognisable non-financial asset to be controlled by the Office (i.e. an in-substance acquisition of a non-financial asset), the Office recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. The Office will recognise income as it satisfies its obligations under the transfer, similarly to income recognition in relation to performance obligations under AASB 15 as discussed above.

Revenue recognition for the Office's appropriations, taxes, royalties and most grants and contributions will not change under AASB 1058, as compared to AASB 1004. Revenue will continue to be recognised when the Office gains control of the asset (e.g. cash or receivable) in most instances.

Under AASB 1058, the Office will continue to recognise volunteer services only when the services would have been purchased if they had not been donated, and the fair value of the services can be measured reliably. This treatment is the same as in prior years.

The Office has adopted AASB 1058 retrospectively with the cumulative effect of applying the Standard recognised from 1 July 2019 by adopting the transitional practical expedient permitted by the Standard. The Office has also adopted the transitional practical expedient as permitted by the Standard, whereby existing assets acquired for consideration significantly less than fair value principally to enable the entity to further its objectives, remain recorded at cost and are not restated to their fair value.

The Office has determined that the application of this standard has not impacted the 2019-20 Financial Statements or prior year comparatives.

(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 1059 *Service Concession Arrangements: Grantors*** – The objective of this Standard is to prescribe the accounting for a service concession arrangement by a grantor that is a public sector entity. This Standard applies on or after 1 January 2020. The impact of this Standard is enhanced disclosure in relation to service concession arrangements for grantors that are public sector entities. The Office is not a Grantor, there will be no financial impact of the revised Standard on the Office's Financial Statements.

12.6 Foreign Currency

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

12.7 Comparative figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards. Details of the impact of changes in accounting policy on comparative figures are at note 12.5.

12.8 Rounding

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

12.9 Taxation

The Office is exempt from all forms of taxation except Fringe Benefits Tax, Goods and Services Tax and WET (Wine Equalisation Tax). The Office is liable for WET but qualifies for full rebate.

12.10 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.