

PORT ARTHUR HISTORIC SITE MANAGEMENT AUTHORITY

# ANNUAL REPORT 2016-17



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## OUR VISION

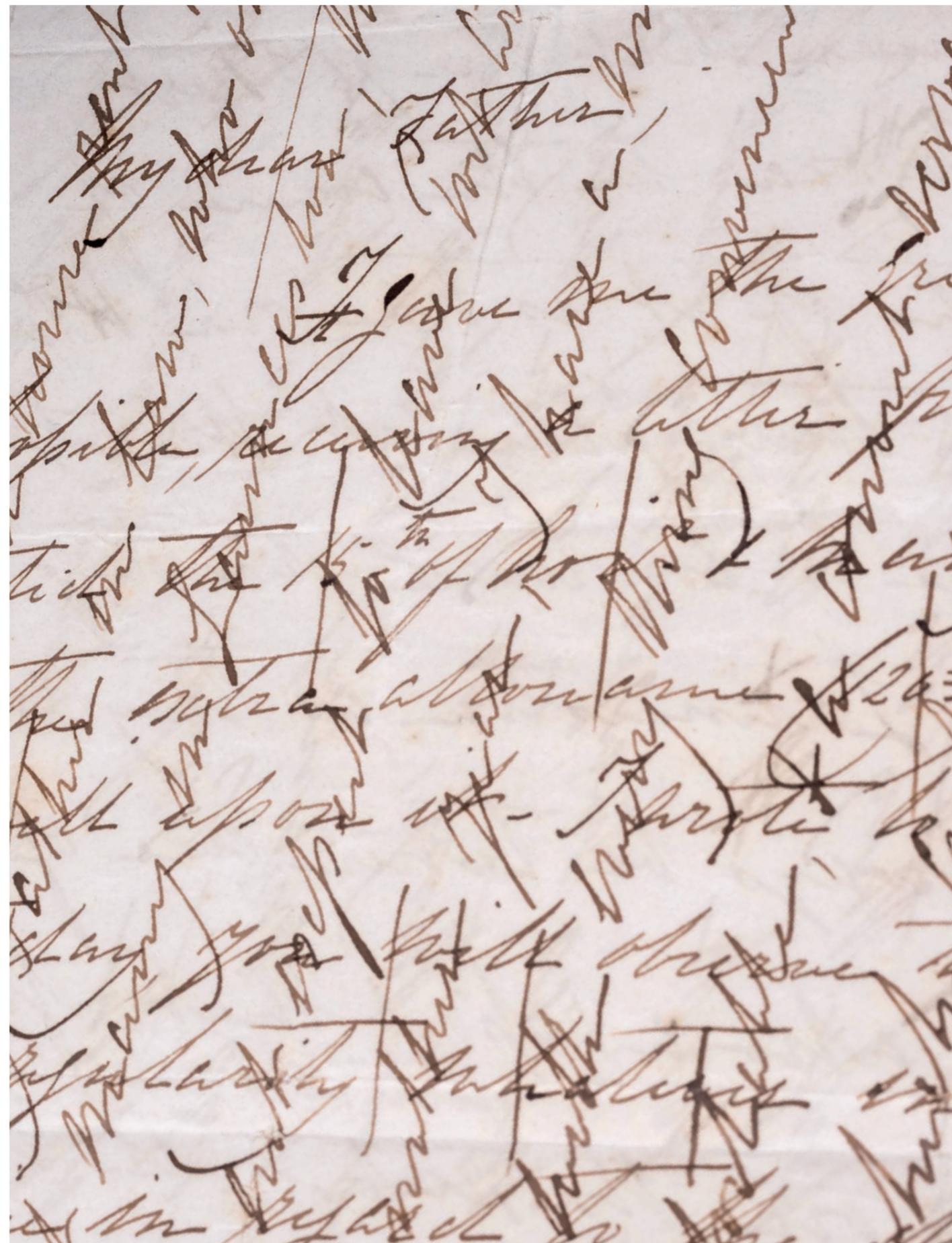
*PAHSMA is globally recognised for excellence in telling the Australian convict story through outstanding conservation and tourism experiences.*

## OUR PURPOSE

*To conserve and enhance the heritage values of our world heritage convict sites and to share the stories of these places and the people connected to them.*

## OUR VALUES

- Unity:* We work as one to achieve PAHSMA's Vision and Purpose.
- Accountability:* We hold ourselves, and each other, accountable for our actions and behaviours.
- People Matter:* We acknowledge and show respect to our people – past, present and future.
- Passion and Pride:* We are committed to being world class.



Officer's letter, Owen Ward Image: Alastair Bett

Front cover: Government Garden Image: Dee Kramer

To the Honourable Will Hodgman MP,  
Premier and Minister for Heritage,  
in compliance with requirements of the  
*Government Business Enterprises Act 1995*.

In accordance with section 55 of the  
*Government Business Enterprises Act 1995*,  
we hereby submit for your information and  
presentation to Parliament, the report of the  
Port Arthur Historic Site Management  
Authority for the year ended 30 June 2017.  
The report has been prepared in accordance  
with the provisions of the Government  
Business Enterprises Act 1995.

Signed in accordance with a resolution  
of the Board.



**MICHAEL FIELD**

Director  
5 October 2017



**SUZANNE CLARK**

Director  
5 October 2017

Port Arthur Historic Site Management  
Authority (PAHSMA)  
ABN 38 430 446 928

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The 2016-17 reporting period has been another excellent year for PAHSMA with record visitor numbers, some substantial outcomes achieved during the year and various logistical challenges with the redevelopment of the Port Arthur Visitor Centre.

The Visitor Centre is the largest building project in PAHSMA's history and is fundamental to the success of our immediate future given the profound increase in visitation, particularly over the last four financial years. Vos Construction, a long-standing Tasmanian building company, was awarded the contract thus providing employment and economic activity in a region that is challenged from a socio-economic perspective and heavily reliant on tourism.

PAHSMA continues to provide Tasmanian businesses every opportunity to provide products or services at all three Sites whenever appropriate according to competitiveness in terms of quality and price. The Visitor Centre redevelopment (both construction and fitout) and a range of other projects have ensured many local and Tasmanian businesses have been contracted over the reporting period. Timing of the project is critical as the new facility needs to be operational for the forthcoming busy summer season.

Both the Port Arthur and Cascades Female Factory Historic Sites have experienced record day time visitor numbers with Port Arthur exceeding the previous year by 9% (336 499) and the Female Factory by 9.2% (33 558), both outstanding outcomes.

The growth experienced by PAHSMA in the last few years (described by a senior manager as seemingly 'transitioning from a family business to a corporate entity') has required a significant rethink by the Board and Executive in how best to position PAHSMA as we look to the next ten years. To help us through a substantial planning exercise, PAHSMA last November engaged a change consultant in Graham Flower from Hexagon.

After consulting individually with the Board and senior managers Graham facilitated a two-day planning workshop with the Board and Executive which included establishing new Vision and Purpose

statements. The next step saw a group of staff representing all parts of the organisation developing a set of *PAHSMA Values* that are relevant, meaningful and applicable to PAHSMA's people and aligned with the organisation's strategic direction and external positioning. Once the values were established the Executive developed a Strategic Framework outlining the goals of the organisation over the next three to five years and 15 priority projects to be completed in the 2017-18 reporting period.

The Strategic Framework was endorsed by the PAHSMA Board and communicated to the entire PAHSMA team in a series of forums facilitated by Graham together with the Executive. While a time consuming, yet extremely valuable exercise, our people have welcomed the opportunity to be part of the Values journey and to provide input into PAHSMA's future direction.

Following a request from the Minister to the PAHSMA Board, a steering group was established comprising representatives from Tasmania Parks and Wildlife and PAHSMA to consider how the structure and management experience of the Authority could assist with the heritage conservation and tourism potential of the Darlington Probation Station. Darlington is one of the eleven sites included on the UNESCO World Heritage listing as part of the Australian Convict Sites World Heritage Property. TRC Tourism Pty Ltd, a Canberra-based consulting firm, worked with the steering group over a number of months and prepared the *Maria Island – Scoping, Feasibility and Options Analysis Report* which identifies a number of possible management options for Maria Island involving Parks and Wildlife and PAHSMA. It further outlines the conservation and infrastructure spending that will be required to accommodate the expected growth in visitors over the next ten years. The Report has been provided to the Minister.

A Project Control Group (PCG) has been established to progress the proposed Federal Group development at Port Arthur, which is expected to commence construction in July 2018. The PCG includes representatives from Federal Group and PAHSMA and has been liaising over the last year on planning,

design and landscape options for the development. This groundwork will ensure an outstanding high-end tourism product that is sympathetic to the significant heritage values of the World Heritage listed Port Arthur Historic Site. Progress to date has been positive and assisted by input from the PAHSMA Conservation Advisory Committee.

PAHSMA has also been working with Navigators, our longstanding ferry operators, looking at the future in terms of carrying capacity of the *MV Marana* (built in 2002), the need for ferry infrastructure in the next five years with the growth in visitor numbers and a possible new water based opportunity to or from the site.

Our team have done a sterling job over the last twelve months in professionally handling the large volume of visitors to both Port Arthur and Cascades Female Factory Historic Sites, facilitating the Visitor Centre redevelopment and conserving and presenting all three Sites to a very high standard. The feedback from visitors and other stakeholders has been very positive.

PAHSMA's commitment to the local community has continued including working closely with the Tasman District School, Tasman Council, Female Convict Research Group and many other local groups and committees on various projects, events and activities.

The Authority has many stakeholders, some of whom I need to acknowledge and thank for their substantial contribution during the reporting period:

- PAHSMA Portfolio Minister, currently the Premier the Hon. Will Hodgman MP but for most of the year the Hon. Matthew Groom MP
- Chair Professor Sharon Sullivan AO FAHA and PAHSMA Board members for their continued contribution, support and guidance
- our hard working and committed staff
- members of the Port Arthur and Cascades Female Factory Community Advisory Committees and their respective Chairs, Roseanne Heyward and Dr Dianne Snowden AM
- the Tasmanian and Australian Governments for the continued support to our conservation program

- the Mayor, Councillors, General Manager and staff of the Tasman Council
- the local community and staff of the Tasman District School
- the teams at Tourism Tasmania, Destination Southern Tasmania and the Tourism Industry Council of Tasmania
- Peter, John and Michael Roche and the Navigators team
- our Work Health and Safety Committee
- our volunteers at all three Sites
- Chair Heather Henri and the Port Arthur and Tasman Tourism Association Committee
- Gaye Wright and the Tasman Gazette staff
- the PAHSMA Executive team.

The year ahead will once again be a busy one with the interpretation, fitout and occupation of our new Visitor Centre, further tourism growth, finalising a design solution for a new History and Interpretation Centre at the Cascades Female Factory Historic Site, progressing the 15 priority projects outlined in the PAHSMA Strategic Framework, completion of some significant conservation and infrastructure projects, improving our systems and further developing our people.

In closing, the 2016-17 year has been a good one for PAHSMA and as an organisation it is with a great sense of pride we reflect on what has been achieved by our team and our many stakeholders and long may this continue.



**STEPHEN LARGE**  
Chief Executive Officer



Port Arthur Historic Site Image: Dee Kramer

# THE BOARD

## PROFESSOR SHARON SULLIVAN AO FAHA

BA (Hons) MA (Hons) Dip Ed, University of New England, Honorary Doctorate, James Cook University and the University of New England.

Professor Sharon Sullivan AO has been a member of the Board since 1999 and was appointed Chair in December 2012. Sharon was formerly the Australian Government representative on the World Heritage Committee. She is a former Executive Director of the Australian Heritage Commission and a past member of the Australian Heritage Council. Sharon has worked and published extensively on cultural heritage management in Australia, Cambodia, China, the Pacific, Africa and the USA. She has worked as a cultural heritage consultant for the Australian Government, the World Bank, the World Monuments Fund, the Getty Conservation Institute and the Government of the People's Republic of China. She is an Adjunct Professor at two Australian universities, a Fellow of the Academy of the Humanities and has been awarded an Honorary Doctorate from James Cook University, a lifetime achievement award by the National Trust and the Rhys Jones Medal for her outstanding contribution to Australian Archaeology. In 2005 Sharon was appointed an Officer in the Order of Australia for her service to cultural heritage conservation.

## STEPHEN LARGE

F Fin GAICD

Stephen Large has been the Chief Executive Officer of the Port Arthur Historic Site Management Authority since 1 July 2000. Prior to this, for a period of 11 years, Stephen was employed by the Tasmanian State Government as the North West Regional Manager of the Department of State Development. He is a Fellow of the Financial Services Institute of Australasia and a Graduate Member of the Australian Institute of Company Directors. Stephen is a member of the PAHSMA Audit, Risk and Governance Committee. Stephen is also the Secretary of the Rotary Club of Tasman Peninsula.

## JUDE FRANKS

Jude Franks was appointed to the Board of PAHSMA in December 2009 and has served on many committees including the Excellence Committee, Product Development Committee, and the Cascades Female Factory Community Advisory Committee and on many recruitment panels for PAHSMA. Jude has extensive experience gained over many years in all areas of the tourism industry at both senior executive level and in the capacity of consultant, Board Director, or as a member of project teams. For several decades she has operated her own consulting practice, Jude Franks Consulting, Tourism, Marketing & Management Consultants, with project involvement in areas of tourism management, marketing, eco and nature-based tourism, heritage and cultural tourism, strategic marketing, and product and experience development. She has been involved in several corporate strategic planning, facilitation, communication and country branding projects in Australia and South East Asia. Jude has previously been a Director of many other Boards including Tasmania's South Regional Tourism Association, Ecotourism Australia, Tasmanian Convention Bureau and Woolmers Estate, and is currently a Director of RACT, RACT Destinations, RACT Travel, Mount Wellington Cableway Company Pty Ltd, and the Steamship Cartela Restoration Trust. Jude is passionate about the tourism industry in Tasmania and 'making a difference'. She is a proud Tasmanian who lives in Hobart.

## HON. MICHAEL FIELD AC

BA, LLD (HON)

Michael Field was appointed to the PAHSMA Board in December 2005. A former Premier of Tasmania, in January 2013 Michael assumed the position of Chancellor of the University of Tasmania. Michael has been Deputy Chair of the Board since 2012 and is the Chair of the PAHSMA Audit, Risk and Governance Committee. Michael enjoys kayaking, fishing and gardening and lives on the Tasman Peninsula.

## SUZANNE CLARK

Sue Clark was appointed to the PAHSMA Board in December 2005. A former school teacher and long term Tasman Peninsula resident, Sue with her husband Don, established a successful heritage tourism business on the Tasman Peninsula on their heritage-listed property, the Cascades Probation Station. Sue has a significant interest in heritage, reflected in the number of conservation and preservation projects completed at 'Cascades'. Managing the tourism side of the business for over 20 years has developed her business skills. Sue is a member of the PAHSMA Audit, Risk and Governance Committee, and continues as the Board observer on the Port Arthur Community Advisory Committee.

## HON. PETER MCKAY

Peter McKay was appointed to the Board in September 2013. He has successfully combined business investments with an extensive political career in the Tasmanian Legislative Council. He is the current owner-operator of Uplands Stables, a 21ha intensive farming property at Richmond in the south of the State. Enterprises include vegetable seed production, vineyard and cropping. Peter is currently a Director of Workforce Health Assessors Pty Ltd (WHA Pty Ltd) and is a fundamental part of the development team in the WHA Group. He is a principal in Workforce Health Assessors, operating national and internationally, delivering employment medicals, flu vacs, and health and wellbeing programs. Peter is a member of the Management Board of Roche Brothers and Navigators and a Director of the Brooke Street Pier, in Sullivans Cove, Hobart. Peter also operates Holiday Rentals at Port Arthur and Cambridge.

## KRISTAL BUCKLEY AM

BA (Hons), Dip Soc Sci, M Pub Pol, Grad Cert Higher Ed

Kristal Buckley AM was appointed to the PAHSMA Board in September 2013. She has extensive experience in cultural heritage management in Australia and internationally, including World Heritage. She has a long-standing professional connection to Port Arthur, first working at the Site in the 1980s with the Port Arthur Conservation and Development Project, and more recently chaired the PAHSMA Conservation Advisory Committee. She is currently a Lecturer in Cultural Heritage with the Cultural Heritage Centre for Asia and the Pacific at Deakin University, Melbourne. Kristal served as an international Vice-President of the International Council on Monuments and Sites (ICOMOS) 2005-2014, and now works as an ICOMOS World Heritage Advisor.

### BOARD MEETINGS ATTENDED BY DIRECTORS FOR 2016-17

NAME	MEETINGS HELD	ATTENDED
Sharon Sullivan	6	6
Stephen Large	6	6
Jude Franks	6	6
Michael Field	6	6
Suzanne Clark	6	6
Peter McKay	6	6
Kristal Buckley	6	6



Left:  
Sharon Sullivan  
Stephen Large  
Jude Franks

Opposite:  
Michael Field  
Suzanne Clark  
Peter McKay  
Kristal Buckley



## EXECUTIVE GROUP

In addition to the Chief Executive Officer, Stephen Large, the Executive Team includes:

### FINANCE & ADMINISTRATION

**Nicky Roberts** JP, BCom CPA  
Finance and Administration Services has responsibility for financial and budget management, reporting, treasury and investment, IT services, contract management, insurance and risk management, and development of the Annual Report and Corporate Plan. This year Nicky's team has included Jimmy Song, Debbie Williams, Julie Wicks and Tanya Dalton who have provided support. It is acknowledged that Julie Wicks will be retiring in July 2017 after almost 21 years of loyal service.

### CONSERVATION & INFRASTRUCTURE

**Dr Jane Harrington**  
Conservation and Infrastructure has responsibility for general heritage and infrastructure projects and maintenance, heritage programs (including interpretation, education and collections), archaeology, the Resource Centre, Grounds and Gardens, Buildings and Works and natural heritage. Jane is supported by Vicki Skeggs and a team of expert managers including Dr David Roe, Dr Jody Steele, Pamela Hubert, Susan Hood and Marty Passingham, together with an outstanding heritage conservation team and building and grounds crews who are committed to a team-based work environment and enhancing the international recognition of our Sites' heritage values.

### TOURISM OPERATIONS

**Anne McVilly**  
The Tourism Operations department manages all tourism and commercial operations at Port Arthur Historic Site including ticketing, retail, food and beverage services, guiding for day and night tours, cruise ships, product development and the Brooke Street Pier booth. Anne McVilly sits on the Management Committee of the Australian Cruise Association, the peak cruise marketing body for the Australian and Pacific regions. Anne also has critical involvement in the Visitor Centre redevelopment and continuity of operations and the visitor experience during construction. Anne works closely with her direct team of Cathy Howard, Maria Stacey, Jake Bradshaw, Sarah Morse, Mary Boon and Jayne Horton while being supported by an amazing group of employees who exhibit passion and pride for their roles and the Site.

### HUMAN RESOURCES

**Carol Armstrong** JP, BCom MAHRI  
Human Resources has responsibility for People, Culture and Employee Relations, Work Health & Safety, Pay & Conditions, Employment & Organisation Design and Workforce Development. Carol is supported in delivering on these employment responsibilities by Philip Johnston, Anne Hoyle, Sam Webb, Tracey Rainbird and Susan Brown. Together the HR team seek to be a team who communicate with strength, clarity and fairness to provide a positive, powerful and motivating environment for employees.

### MARKETING

**Jennifer Fitzpatrick**  
The Marketing team is responsible for consumer marketing, travel trade promotions, corporate communications, media and public relations. This year Jennifer has been joined by Sophie Kelly to create a team that can be agile and responsive to the changing digital marketing landscape and promote PAHSMA's Sites through national, state and regional tourism forums.

Left to right:  
Nicky Roberts  
Jane Harrington  
Anne McVilly  
Carol Armstrong  
Jennifer Fitzpatrick



## GOVERNANCE

### SHAREHOLDER GOVERNANCE ARRANGEMENTS

PAHSMA operates in accordance with the State Government's governance arrangements for government businesses. The Government has provided clear oversight arrangements through the development of the 'Principles for Strengthening the Oversight and Governance of Government Businesses'.

### OVERSEAS TRAVEL

PAHSMA Marketing and Communications Manager, Jennifer Fitzpatrick travelled to Singapore, Kuala Lumpur, Hong Kong, Shanghai and Chengdu (China) from 18 February to 1 March 2017 for the Tourism Tasmania Asia Trade Mission. This provided the opportunity for PAHSMA to capitalise on our significant investment in these fast-growing markets by establishing new, and further building upon existing relationships, increasing awareness and securing more business from key Asian markets.

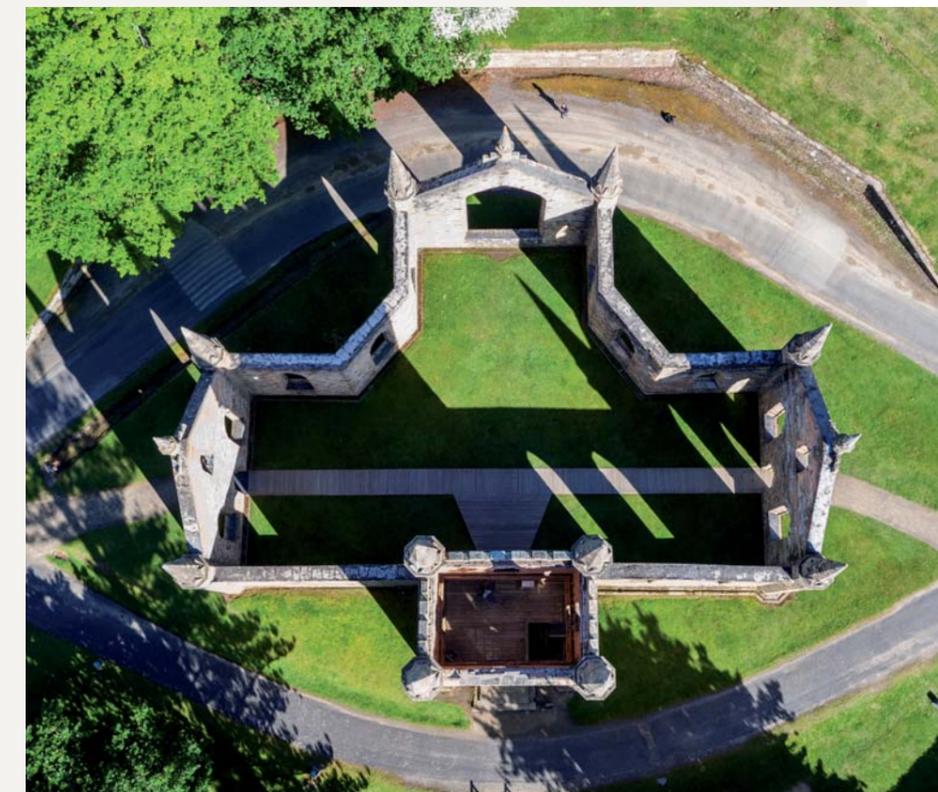
In March 2017 PAHSMA's Director Tourism Operations, Anne McVilly, travelled to San Francisco and Fort Lauderdale USA, to represent Tasmania in the Australian Cruise Association (ACA) delegation at Seatrade Global, the global cruise trade show and conference. Seatrade Global is ACA's key international business to business event, attended by leaders and decision makers of all major cruise lines. The event provided PAHSMA with the opportunity to promote all Tasmanian ports, anchorages and tourism destinations as well as Port Arthur and to capitalise on the significant investment the Tasmanian Government has undertaken in this sector in recent years, including port infrastructure at Hobart, Port Arthur and Burnie, and to develop new relationships and further existing relationships with cruise lines.

### RISK MANAGEMENT

PAHSMA has Risk Registers and Emergency Management Plans covering our three Sites. The plans ensure the organisation has systems and procedures in place to mitigate risks associated with PAHSMA's vulnerabilities and to enhance the capability to withstand the challenges presented in the event of an emergency. The Plans document strategies to provide safe and effective operations for all levels of emergency situations.

PAHSMA has a Business Continuity Plan in place which is reviewed regularly with the Business Continuity Committee.

During the 2016-17 financial year PAHSMA commissioned an audit of the server environment, workings of the PAHSMA network infrastructure, backup systems and the server software. Investment in information technology infrastructure has reduced the number of IT help desk tickets significantly and increased the stability and security of systems and data. Infrastructure has been updated to best practice providing confidence and business continuity.



Church aerial view Image: Dee Kramer



# THE YEAR AT A GLANCE

## ACHIEVEMENTS IN CONSERVATION AND INFRASTRUCTURE

- Conservation expenditure of \$3.96M was applied to projects across the World Heritage convict sites managed by PAHSMA. While much of this is dedicated to day-to-day maintenance, some of the outstanding achievements are listed below, including projects in Infrastructure and Heritage.
- Redevelopment works commenced on the \$13.1M Port Arthur Historic Site Visitor Centre
- Additional 300m<sup>2</sup> of archaeological excavations in the laundry area of the Penitentiary building
- X-ray examination of iron artefacts – first time this method used in Tasmania
- New climate control doors have been installed at the Commandant's House and the Junior Medical Officer's House
- Stabilisation of the Coal Mines main shaft
- Completed two Green Army programs
- Vegetation survey and mapping project for Point Puer
- Population surveys of rare, threatened and endangered butterflies and orchids at the Coal Mines
- 3D laser scans and photogrammetric recording of eroding features at the Coal Mines Historic Site
- Progression of design competition for a History and Interpretation Centre for the Cascades Female Factory
- First outdoor olfactory interpretation in the ruins of the Bakehouse and Cookhouse
- Audit of Wastewater Treatment Plant
- Factory Tales* booklet launched at Cascades Female Factory
- 'Convict Tattoos' and 'Signed, Sealed and Delivered – Communication at Port Arthur' educational activity programs
- Re-boxing archaeological material from 124 projects
- Complete scanning of the Port Arthur Conservation Project files (1979-1986)
- Collections Audit Stage Two
- Week long field school on the Port Arthur Military Precinct with Deakin University
- Collaborative partnership with the University of Tasmania in Geography and Spatial Sciences.

## VISITOR NUMBERS

- In 2016-17 the Port Arthur Historic Site welcomed 336 499 day visitors (a 9% increase on the previous year); 33 315 evening visitors (a slight drop of 1% to the previous year)
- Numbers of Chinese visitors to Port Arthur Historic Site once again substantially increased and the Site conducted 1 618 Mandarin tours, a 66% increase on the previous year
- Cascades Female Factory Historic Site welcomed 33 558 visitors (an increase of 9.2% on the previous year).

## YIELD

- Each visitor's total spend at Port Arthur Historic Site was \$43.81 (a decrease of 2.5% per person to the previous year), which is understandable considering the reduced spend experienced during the five month construction period.

## CRUISE SHIPS

- Port Arthur welcomed 21 cruise ships in 2016-17, with 35 601 passengers coming ashore; a further 29 ships are expected to the Site in 2017-18
- Tours to all areas of the Tasman Peninsula, the Coal Mines and 'Behind the Scenes' tours (conducted by several conservation staff) were extremely popular among cruise passengers
- Port Arthur welcomed the small luxury expedition ship, Coral Expeditions, on 14 occasions where passengers were treated to private tours and local food and wine as part of an exclusive Port Arthur experience
- Port Arthur Historic Site hosted several cruise line executives showcasing the Site's heritage, visitor experiences and tourism infrastructure
- The Cascades Female Factory welcomed many independent passengers from the 49 ships who visited Hobart in 2016-17.

## SUSTAINABILITY

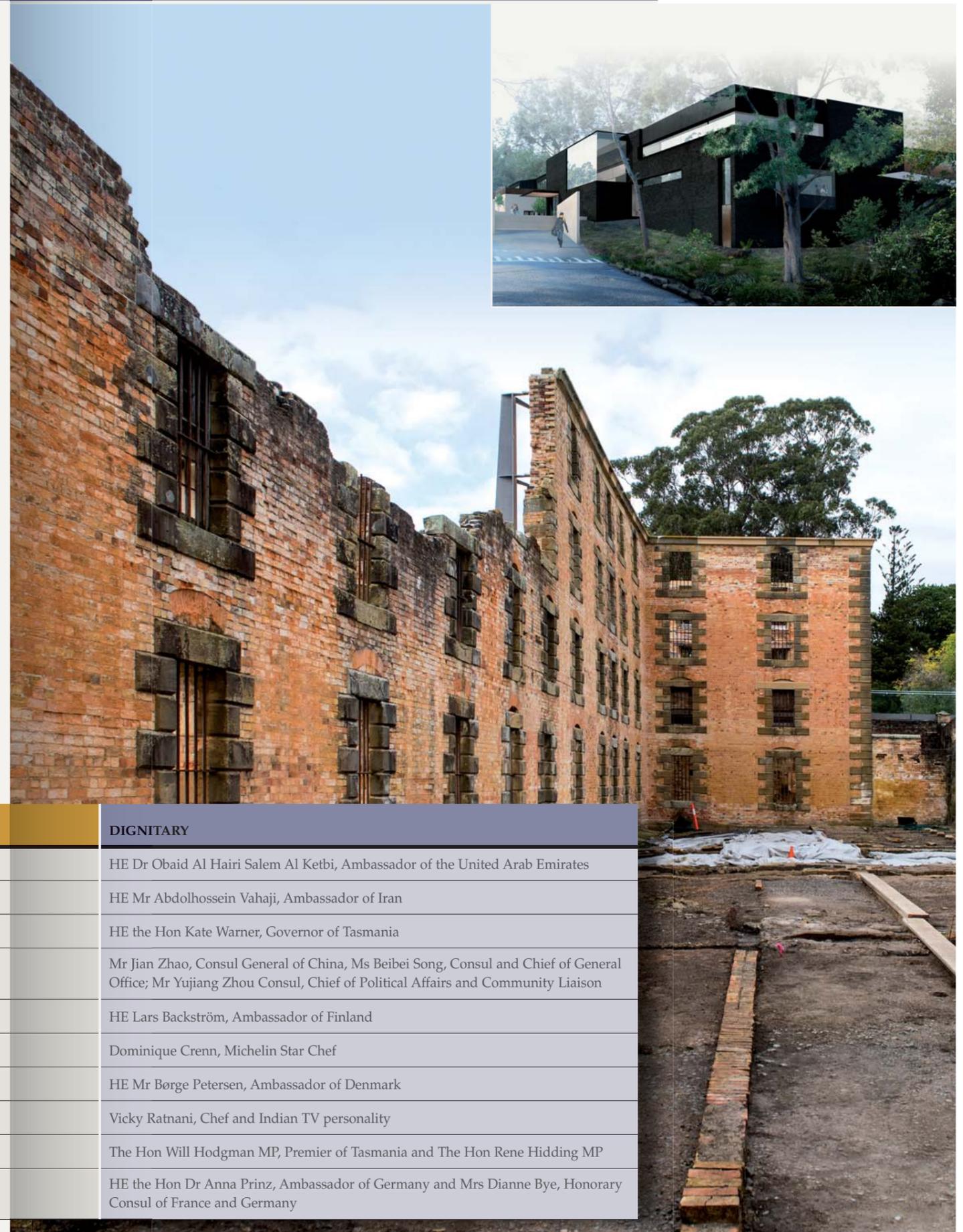
- Port Arthur Historic Site actively promoted sustainable visitation and works to continually reduce the power usage per visitor on site
- The PAHSMA Healthy at Work program has been successfully delivered, ensuring an emphasis on personal well-being in the workplace
- Port Arthur Historic Site has actively increased the use of local produce in our cafes and restaurant, resulting in greater quality of food, improved local relationships and a reduction in food miles.

## OFFICIAL VISITORS

Following are the notable individuals that have visited PAHSMA Sites on official business duties during the year:

### OFFICIAL VISITORS 2016-17

DATE	DIGNITARY
24 August 2016	HE Dr Obaid Al Hairi Salem Al Ketbi, Ambassador of the United Arab Emirates
19 October 2016	HE Mr Abdolhossein Vahaji, Ambassador of Iran
23 November 2016	HE the Hon Kate Warner, Governor of Tasmania
15 December 2016	Mr Jian Zhao, Consul General of China, Ms Beibei Song, Consul and Chief of General Office; Mr Yujiang Zhou Consul, Chief of Political Affairs and Community Liaison
9 February 2017	HE Lars Backström, Ambassador of Finland
11 April 2017	Dominique Crenn, Michelin Star Chef
12 April 2017	HE Mr Børge Petersen, Ambassador of Denmark
14 April 2017	Vicky Ratnani, Chef and Indian TV personality
10 May 2017	The Hon Will Hodgman MP, Premier of Tasmania and The Hon Rene Hidding MP
24 May 2017	HE the Hon Dr Anna Prinz, Ambassador of Germany and Mrs Dianne Bye, Honorary Consul of France and Germany

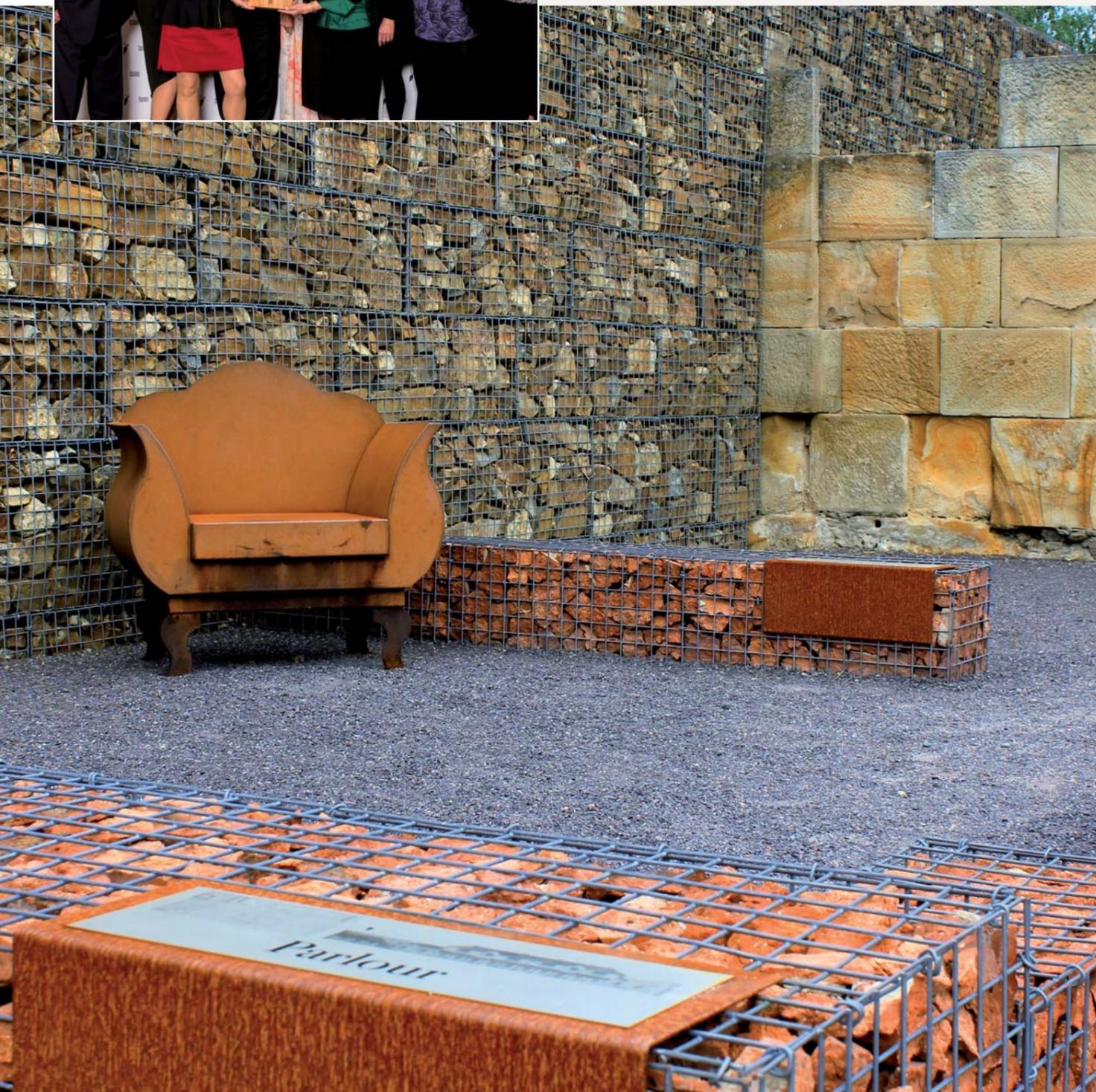


Main image: Penitentiary precinct

Inset: Visitor Centre Concept by Rosevear Stephenson



Cascades Female Factory team accepting Tourism Award  
Image: Alastair Bett



Cascades Female Factory Image: Jody Steele

**AWARDS**

PAHSMA received the following awards in the 2016-17 financial year:

- **Tasmanian Tourism Awards**  
Award Winner for Cascades Female Factory in the Cultural Tourism Attraction category
- **Australian Traveller People's Choice Awards**  
Award Winner for Port Arthur Historic Site in the Best Historical Site category
- **TripAdvisor**  
Port Arthur Historic Site listed in the Top Ten Attractions in Australia (the only Tasmanian attraction)

**SUPPORTING THE LOCAL COMMUNITY**

PAHSMA acknowledges the importance of the local community to our operations and future and subsequently has policies and procedures in place to ensure the community are included and celebrated by our Sites, including:

- Free entry to local ratepayers
- Exhibitions by local artists
- Boxing Day Woodchops
- Carols by Candlelight
- Annual memorial cricket match
- VET and return to work programs
- Community Advisory Committees at Port Arthur and Cascades Female Factory
- Supporting the Tasman Football Club, Rotary and Lions Club
- Cascades Female Factory Open Day

**PORT ARTHUR TALKS PROGRAM**

Port Arthur presents a series of talks by authoritative speakers on a variety of topics that are relevant to our history, conservation, environmental issues and research. These are free of charge and open to anyone interested in the rich and varied subjects.

**TALKS PROGRAM 2016-17**

TALK	SPEAKER	TALK SUBJECT	DATE	No's
No 101	<b>Dr Richard Tuffin and Dr David Roe</b> PAHSMA Penitentiary Archaeologist and PAHSMA Archaeology Manager	<i>Penitentiary Archaeology</i>	19 July 2016	39
No 102	<b>Marty Passingham</b> PAHSMA Works Manager	<i>Antarctica and Mawson's Hut Restoration</i>	17 August 2016	33
No 103	<b>Sue Benner and Alan Andrews</b> Theatre Director and Producer, Turin Productions, and Actor and Director, Turin Productions	<i>Theatrical interpretation of Historic Sites</i>	27 October 2016	32
No 104	<b>James Parker</b> Founding member of Female Convict Research Centre and Convict Women's Press	<i>Better to marry than to burn? Marriage and the reform of women convicts</i>	23 November 2016	22
No 105	<b>Professor Jane Lennon</b> Historical Geographer and Honorary Professor at University of Melbourne	<i>Feed them meat: a history of the meat supply at Port Arthur</i>	18 February 2016	34
No 106	<b>Graham Speight</b> PAHSMA Tour Guide	<i>Thirty-nine men from Carnarvon</i>	1 April 2017	17
No 107	<b>Professor Hamish Maxwell-Stewart</b> Professor of Social History in School of Humanities at University of Tasmania	<i>Runaway convicts: Absconding patterns in colonial Australia</i>	22 June 2017	42

# STATEMENT OF CORPORATE INTENT

Port Arthur Historic Site Management Authority (PAHSMA) operates under the *Government Business Enterprises Act 1995* (GBE Act) and the *Port Arthur Historic Site Management Authority Act 1987*. The GBE Act requires PAHSMA to prepare a Statement of Corporate Intent each year to be included in both our Corporate Plan and the Annual Report. The Statement of Corporate Intent provides a summary of our strategic management approach and determines the key performance measures for each year agreed with PAHSMA's Shareholder Ministers, the Hon. Will Hodgman MP, Premier and Minister for Heritage, and the Hon. Peter Gutwein MP as Treasurer.

## OUR BUSINESS

Since its creation in 1987, PAHSMA has been responsible for preserving and maintaining one of Australia's most important heritage sites and major tourism destinations, the Port Arthur Historic Site. Since then, management of the Coal Mines Historic Site at Saltwater River (2004) and the Cascades Female Factory Historic Site in South Hobart (2010) have been added to PAHSMA's portfolio of responsibility.

The main functions of the Authority, which are defined in Section 7 of the *Port Arthur Historic Site Management Authority Act 1987*, include to:

- Ensure the preservation and maintenance of the historic site[s] as an example of a major convict settlement and penal institution of the 19th Century;
- Co-ordinate archaeological activities on the site[s];
- Promote an understanding of the historical and archaeological importance of the site[s];
- Promote the site[s] as tourist destinations;
- Use its best endeavours to secure financial assistance by way of grants, sponsorship and other means; and
- Provide adequate facilities for the use of visitors.

## OUR OPERATIONS

PAHSMA manages three of the eleven sites that make up the Australian Convict Sites World Heritage property. Promoting those sites as tourism destinations presents a unique juxtaposition to the conservation and maintenance of those sites for future generations.

Management of the careful balance between these two strands of PAHSMA's operations is determined by the *Port Arthur Historic Sites Statutory Management Plan 2008 (SMP)*. The SMP establishes the cultural significance of the Sites and sets out the broad strategic policies required to conserve that significance. The SMP adopts as its basic tenet that 'there is nothing more important about the future management of the Port Arthur Historic Sites than the obligation to achieve their long term conservation'.

Conservation grant funding is provided each year by the Tasmanian Government and applied to works across the three Sites. Funds derived from the tourism operations of the Authority are also applied to conservation and infrastructure works each year. While additional grant funding is limited, PAHSMA has been successful in obtaining additional funding through such programs.

The activities of the Tourism Operations Department have been directed by the imperative to provide a best-practice and quality visitor experience, which articulates the Sites' heritage significance and is both meaningful and rewarding to visitors. Within these parameters Tourism Operations aim to maximise financial returns from visitors to the sites and from a number of commercial operations that the Authority undertakes. The Tourism Plan addresses management issues that specifically relate to visitor services and provides strategies and actions for the tourism operations of the Authority.

## OUR OPERATING ENVIRONMENT

As a Government Business Enterprise (GBE), PAHSMA must balance its responsibilities as a public agency, major employer in the Tasman community and custodian of National and World Heritage-listed places with the realities of operating in a competitive commercial market.

- Key factors influencing PAHSMA's operating environment include:
- The Port Arthur Historic Site is located in a remote area. As the centre of operations, this presents ongoing challenges in recruiting, retaining and accommodating staff. Location also creates challenges in administering the three sites under the Authority's control, with the Cascades Female Factory Historic Site 100 km from PAHSMA's administrative centre.
  - PAHSMA is obliged to protect the heritage values of the sites under its care and to undertake the conservation and interpretation activities in accordance with relevant legislation, international conventions and industry standards. The Authority is unable to generate sufficient income from its tourism operations to meet these substantial requirements. This creates an ongoing reliance on external funding.
  - Tourism markets are constantly changing to reflect new opportunities, emerging technologies, changing lifestyles and social norms. In order to be commercially successful in this environment, PAHSMA needs to develop agility and skill in reading and responding to these influences.
  - The Authority understands and respects the special connection that members of the Tasman and Tasmanian community share with the Port Arthur, Coal Mines and Cascade Female Factory Sites and their respective post-convict histories.

## OUR STRATEGIC DIRECTION

Building on our Vision, Purpose and Values (covered earlier in the report) PAHSMA's Key Priorities for the immediate future are centred around:

- People
- Governance and Leadership
- Sustainability
- Heritage Tourism
- Infrastructure and Systems
- Community and Stakeholders

## PERFORMANCE AGREEMENT

A Performance Agreement is included in the Statement of Corporate Intent in accordance with guidelines issued by the Government to improve transparency and accountability for GBEs. It formally commits PAHSMA to strive to achieve the targets set out in the Agreement. The key performance indicators for the 2016-17 financial year included in the Performance Agreement provide a strong measure of progress against our strategic objectives. Financial performance indicators are based on detailed four-year financial forecasts.

## KEY PERFORMANCE INDICATORS

KPIS		
FINANCIAL INDICATORS 2016-17	TARGET	ACTUAL
Gross earnings (\$m)	19.3	24.2
Operating profit (\$m)	0.60	1.265
Commercial Revenue (\$'000)	15 919	16 593
Yield per visitor	45.87	43.81
Commercial Expenses (\$'000)	12 310	15 562
Conservation Expenses (all sites)(\$'000)	4 775	3 959
NON-FINANCIAL INDICATORS 2016-17	TARGET	ACTUAL
Day Entry visitors	295 000	336 499
Ghost tour participants	34 000	33 315
Female Factory visitors	30 000	33 558
Customer satisfaction levels	90%	92%
% of annual conservation projects completed within budget, scope and on time	90%	90%
Penitentiary Precinct Interpretation Project: % of project completed at 30 June	75%	75%
Coal Mines Main Shaft Stabilisation Project: % of project completed at 30 June	100%	100%
% Visitors Centre at Port Arthur completed at 30 June	50%	60%



Port Arthur button Image: Alastair Bett



# CONTRIBUTION TO THE STATE ECONOMY

PAHSMA is the State's only tourism and heritage Government Business Enterprise and is committed to making a positive difference in Tasmania. Through the ongoing promotion of the three historic convict sites, and because of the experiences offered, PAHSMA attracts visitors to the state and to the Tasman Peninsula. This has measurable and substantial economic benefits at the Regional and State level. From an environmental and community perspective, PAHSMA's commitment to conserve and present these sites guarantees they will remain for future generations.

In 2016-17 PAHSMA's operations:

- directly employed 162 staff providing work and ongoing training and development in a region which has unemployment rates that exceed the State average
- engaged many local contractors to supply services, and
- used local produce in the Visitor Centre and in the food and beverage outlets where possible.

As an 'iconic' tourist attraction, the Port Arthur Historic Site is frequently used to market Tasmania as a tourism destination nationally and internationally, and contributes substantially to the value added to the State economy by the tourism sector.

There is enormous potential for growth in the tourism sector as a consequence of increased visitation from Asia. Much work has been done in appropriately promoting our attractions to this growing market, both by PAHSMA and in partnership with Tourism Tasmania. Equally preparations have been made, and continue to be improved, to ensure the sites are able to provide the best visitor experience for this growing group of travellers.

## FINANCIAL RESULT

In 2016-17 PAHSMA's operating profit was \$1.265M compared to 2015-16 which was \$1.718M profit. During the year the Visitor Centre was being redeveloped, which resulted in the asset being derecognised and written off. The carrying value of the buildings as at the date of recognition, April 2017 was \$3.31M. PAHSMA has recorded an increase in Entry Fees, Tours and Merchandise income by 7.99%, Grant Income by 2.69% and Interest Income by 11% compared to the 2015-16 financial year.

Employee expenditure has increased by 11.44% as a direct result of an increase in visitor numbers and the change in workflow due to the redevelopment of the Visitor Centre as well as the CPI salary increases and level rises.

Cost of Goods sold increased by 4.6% compared to the 2015-16 result which is consistent with the increase in sales.

Contractor expenditure increased by 24.45% which is due to an increase in the use of contractors in Conservation and Infrastructure projects, together with an increase in the cost of the Ferry Contract due to the rise in visitors to the site, compared to 2015-16 financial year.

Depreciation increased by 10.6% compared to the 2015-16 financial year, which is due to replacement of ageing assets.

Decreases in expenditure occurred compared to the previous year for Net Superannuation Interest Expenses by 7.92%, Materials by 38.42%, Marketing by 3.05%, Communications by 3.89% and Interpretation by 48.51%.

Property Services, Visitor Information and Other Operating Expenses have had nominal increases of 3.02%, 3.16% and 3.38% compared to the 2015-16 financial year and can be attributed to an increase in visitation.

Information Technology expenditure increased by 31.65% (\$69K) compared to the 2015-16 financial year, which can be broken down into three areas, being support, software and sundry. Computer Software expenditure has increased due to a delay in the rolling out of Customline across the sites for Retail, and Food and Beverage,

therefore, we have had an increase in expenditure for having two systems running. Computer Support expenditure has increased due to the IT Support Officer resigning and substituting the role through an IT provider for 1 day per week. In addition, the IT Support has been utilised for the Visitor Centre Project and upgrading of the Human Resource Payroll system. There have been savings in the sundry expenditure.

During the 2016-17 financial year PAHSMA was required to undertake a valuation of Land, Buildings, Infrastructure and Heritage Assets. Heritage Assets from our Collections have been recorded for the first time which has increased the value of these assets by \$3.3M. The total increase in asset value was \$7.21M after the valuations were undertaken.

Visitor numbers have increased compared to 2015-16, with Port Arthur Historic Site visitor numbers increasing by 9% and the Cascade Female Factory visitor numbers increasing by 9.2%. The increase in visitors to our sites and to Tasmania generally is expected to continue into 2017-18 and beyond.

## BUSINESS GROWTH

PAHSMA partners with the Australian Cruise Association and Tourism Tasmania to facilitate greater business from the cruise ship sector. This rapidly growing sector has great potential for Tasmania and Port Arthur with 95 ships visiting Tasmania in 2016-17 and 138 expected in 2017-18.

PAHSMA's China Ready program aims to ensure services and experiences meet the needs of this ever expanding visitor demographic, including tours and printed visitor guides in Mandarin plus signage in simplified Chinese.

## FINANCIAL RESULTS

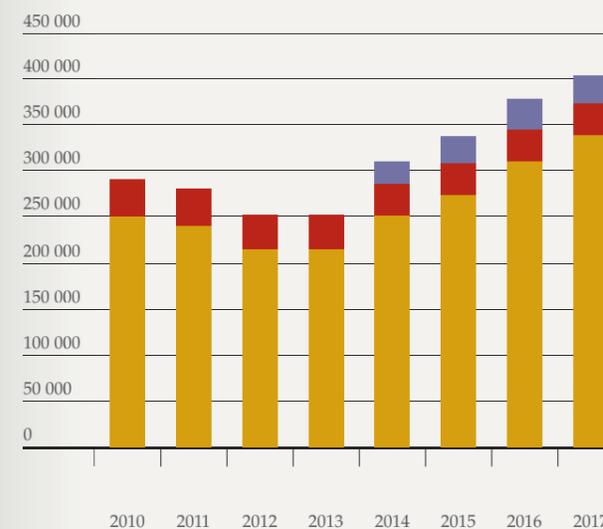
	2010	2011	2012	2013	2014	2015	2016	2017
YEAR ENDING 30 JUNE	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Profit/(Loss)	205	-160	-372	-231	2 364	211	1 718	1 265
Food and Beverage Revenue	2 134	2 177	2 053	2 139	2 544	2 680	3 056	3 259
Retail Revenue	1 335	1 290	1 129	1 040	1 283	1 490	1 615	1 419
Conservation Expenditure	3 055	3 701	3 804	3 424	5 170	7 810	3 870	3 959
Cash Flow from operating activities	780	1 002	401	728	5 129	(-844)	2 429	2 112
Net Assets	14 232	14 768	16 463	17 827	28 974	30 098	32 021	37 695

## VISITATION

Day entry visitors	247 186	239 095	215 255	214 008	253 166	272 653	308 612	336 499
Ghost Tour visitors	39 898	38 483	33 623	29 753	33 749	34 097	35 568	33 315
Cascades Female Factory visitors					23 506	28 663	30 725	33 558

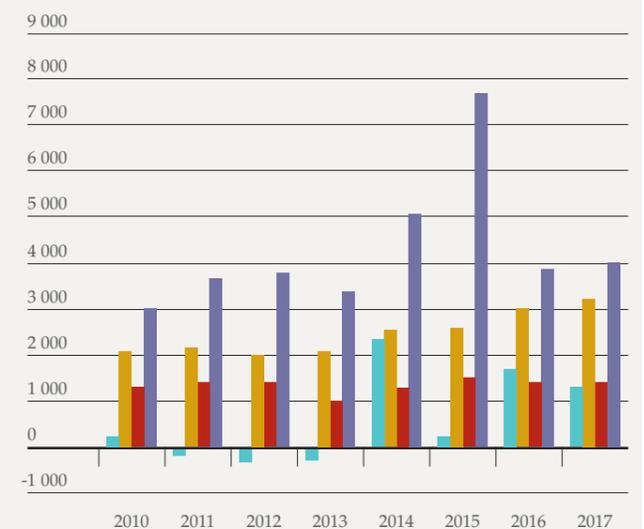
## VISITORS TO THE SITE

- Day Entry visitors
- Ghost Tour visitors
- Cascade Female Factory visitors



## KEY PERFORMANCE INDICATORS '000s

- Operating profit/(loss)
- Food and beverage revenue
- Retail revenue
- Conservation expenditure



# OUR PEOPLE

## PEOPLE MANAGEMENT ACTIVITIES

The role of Human Resources is to provide advice and support in relation to people management practices. At PAHSMA this includes developing and implementing policies, programs and procedures that support aspects such as work health and safety (WHS), learning and development, managing work relationships, and also providing essential services for payroll, recruitment, job design and workers compensation.

PAHSMA is a Government Business Enterprise and its employees are Tasmanian State Service employees so its employment practices are principally governed by the *State Service Act 2000* and its related regulations and directions.

Key achievements during the 2016-17 year included:

- Development and introduction of Organisational Values and preferred behaviours to all staff.
- Review of the *PAHSMA Staff Agreement*
- Embedding PageUp, a whole-of-government e-recruitment system designed to provide efficiencies utilising technology
- Participation alongside other Agencies in the Workforce Planning Community of Practice to consider workforce planning and development issues
- First steps taken towards the development of a Disability Action Plan
- Adoption of the Occupational Violence and Aggression Tasmanian State Service Definition and Statement of Principles to provide greater security for employees
- Employee participation in the People Matter 2016 survey and distribution of results to all staff
- Transition of employees with superannuation accounts with the Retirement Benefits Fund to Tasplan and the Office of the Superannuation Commission
- Guest speakers at the launch of the State Service Diversity and Inclusion Framework and Policy
- Hosted all Year 10 students from Tasman District School as part of the Work Inspirations Program and a number of students for week-long work experience placements

- Hosted Vocational Education Training (VET) students studying tourism from a range of Tasmanian colleges

The table shows a steady increase in paid Full Time Equivalent staff over the last four years.

## INTRODUCTION OF ORGANISATIONAL VALUES

Alongside the revised PAHSMA Strategic Framework, Vision and Values, a key project during the reporting period was the development and introduction of a set of PAHSMA specific Organisational Values. The Values were developed by a Working Group of 20 people comprising members from the PAHSMA Board, Executive and staff. Similar to many organisations, PAHSMA is experiencing a period of rapid change and considerable growth. It was decided by management that a strong set of values was required to direct the way the organisation is headed together with assisting the manner in which employees approach their duties and their colleagues. Hence the values that were chosen are Unity, Accountability, People Matter, and Passion and Pride. The involvement and communication of the Values to staff has taken place over several months and some aspects remain ongoing and will require considerable continued effort and resources to be devoted to ensure the satisfactory embedding of the Values into every aspect of PAHSMA's business.

## WORK HEALTH AND SAFETY AND WELLBEING

PAHSMA purchased an additional two defibrillators as part of the Early Access to Defibrillation Program. This now brings the number of defibrillators at the Port Arthur Historic Site to three including one being accessible to the public.

As part of its regulatory program, WorkCover Tasmania conducted a surveillance audit of PAHSMA's Injury Management Program. A number of opportunities for improvement were identified. The Audit Report was tabled before the Board's Audit, Risk and Governance Committee.

Together with other Government Agencies, PAHSMA entered into a contract with a new Employee Assistance Provider to deliver a comprehensive range of services to both employees and their family.

A significant investment has been made by PAHSMA into WHS related training for staff. During the reporting period, 81 staff participated in first aid training; seven in being prepared for emergencies; 121 staff took part in mental health and wellbeing workshops; two employees undertook training to develop skills in Safe Work Methods and three employees were provided with an understanding of snake behaviour and best practice management.

## STRATEGIC WORKFORCE PLANNING AND DEVELOPMENT

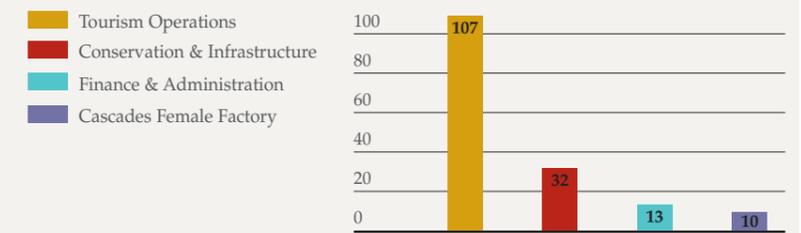
PAHSMA is currently working alongside other agencies to design strategies to better plan future staffing needs and numbers. Representatives from the Human Resources unit attend regular network meetings facilitated by the State Service Management Office, Department of Premier and Cabinet. One focus group is Workforce Planning, the other is Workforce Development.

## RECRUITMENT – ATTRACTION, SELECTION AND INDUCTION

PAHSMA utilises strategies to attract suitable employees to meet our business needs and obligations under the *State Service Act 2000* and associated Employment Directions. PAHSMA continues to comply and co-operate with the Tasmanian State Service Managing Positions in the State Service guidelines used for managing vacancies and redeployments within the Service.

This recruitment function is one which requires considerable resources be devoted to it. The nature of the tourism and hospitality side of PAHSMA requires intense support during the summer months to meet the service needs of the many visitors to the Sites. As such, the ongoing need to attract, select and induct large numbers of fixed-term staff requires the provision of considerable resources and this affects all area of the

## EMPLOYEES BY BUSINESS UNIT



## PAHSMA NEW APPOINTMENTS



business particularly the tourism business units and human resources team. The importance of inducting staff to the PAHSMA workplace together with the provision of training to deliver exceptional service to Site visitors will continue to be a necessary function of the organisation on an ongoing basis and is an accepted expense of the business.

On 30 June 2017 PAHSMA had 162 employees which comprises 41 full-time, 80 part-time and 41 casuals. This is a 1.8% increase from the previous year.

## FULL TIME EQUIVALENT STAFF NUMBERS

MONTH	PAID FTE'S	MONTH	PAID FTE'S
January 2017	159.92	June 2017	110.11
January 2016	156.30	June 2016	105.52
January 2015	131.35	June 2015	98.85
January 2014	119.00	June 2014	88.47



PAHSMA Grounds and Gardens crew members (Ian Parnell foreground, Ken Noakes and Matt Dillon rear) Image: Alastair Bett



Tasmania continues to be on track to meet the Government's T21 targets of 1.5 million visitors by 2020 with a total of 1.26 million people visiting Tasmania on scheduled air and sea services during the year ending March 2017, an increase of 7.3% on previous year (it is important to note this excludes the 151 998 cruise ship visitors who also visited Tasmania in 2016-17).

## VISITATION

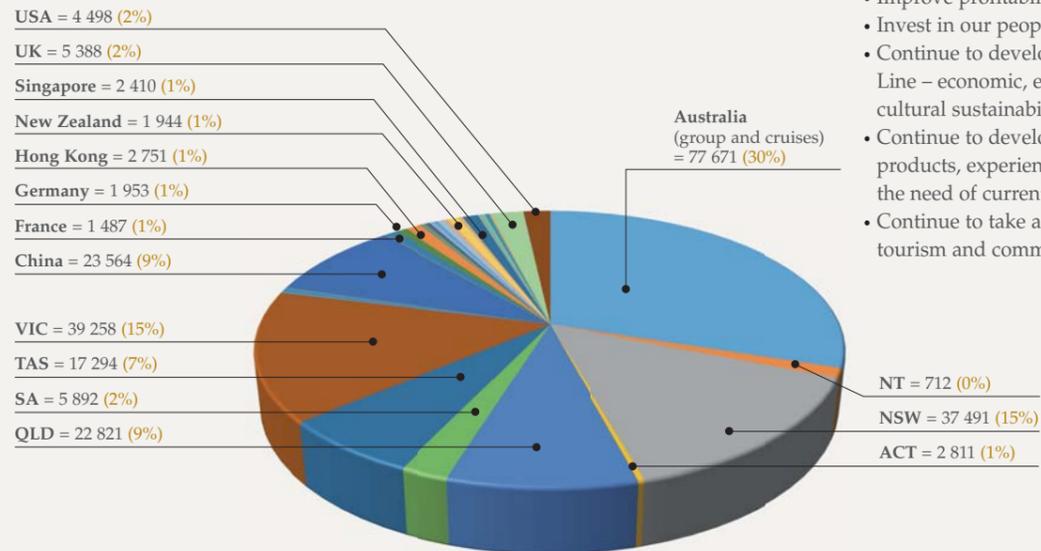
According to the Tasmanian Visitor Survey (year ending March 2017) visitors spend a total of 8.5 million nights in Tasmania at an average length of stay per visitor of 8.6 nights, spending \$2.22 billion on accommodation, attractions, tours, transport and other goods and services during this period. This represents an average spend of \$1 767 per visitor.

From the total number of visitors, an estimated 620 912 people visited Tasmania for a holiday, 337 484 came to visit friends or relatives and 234 441 were travelling for business. Of these numbers 65% of all visitors during this period had previously visited Tasmania.

The same survey reports 524 701 people visited historic sites and attractions (up 12.8% from last year) and the Port Arthur Historic Site remains the fourth most visited attraction behind Salamanca Market, MONA and Mt Wellington. The Site continues to attract over 54% of all holiday visitors to Tasmania, with 336,499 day visitors (a 9% increase on the previous year) and 33,315 evening visitors (a slight drop of 1% to previous year).

It is pleasing to observe growth in winter visitor numbers, which was assisted by several winter events in Hobart, including Dark MOFO, the Festival of Voices and AFL football games.

## VISITOR ARRIVALS



## VISITOR CENTRE OPERATIONS

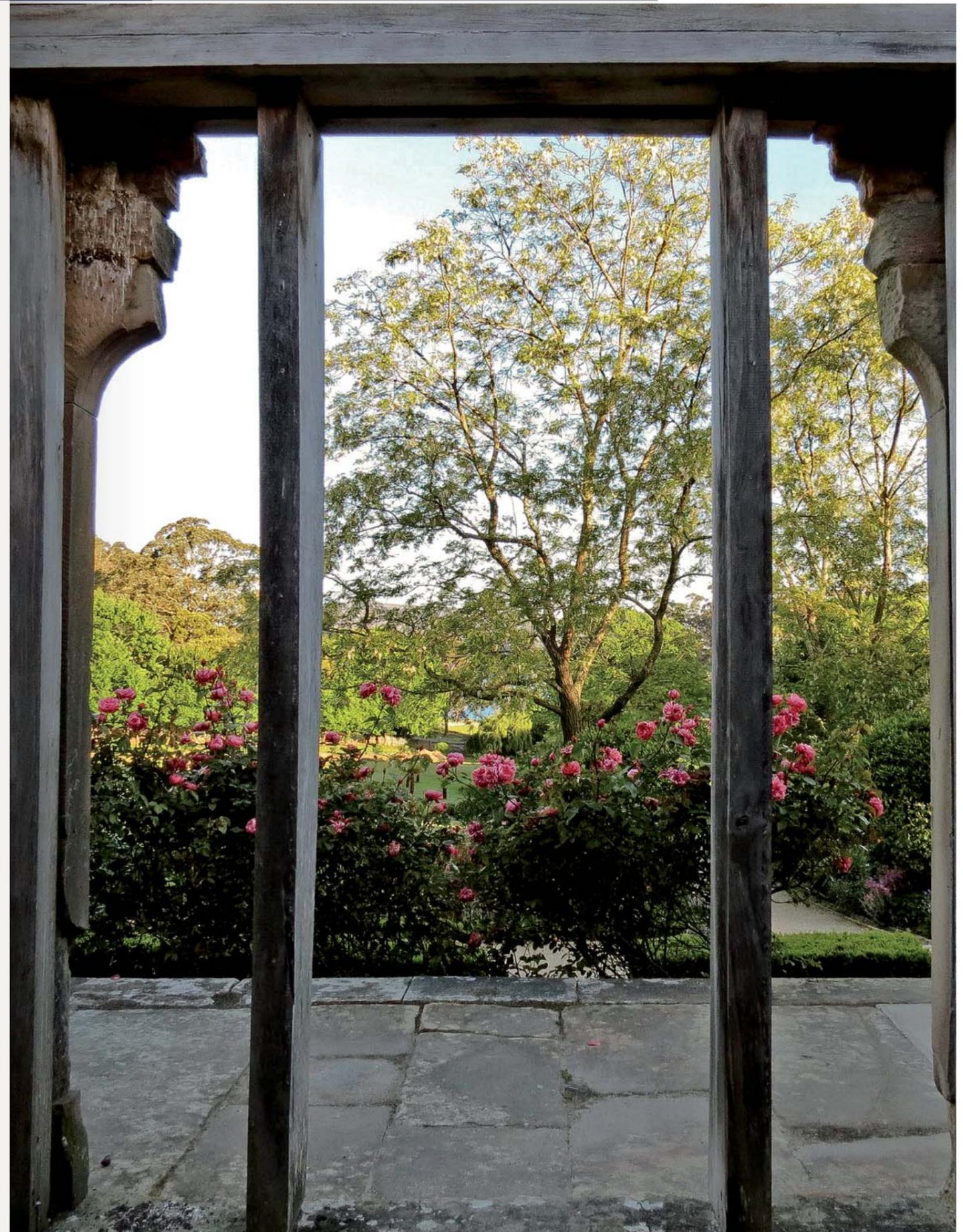
To ensure the new Port Arthur Historic Site Visitor Centre will be completed on time (by mid December 2017), in a carefully planned and executed program from January to June 2017, all Visitor Services, Tour, Retail and Food and Beverage operations were relocated to temporary locations across the site and within the local community to allow builders to commence the redevelopment project.

A sincere congratulations and thanks must be passed on to all Tourism Operations employees for their dedication and diligence, who despite working alongside a major construction site and in various temporary locations for six months, have retained a focus purely on maintaining a quality visitor experience at all times.

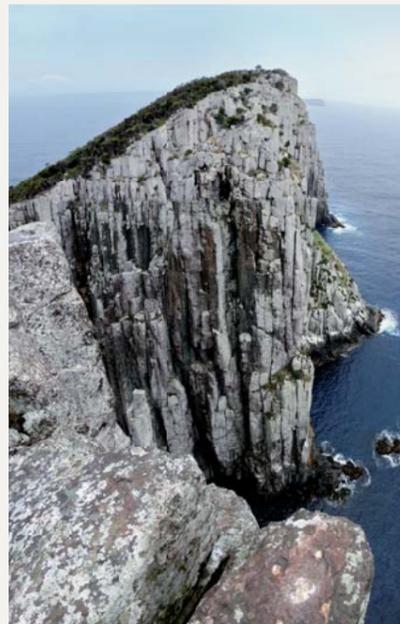
## TOURISM PLAN

In 2016-17 PAHSMA developed a new five year Tourism Plan. The plan is incorporated within the Corporate Plan and clearly identifies our Strategic Tourism Priorities for the next five years:

- Maintain and develop all PAHSMA sites as attractive and desirable visitor destinations
- Continue to explore use of technology to enhance visitor experiences and create efficiencies
- Increase visitor yield at all PAHSMA sites
- Improve profitability of tourism operations
- Invest in our people
- Continue to develop our Quadruple Bottom Line – economic, environmental, social and cultural sustainability
- Continue to develop and introduce new products, experiences and packages to meet the need of current and emerging markets
- Continue to take a lead role in regional tourism and community engagement.



Government Gardens Image: Tourism Tasmania and Kathryn Leahy



Top:  
Three Capes Track  
Image: Lynda Warner

Bottom:  
Turin Productions  
summer performances  
Image: Alastair Bett

**TOURISM INDUSTRY**

PAHSMA is committed to Port Arthur and Tasman Tourism Association (PATTA) and holds a place on the Committee along with three individual memberships. This year our region enjoyed significant growth in overnight stays, with 103 772 overnight visitors in the 12 months to March 2017, an increase of 19.5% on the previous year.

PAHSMA is a gold member and works closely with the southern regional tourism association, Destination Southern Tasmania.

PAHSMA actively participates in the development of a Destination Action Plan for the region and will actively work with the tourism community to undertake actions from the plan over the next three years.

**THREE CAPES TRACK**

Port Arthur Historic Site is the starting and end point for the Three Capes Track and provides a two-year entry pass to encourage walkers to return to the area. The site provides excellent customer service with check in, luggage storage services plus information and booking service for those walkers needing transport and accommodation in the region. Just over a quarter of the walkers are choosing to stay overnight on the Tasman Peninsula before or after their Three Capes experience.

PAHSMA is extremely proud to be a partner of Tasmania Parks and Wildlife in the delivery of this world class walking experience, along with Pennicott Wilderness Journeys. The walk continues to exceed initial targets with 11,527 walkers in 2016-17 (66% of the total capacity of the product) accessing Port Arthur as a part of their experience.

**HISTORICAL PERFORMANCES**

Port Arthur Historic Site engaged a local production company, Turin Productions, to perform a series of three historical plays, five days a week over the summer period until Easter with visitor attendance and positive feedback exceeding expectations.

Total audience numbers for season: 17 192  
Average daily audience numbers: 212  
Average for each performance: 53

Our heartfelt thanks go to the team at Turin Productions for their contribution to telling our historical stories.

**WI-FI**

Port Arthur continues to record the highest usage of the 50 sites for the State Government's free Wi-Fi project; with 39 662 users (from 279 407 state-wide users). For this reason it was decided to work with the Department of State Growth to reinstall the service at our Museum Coffee Shop when the Visitor Centre partially closed in January 2017.

**LOCAL COMMUNITY**

PAHSMA proudly supports the local community by offering free entry to local rate payers, presenting the popular and informative Port Arthur Talks Programs, hosting a range of community exhibitions and events at the Sites, as well as in-kind support and donations to community organisations. During the Port Arthur Visitor Centre redevelopment PAHSMA has hired the Lions Club food van and the Tasman Golf Club kitchen to ensure a quality food offering for visitors, employees and construction workers throughout the project.

**BROOKE STREET PIER**

The PAHSMA Information and Booking outlet in the Brooke St Pier development on Hobart's waterfront continues to provide valued information to visitors for all PAHSMA Sites, the Three Capes Track and other experiences available on the Tasman Peninsula.

**VISITOR SATISFACTION**

In February and August 2016 PAHSMA engaged Myriad Research to undertake a quantitative visitor research program.

The research outcomes from this study better inform PAHSMA's planning and decision making. Key findings include:

- The majority of respondents visited the Port Arthur Historic Site because of their 'general historic interest'

- 92% are likely to recommend the Site to others as a place to visit with a Net Promoter Score (NPS) of 56% positive
- Visitors used a range of information sources to inform their trip to the Port Arthur Historic Site with the most important being word of mouth (31%) and the website (29% of the survey sample).

**CRUISE SHIPS**

The cruise ship market represents an area of large growth for Tasmania and indeed for PAHSMA with Port Arthur continuing to be a popular stopover port for many ships travelling to Hobart. This year we welcomed 21 ships, being 10 more than last year, with a total of 87% of the 41,060 passengers coming ashore.

The ships docked and welcomed to the Port Arthur Historic Site in 2016-17 are tabled.

PAHSMA is a key stakeholder in the cruise sector with dual roles both as an emerging cruise ship destination and as a popular shore excursion program at Port Arthur, the Coal Mines and the Cascades Female Factory for ships visiting Hobart.

The PAHSMA Director Tourism Operations, Anne McVilly, sits on the Management Committee of the Australian Cruise Association and the Tasmanian Cruise Working Group and this year met with cruise executives from all cruise lines operating in Australia to promote Tasmania and the Tasman region tourism experiences that could be packaged as potential new Shore Excursions.

**PRODUCT DEVELOPMENT**

In 2016-17 PAHSMA launched a new experience, 'the Commandant's Carriage', to assist time poor visitors to better experience the expansive site with a 2 hour private tour in an electric vehicle.

This year the Product Development Committee has also focused on retail items sold at our sites, partnering with several Tasmanian artists and local artisans to develop exclusive products for PAHSMA retail outlets. Actively promoting retail sales contributes to the conservation of all PAHSMA sites.

For Port Arthur the highlight of the season was the visit by the majestic Queen Mary 2 in February

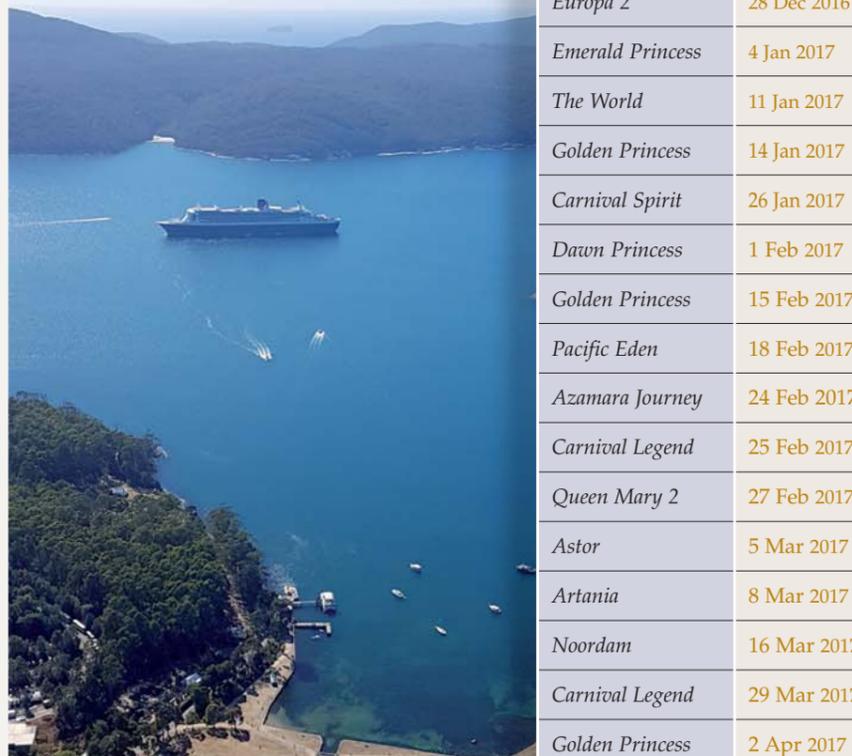


Image: Osborne Aviation

SHIP	DATE
Carnival Spirit	23 Oct 2016
Dawn Princess	3 Nov 2016
Golden Princess	16 Nov 2016
Dawn Princess	23 Nov 2016
Emerald Princess	17 Dec 2016
Europa 2	28 Dec 2016
Emerald Princess	4 Jan 2017
The World	11 Jan 2017
Golden Princess	14 Jan 2017
Carnival Spirit	26 Jan 2017
Dawn Princess	1 Feb 2017
Golden Princess	15 Feb 2017
Pacific Eden	18 Feb 2017
Azamara Journey	24 Feb 2017
Carnival Legend	25 Feb 2017
Queen Mary 2	27 Feb 2017
Astor	5 Mar 2017
Artania	8 Mar 2017
Noordam	16 Mar 2017
Carnival Legend	29 Mar 2017
Golden Princess	2 Apr 2017



PAHSMA experienced a transition of staff in the Marketing team over this period with Kate McCarthy leaving the organisation after over two years as the Sales and Marketing Coordinator and Acting Marketing Manager. In August, PAHSMA welcomed Jennifer Fitzpatrick to the role of Marketing and Communications Manager after nine years with Tourism Tasmania. Sophie Kelly was also recruited as the new Sales and Marketing Coordinator to complete the team in January 2017.

## CHINA MARKET

International visitor arrivals to Port Arthur from China and Hong Kong were extended in December leading into the Lunar New Year peak travel period in late January. The timing of the Easter holiday in late April, and immediately preceding ANZAC Day, led to increased arrivals for both international and domestic visitors. Overall domestic visitors from New South Wales and Victoria were the largest segments of growth for Free Independent Traveller (FIT) arrivals.

## INTERNATIONAL ARRIVALS TO PORT ARTHUR HISTORIC SITE

After several years of work in building awareness and establishing trade partnerships throughout the Asia region, PAHSMA has been established as one of the 'must-see' attractions for Chinese visitors to Tasmania. PAHSMA joined Tourism Tasmania's South East Asia Trade Mission to connect with key inbound tourism partners in the region as well as develop relationships with new agencies opening up greater avenues for business and increase visitation from this growing sector. The ten day mission hosted over 145 key travel trade partners with events in Kuala Lumpur, Singapore, Hong Kong, Shanghai and, for the first time, Chengdu in the Sichuan province of Western China. PAHSMA chose to include the optional Chengdu component of the mission as Shuangliu International Airport is one of the 30 busiest airports in the world and the majority of the visitors to Australia from Sichuan province travel from Chengdu.

In 2016-17 Port Arthur Historic Site employed five Mandarin speaking staff to meet the service needs of the large numbers of non-English speaking Chinese visitors.

## DIGITAL AND SOCIAL MEDIA

Over the last few years WeChat has overtaken Weibo in popularity and consumer engagement. Known in Chinese as Weixin (微信) or 'micro letter', WeChat is first and foremost a messaging application for sending text, voice and photos to friends and family. In 2016, WeChat had 889 million monthly active users. It is the fourth largest social media platform in the world currently and within mainland China it's the one-stop-shop for connecting with friends, reviewing restaurants and experiences, purchasing products & services and sharing.

Recognising the consumer trend away from Weibo and the growing popularity and diverse functionality of WeChat, PAHSMA has this year established an official account on WeChat. Port Arthur's presence on WeChat will increase product awareness for both international travel trade partners and consumers prior to arrival as well as increase consumer engagement with Port Arthur content and increase conversion through the portarthur.cn booking engine.

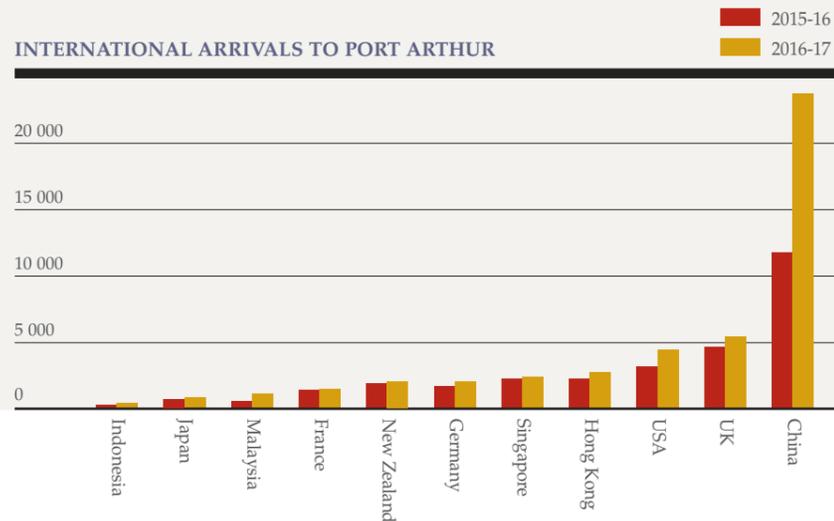
The Marketing team has been very focused on encouraging visitors to share compelling up-to-date images and videos online. Port Arthur's social media channels continue to grow in popularity and now has over 11 500 followers on Facebook, 3 100 on Instagram and 3 400 on Twitter. Port Arthur Ghost Tours

has nearly 5 000 followers and Cascades Female Factory nearly 1 400 followers on Facebook. There has been a notable increase in the amount of user generated content being shared on site since the introduction of the free Wi-Fi service.

Due to the growing importance of video content on social media channels and direct advertising, PAHSMA updated and installed new video advertisements at the number-one Tasmanian visitor arrival point at Hobart Airport with additional screenings at the Tasmanian Travel Centre in Hobart. Live video content was trialled through Facebook Live to showcase the Port Arthur Ghost Tour to a wider online audience, reaching over 13 000 people online with direct engagement (likes, shares and comments) with a global audience of over 2 088 people.

## EVENTS

In early November Port Arthur hosted a concert by Tex Perkins and the Tennessee Four with Rachael Tidd performing Johnny Cash's Folsom Blues as part of a national tour in historically significant sites of incarceration including Fremantle Prison, Maitland Prison, Cockatoo Island, Old Adelaide Gaol and Old Melbourne Gaol. The concert, which also featured our very own PAHSMA employee, Caitlin Vertigan together with local singer and songwriter, Ali Hart, was very close to sold out with upwards of 2 000 ticketed patrons enjoying the concert in front of the Penitentiary, many of whom stayed in local accommodation on the Tasman Peninsula.



Chinese Speaking Guide, Maggie D'Souza Image: Alastair Bett



The Conservation and Infrastructure Department commenced and completed a number of interesting projects and initiatives during the year. Without doubt, the most consuming has been the work on the redevelopment of the Port Arthur Visitor Centre, however this has been complemented by other projects such as the progress of the architectural design competition for the History and Interpretation Centre at the Cascades Female Factory, the design for a new walkway on the Isle of the Dead and a new bridge over Radcliffe Creek, and the completion of the archaeological excavation in the ablutions area of the Penitentiary.

Our Conservation Manager, Lucy Burke-Smith, left to pursue a career in consulting and our Infrastructure Manager, Rod Cooper, retired.

## PORT ARTHUR VISITOR CENTRE REDEVELOPMENT

In the previous year the Board had endorsed a \$13 million project to extend and refurbish the Visitor Centre at Port Arthur. Most of the work prior to Christmas encompassed planning, design development and statutory approvals. Following a public tender process the successful tenderer for the Visitor Centre Redevelopment was Tasmanian firm, Vos Construction and Joinery, who commenced work in January 2017. The program allowed some tourism operations to remain in the building until May, although the Convict Interpretation Gallery and Gift Shop were closed early in January, relocating to other parts of the historic site.

It is pleasing to note that as at the end of the reporting year the redevelopment project is both on time and on budget. Until February the project was managed by PAHSMA Conservation Manager, Lucy Burke-Smith. PAHSMA acknowledges her highly professional and dedicated contribution to this and other major projects. The role of project manager was subsequently taken up by our Works Manager, Marty Passingham, who has similarly progressed the project with expertise and dedication.

## PENITENTIARY PROJECT

The 2016-17 year was another big year for archaeology at Port Arthur. Switching our attention to the laundry area of the Penitentiary building, an additional 300m<sup>2</sup> of archaeological excavations were undertaken to investigate the service-related aspects of the precinct, under the direction of Dr Richard Tuffin. This area featured a major laundry, storage rooms, a bathhouse and washrooms, wood store and hot water boiler. Our new work confirmed that the zone had gone through a number of changes, as spaces were remodelled to accommodate new functions. Sparse remnants of the workshops that existed prior to the construction of the massive penitentiary building complex were also able to be investigated. Our 3D recording system developed during the ablutions yard excavations was refined with most field data being captured electronically for the first time. In keeping with our commitment to best practice, both the cataloguing and conservation of artefacts were key components of the work.

For the first time at Port Arthur, and possibly in Australia, the entirety of the iron artefact assemblage from an excavation was subjected to X-ray examination. X-rays allowed us to see through the concretions on over 1500 objects and obtain previously unrecoverable information about artefact types, sizes and manufacturing methods. A number of x-rays revealed objects that would have been otherwise unidentifiable. This new approach was developed by PAHSMA archaeologist, Sylvania Szydzik with imaging technicians at Radiology Tasmania and Jeanne Harris, our artefact specialist at the University of New England.

The reports on all the excavations at the Penitentiary are now in complete draft form. Regular updates on progress and findings were disseminated through social media, talks to public audiences and a presentation to staff and students at the University of New England.

Junior Medical Officer's climate control door  
Image: Pamela Hubert

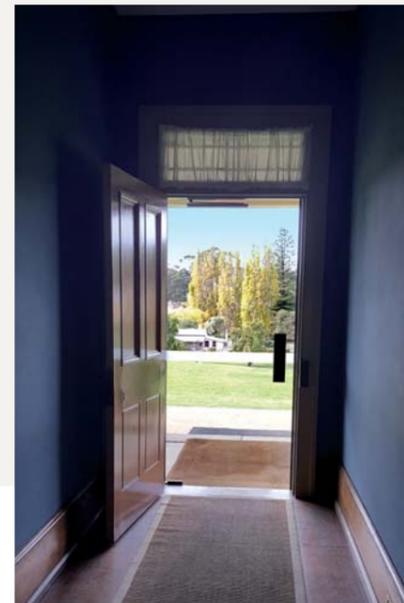
## PORT ARTHUR HISTORIC SITE

New climate control doors have been installed at the Commandant's House and the Junior Medical Officer's House. The new frameless glass doors help to maintain a stable internal environment for the collections housed in the buildings as well as creating a much more comfortable experience for visitors and guides.

A report on the condition of the metals in the buildings on the site was completed during the year. The metals report is guiding conservation work on a range of fixtures and fittings including cast iron bars, stoves, brass hardware, and steel downpipes and cladding.

Major survey and design work was undertaken to progress the first stage of replacing the boardwalks on the Isle of the Dead due to deterioration of the walkways and a desire for more appropriate walking routes. This project received funding during the year under the Protecting National Heritage Sites grants program of the Commonwealth Department of Environment and Energy, which is gratefully acknowledged.

PAHSMA worked closely with the Federal Group during the year in the progress of their redevelopment plans for the current Port Arthur Motor Inn site. The PAHSMA Conservation Advisory Committee (PACAC) and PAHSMA staff received several presentations on the design development and have commented on the draft Heritage Impact Statement.



Main image: Penitentiary Laundry artefact

Inset: X-Ray image of Laundry artefact



**COAL MINES HISTORIC SITE**

Following the 3D laser scanning at the Coal Mines Historic Site, the stabilisation of the main shaft was completed. This work will assist to arrest the erosion that was threatening the stability of the sandstone footings at the perimeter of the shaft, as well as the public viewing platform.

PAHSMA received another Protecting National Heritage Sites grant, which is gratefully acknowledged, to install additional interpretative signage and an information hub at the main entrance to the site and in the main car park. The work will be completed in 2017-18.

**CASCADES FEMALE FACTORY**

An extensive survey of the wall dividing yards 3 and 4 identified a number of stones that, due to weathering, were creating a risk to the stability of the wall and posed a potential threat to visitor safety with one area of the wall having a substantial bulge on top. Work commenced on repairing the stone wall and was still in progress at the end of this reporting year.

An architectural design competition for a new History and Interpretation Centre for the Cascades Female Factory was launched in March and attracted an impressive number of entries. Those who met the eligibility criteria were invited to proceed to stage B

of the competition, which will see more developed design concepts submitted in the next financial year. Considerable effort has been invested in the design competition and PAHSMA are very grateful for the support shown by the highly eminent jury. The jury, Chaired by PAHSMA Chair, Professor Sharon Sullivan AO, includes Catherine Baudet, Janet Carding, Justine Clark, Shelley Penn and Penelope Seidler AM. The PAHSMA Working group is also supported by the Chair of the PAHSMA Conservation Advisory Committee, Helen Lardner. The competition is managed by Lucy Burke-Smith, with probity oversight provided by Ian Shield of OCM and cost advice from Exsto Management. In tandem, PAHSMA is progressing a philanthropic fundraising program which will be formally launched following the decision on a final design. This initiative has received the endorsement as Ambassadors by several prominent Australian women, including the Hon. Julia Gillard AC, the Hon. Fran Bailey, the Hon. Elise Archer MP, and the Hon. Lara Giddings MP.

**NATURAL VALUES MANAGEMENT**

During 2016-17 PAHSMA has been developing the capacity to manage the important natural values of the Sites, working on projects to develop baseline data on flora and fauna and the ecosystems they create; better understandings of coastal and littoral geomorphologies and processes; and management systems for places where natural and cultural values co-exist and potentially conflict.

Working with successive teams of Green Army and Conservation Volunteers Australia personnel, we have completed the first vegetation survey and mapping project for Point Puer using the TASVEG system; conducted population surveys of rare, threatened and endangered butterflies and orchids at the Coal Mines, and continued to monitor changes to beach profiles as part of the TASMARC program. In collaboration with Tasmania Parks and Wildlife Service, we have re-evaluated our bushfire preparedness and modified our procedures to better suit

our personnel and environment. In responses to observations of vegetation stresses and increased visitor and staff movements within and between sites and other Tasman Peninsula reserves, revised hygiene protocols were developed to minimise the spread of pathogens and/or introduced species.

PAHSMA's Grounds and Gardens team have been systematically rehabilitating historic plantings and gardens at the Port Arthur site. Data for all significant plantings across our sites is being documented in the Geographic Information System (GIS) database of heritage assets. PAHSMA is also developing staff skills to enable appropriate responses to sick, injured or potentially dangerous animals. Dr Caitlin Vertigan provided public talks on the site's horticultural history and significant plantings to the Georgetown Historical Society and Hillwood Garden Club, and to the Launceston School for Seniors.



**RESPONDING TO CLIMATE CHANGE**

PAHSMA has been committed to assessing the risks of changing climate to our sites, improving monitoring systems and developing strategic responses to this important issue. A method of identifying buildings and masonry structures at risk from fabric disaggregation using high-definition photogrammetry has been developed.

Undertaking new 3D laser scans and photogrammetric recording of eroding features at the Coal Mines Historic Site and baseline data to enable change monitoring along Radcliffe Creek has been established. These initiatives have been assisted by our Green Army project and University of Tasmania (UTAS) collaborations.

PAHSMA hosted a workshop in March 2017 with colleagues from the Tasmanian Climate Change Office, Aboriginal Heritage Tasmania, Heritage Tasmania, Tasmania Parks and Wildlife Service, the Royal Tasmanian Botanical Gardens, Hobart City Council, and Tasman Council. The workshop looked at the many challenges that will be faced by managers of coastal heritage sites in Tasmania as a result of climate change and considered whether a joint approach to developing standards and protocols was feasible, desirable and achievable. Professor Jean Palutikof of the National Climate Change Adaptation Research Facility at Griffith University, developers of the CoastAdapt tool, presented to the group. Further meetings will take place in the 2017-18 financial year.

In April PAHSMA hosted a visit from Dr John Hunter and Chris Sharples from UTAS, Professor John Church from the University of New South Wales and Justin Gillis, the New York Times' climate change science writer. The visit developed PAHSMA's relationships with key climate change researchers and resulted in excellent print and social media coverage of the coastal erosion threats at our sites set in a global context.



**INFRASTRUCTURE WORKS**

The change-over in management within the Infrastructure area saw greater attention given to maintenance issues and programs over larger capital projects. Our priority project during the year was the Wastewater Treatment Plant and GHD engineering consultants were engaged to undertake an audit of the facility and provide recommendations for mechanical and operational improvements. The assessment included liaison with the Environmental Protection Authority (EPA) to ensure the plant is conforming to permit requirements while identifying upgrade needs. The audit confirmed that PAHSMA is currently at operational capacity, and although there is room to improve the output, it is obvious that the plant cannot support any additional external connections. This has implications for both tourism growth and development in the Port Arthur area. During the year, the PAHSMA Board has continued to support a transfer of management of the plant to TasWater, recognising that running a wastewater treatment plant cannot be considered core business for the Authority and that a broader solution to needs on the Tasman Peninsula is an imperative for the Tasman Council, PAHSMA and government.

**INTERPRETATION**

We worked with 3D visualisation expert Dr Peter Morse in developing a 3D photogrammetrical printed replica wax seal from the Female Factory artefact in late 2016; this made a lovely accompaniment to an interpretive installation, allowing visitors to handle the replica.

After nearly twelve months of focus on what many thought impossible, PAHSMA succeeded in the installation of the Site's and what is possibly the nation's first outdoor olfactory interpretation. The new interpretation associated with the Bakehouse and Cookhouse is located under the walkway within the Bakehouse ruin, using a break beam sensor, vapour and fan force, visitors entering this part of the ruin now enjoy using a different sense to connect to the story of the place.

Above: Coal Mines Historic Site Image:Alastair Bett

Left: 3D Photogrammetric Models of Hospital Laundry Image: courtesy of Sylvana Szydzik





New peg dolls  
Image: Gemma Davie



Bottom:  
Convict tattoos  
Image: Jody Steele

This installation is a considerable innovation in outdoor interpretation on Site and credit goes to PAHSMA's Heritage Programs staff, particularly Michael Smith and Dr Jody Steele.

PAHSMA hosted and hung several art exhibitions during the year. 'Botaniko' was the third exhibition by these botanical illustrators held at the Asylum, running from 23 January to 24 March 2017. The artists who exhibit under the collective identity of 'Botaniko' tailored their exhibition content to plants appropriate to convict period Port Arthur. The Tasman Community Art Group held their successful annual exhibition in the Asylum during October 2016 with improvements in the Asylum Hub showcasing the art in a professional light. The introduction of re-useable, moveable walls that were constructed by the Works Crew has added to the flexibility and display capacity of the space.

### EDUCATION

In July 2016 the new Cascades Female Factory children's activity booklet *Factory Tales* was launched. Using these booklets children can explore the site, hunting out the answers to a series of questions and learning about the life of convict women. Completed books are stamped with a replicated image of the original 'Female House of Corrections' wax seal that is displayed in the Matron's Quarters.

Throughout June and July 2016 a collaboration with the Tasman District School developed a short film aimed at teaching school students about the Coal Mines Historic Site and the ways in which students

can help conserve the site. This film was written and produced by Tasman School Grade 5 students and will be entered into the MyState student film competition.

New activities were developed for the Port Arthur Summer activities program – 'Convict Tattoos' and the two-week 'Signed, Sealed and Delivered – Communication at Port Arthur'. Considerable research was put into these to bring history alive through personalities from the past. Two new peg doll characters were also introduced to represent the Carnarvon era, Eva Novak and Lindsay Kerslake.

The Tasman District School students continued with the construction of the whaleboat model from elements donated to PAHSMA by Mr Philip Fowler. The cooperative venture is proving to be popular with the student participants under the tuition of our Community Advisory Committee member Barry Jennings with Bert Dorgelo. The students have inverted the hull and are starting to work on the interior fit out which is a major milestone for them in the project's life. We supported the Tasman District School students in preparing the model for an outing and temporary exhibition at the Australian Wooden Boat Festival in Hobart which was received well by both the festival organisers and the public alike.

### COLLECTIONS MANAGEMENT

The Tasmanian Audit Office required that PAHSMA undertake a valuation assessment of those parts of its cultural collection holdings which constitute assets as defined in Australian Accounting Standard AASB116, Property, Plant and Equipment. PAHSMA agreed to stage the process with Stage 2 completed by 30 June 2017 and saw a financial value assessment carried out on all material not on exhibition, as well as Port Arthur Collection material. The report provided valuable data and highlighted a number of challenges relating to collections. In addition to the valuation, the Green Army assisted in re-boxing archaeological material from 124 projects, which resulted in 303 non-suitable boxes turned into 519 new inert storage boxes.

Reboxing of archaeological materials Image: Jody Steele

### RESOURCE CENTRE

The digitisation of a range of resources continued, including the complete scanning of the Port Arthur Conservation Project files (1979-1986) and the commencement of the digitisation of the oral history audio-cassettes and video collection.

We engaged a new Resource Centre Officer, Fiona Gleadow. Volunteers continued with significant contributions, in particular the transcribing undertaken by Steve Torley who is working through a series of Convict Department labour ledgers pertaining to Port Arthur (circa late-1860s to the close of settlement). Information from these ledgers will be invaluable as a contribution to the Australian Research Council (ARC) grant project discussed below.

The Tasmanian Government Information Strategy Unit undertook a recordkeeping audit of the Port Arthur Site in August 2016 with recommended tasks to enhance PAHSMA's records and information management practices and documentation to be completed over the next three years.



Deputy Superintendent Thomas Browne notebook.  
Image: Michael Smith

### RESEARCH, PROFESSIONAL AND ACADEMIC COLLABORATIONS AND TRAINING

In November the Australian Research Council announced those successful in the highly competitive and prestigious Discovery Grants program. In a joint project with the University of New England, the University of Tasmania and the UK's University of Liverpool, PAHSMA were awarded just under half a million dollars for a three year project – *Landscapes of Production and Punishment: the Tasman Peninsula 1830-77* – which will explore convict labour management and control, and the systems of production in which convicts were engaged. This project will study the punitive, economic, technological, organisational, legal and social forces that shaped convicts' labour and where they laboured. The project is a major undertaking and will enrich the interpretation, public outreach and education tools for the Tasman Peninsula sites.

PAHSMA continued to engage with the tertiary education sector through contributions to on-site courses, university visits, conference attendance and to professional programs:

- Dr Rosemary Hollow with five students from University of Canberra visited Port Arthur as part of the Heritage Philosophy and Ethics course.

- Eight students from Deakin University took part in a week-long field school at Port Arthur. The course, run by Professor Stephen Cooke and Kristal Buckley AM will become a multi-year association focusing on the Military Precinct.

- Professors Masahito Yoshida and Taiichi Ito with sixteen students from the University of Tsukuba in Japan visited the Port Arthur site for their studies in *Field Practice in World Heritage*. The group's visit to Tasmania was coordinated by Associate Professor Michael Lockwood of the School of Land and Food at the University of Tasmania.

- A new relationship has been developed with the department of Geography and Spatial Sciences at the University of Tasmania to engage students with real-world problems in surveying and spatial data acquisition and analysis. Three students have been engaged in projects establishing baseline data for buildings and landscapes at Port Arthur and the Coal Mines.

- In April PAHSMA staff presented three papers at the University of Queensland's 'Digital Cultural Heritage: Future Visions' conference, two of these as joint authors with colleagues from Heritage Tasmania and Tasmania Parks and Wildlife. These papers addressed the innovative use of new digital technologies in data gathering and also looked at the management implications of moving from an analogue to a digital world.

- Dr Jane Harrington contributed to the teaching program at Deakin University, delivering a one day session as part of the World Heritage masters component.

- The Resource Centre Manager, Susan Hood continued an ongoing involvement with the Digital Information Group (DIG) aimed at enhancing accessibility to Tasmania's colonial records and the information found within them. DIG consists of a working group of managers representing PAHSMA, the Female Convicts Research Centre, Founders and Survivors, the Tasmanian Archive and Heritage Office, and the Tasmanian Family History Society.

- PAHSMA continued to provide representation on the Australian Convict Sites Steering Committee and the Tasmanian Convict World Heritage Site Managers Group.

- A group was hosted from Kingston and Arthur's Vale Heritage Area, Norfolk Island, including the Administrator, Eric Hutchinson, enabling PAHSMA to share and discuss heritage management issues and tourism development.

- Under the Arts Tasmania Artist in Residence Cultural Heritage program, Port Arthur hosted Angela Casey, a photographer from Launceston, whose theme revolves around artefacts 'out of context'. This is a two-stage residency and will be completed in 2017-18.

- Two Green Army programs of some six-months each were completed during the year, funded through the Federal Government Department of Environment and Energy. These have proven to be extremely valuable collaborations with very inspired young people.

### BOARD ADVISORY COMMITTEES

The PAHSMA Conservation Advisory Committee met several times. The committee is chaired by Helen Lardner, with members Dr Michael Pearson AO, Richard Mulvaney, John Hawker, Dr Dianne Snowden AM and Professor Richard Mackay AO.

The Port Arthur Community Advisory Committee continued to meet every two months. The Chair during the year was Roseanne Heyward, with members Tony McIntyre, Carol Dorgelo, Anne Courtney, Kate Sainsbury, Wally Lyne, Pam Fenerty, Ted Barrance, Imelda McShane, Barry Jennings Sue Kadlecek and Stephen Large.

The Cascades Community Advisory Committee was chaired by Dr Dianne Snowden AM, and consisted of members Ros Escott, Judith Wood, Jo Lyngcoln, Dr Christina Henri, David Boon, Phillip Hoysted, Lindsay Brinsdon, Jude Franks, Colette McAlpine and Sandra Lo. The Cascades Community Advisory Committee continued to meet bi-monthly and to engage with PAHSMA management on issues of concern and interest to the local community.

We remain appreciative of the contributions that these Committees make to the PAHSMA Sites and acknowledge the time, interest, highly valued input and support given by the members.



# CASCADES FEMALE FACTORY HISTORIC SITE

During the 2016-17 year, 33 558 visitors were welcomed to Cascades Female Factory Historic Site, the largest number of visitors ever in a year. This was an increase of 9.2% on the previous year's visitation.

Cascades Female Factory continued to offer a tour or performance every hour seven days per week with extra tours run during summer months. 10 739 people elected to take a guided Heritage Tour, an increase of 7.1% on the previous year while 14 970 visitors preferred to self-guide around the Site which represented a 20.7% increase on the number of self-guide tickets sold the previous year. The only day the Site was closed was Christmas Day, with the Site open from 9.30am to 4pm every other day of the year.

Increased communication about the experience with travel trade partners, inclusion in Tasmania-based trade partnerships with Innkeepers and Tas Vacations along with partnership promotions through Southern Cross TV, Radio and the North Melbourne Football Club has contributed to the increase in visitation to Cascades Female Factory.

Volunteers continued to make a major contribution to the functioning of the site. Working alongside our permanent and fixed term employees, volunteers are involved in all operational aspects including tour guiding, retail functions, research, administration and crafts. Without their ongoing efforts and support, the site would not be what it is today. In addition to volunteers there were six permanent and one fixed term employees at the Cascades Female Factory Historic Site.

## TASMANIAN TOURISM AWARDS

The highlight of the year was our success in the Tasmanian Tourism Awards. Cascades Female Factory was entered for the first time in the Cultural Tourism Category. This category recognises tourism operations that foster a greater understanding and appreciation of authentic culture, history, heritage and/or the arts. Although being up against some very strong competitors from across the State, Cascades Female Factory was awarded the 2016 Tasmanian Tourism Award for Cultural Tourism and continued

as a finalist in the national Qantas Australian Tourism Awards held in Darwin on 24 February. It was an honour to win the Tasmanian award and a great team achievement which recognises the hard work put in by all members of the team at Cascades Female Factory.

## OPEN DAY

On 14 May 2017, Mother's Day, the annual Open Day was held, primarily aimed at local residents. Over 6,000 flyers were delivered to homes and businesses in the Hobart area inviting them to join the day and participate in the various activities that were organised. Attractions included an abridged performance of the popular *Her Story* (the play that is performed daily on site), a traditional Australian sausage sizzle, plus stalls and demonstrations by the Spinners and Weavers Guild of Tasmania, the Female Convict Research Centre and the exciting 'Footsteps Towards Freedom' statues were on display. Dr Christina Henri was onsite to discuss her award winning art project, *Roses from the Heart*, and a number of her bonnets were on display.

Various educational but enjoyable activities were organised for children. Peg doll making was a great success with our younger visitors and a new letter writing activity proved very popular. Children were also engaged in our 'Factory Tales' hunt where they were provided with an activity sheet that posed questions that encouraged them to explore the site to find the answers. On successful completion of the hunt, participants were rewarded with a badge and a stamp. Finally, the Matron made an appearance at the Female Factory and being in authentic

period dress, she was a great hit with children and adults alike who lined up to be photographed with her.

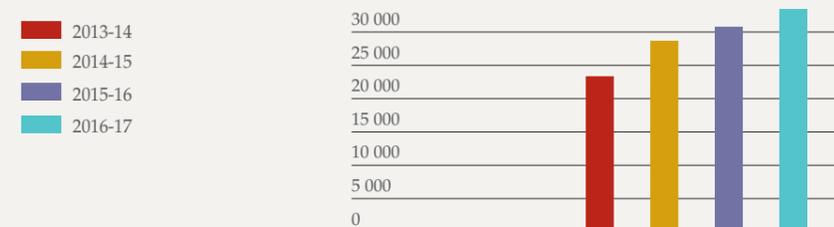
The event was promoted through TV advertising in December and again in partnership with the regional tourism organisation Destination Southern Tasmania in the lead up to the Open Day event on Mother's Day in May. Combined with local print and social media boosting, this promotion increased attendance at the Open Day by over 40%. Partnering with the National Trust as part of the Tasmanian Heritage Festival offered the Cascades Female Factory greater exposure to a wider audience.

Holding the Open Day on Mother's Day highlighted the poignant connection with the site recognising what life was like for the women at the Female Factory, many of who were mothers themselves. With over 700 people attending it was a record breaking day.

## SISTERS OF CHARITY COMMEMORATIVE PLAQUE

On 9 March 2017 pilgrims from the Mary Aikenhead Ministry attended Cascades Female Factory Historic Site for the unveiling of a commemorative plaque that they had produced to mark the 175th Anniversary of the Sisters of Charity in Australia. The bronze plaque was designed to acknowledge sites where the Congregation conducted ministries. The sites include Cascades Female Factory, where Sisters Mary John Cahill, Mary Francis de Sales O'Brien and Mary Xavier Williams, commenced their ministry in 1847. The event was well attended with locals and pilgrims coming from Sydney and the plaque was blessed by Emeritus Archbishop Adrian Doyle.

## CASCADE FEMALE FACTORY VISITOR NUMBERS



The Matron, Catherine Beston Image: Jillian Smith



# FINANCIAL REPORT

## STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2017		2017	2016
	Notes	\$'000s	\$'000s
<i>Continuing operations</i>			
<b>REVENUE</b>			
Fees, Tours and Merchandise Income	2(a)	16 458	15 240
Grant Income	2(b)	3 852	3 751
Interest Income	2(c)	221	199
Other Income	2(d)	3 719	597
<b>TOTAL REVENUE</b>		<b>24 250</b>	<b>19 787</b>
<b>EXPENSES</b>			
Employee expenses	2(e)	( 10 960)	( 9 835)
Cost of goods sold		( 2 885)	( 2 758)
Contractors		( 2 212)	( 1 777)
Depreciation	4.3(b)	( 832)	( 752)
Net Superannuation interest expense		( 280)	( 304)
Materials		( 330)	( 537)
Marketing		( 172)	( 178)
Communications		( 60)	( 63)
Property services		( 421)	( 409)
Interpretation		( 45)	( 88)
Information technology		( 284)	( 215)
Visitors Information		( 96)	( 93)
Assets Derecognised		( 3 310)	—
Other operating expenses		( 1 098)	( 1 062)
<b>TOTAL EXPENDITURE</b>		<b>( 22 985)</b>	<b>( 18 069)</b>
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>1 265</b>	<b>1 718</b>
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net actuarial gains/(losses) of superannuation defined benefit plans	5.3(a)	441	( 861)
Changes in asset revaluation reserve	7.1	3 969	1 066
<b>COMPREHENSIVE RESULT</b>		<b>5 675</b>	<b>1 923</b>

This Statement of Profit and Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



## STATEMENT OF FINANCIAL POSITION

As at 30 June 2017		2017	2016
	Notes	\$'000s	\$'000s
<b>ASSETS</b>			
<i>Current assets</i>			
Cash and deposits	11.1	6 105	8 047
Receivables	4.1	322	143
Inventories	4.2	428	550
Prepayments, accruals and other assets		215	106
<i>Non-current assets</i>			
Property, plant and equipment and infrastructure	4.3	40 831	33 616
<b>TOTAL ASSETS</b>		<b>47 901</b>	<b>42 462</b>
<b>LIABILITIES</b>			
<i>Current liabilities</i>			
Payables		549	522
Provisions	5.1	2 150	1 652
Unearned revenue	5.2	92	469
<i>Non-current liabilities</i>			
Provisions	5.1	7 415	7 797
<b>TOTAL LIABILITIES</b>		<b>10 206</b>	<b>10 441</b>
<b>NET ASSETS</b>		<b>37 695</b>	<b>32 021</b>
<b>EQUITY</b>			
Reserves	7.1	11 551	7 582
Accumulated surpluses		26 144	24 439
<b>TOTAL EQUITY</b>		<b>37 695</b>	<b>32 021</b>

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



## STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

		2017	2016
	Notes	\$'000s	\$'000s
		Inflows (Outflows)	Inflows (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		15 972	15 137
Grants from Government		3 808	3 898
Interest received		226	197
GST receipts		1 023	899
Payments to suppliers and employees		( 18 132)	( 17 156)
GST payments		( 785)	( 546)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	11.2	<b>2 112</b>	<b>2 429</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant, equipment and infrastructure		( 421)	( 197)
Payments for work in progress		( 3 644)	( 574)
Proceeds from the sale of assets		12	35
<b>NET CASH (USED BY) INVESTING ACTIVITIES</b>		<b>( 4 053)</b>	<b>( 736)</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>			
		<b>( 1 941)</b>	<b>1 693</b>
Cash 1 July		8 046	6 353
<b>CASH 30 JUNE</b>	11.1	<b>6 105</b>	<b>8 046</b>

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



## STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

		Reserves	Accumulated surpluses	Total equity
	Notes	\$'000s	\$'000s	\$'000s
<b>BALANCE AS AT 1 JULY 2016</b>				
		<b>7 582</b>	<b>24 438</b>	<b>32 020</b>
<b>BALANCE AS AT 1 JULY 2015</b>				
		<b>6 515</b>	<b>23 581</b>	<b>30 097</b>
<b>Profit (loss) for the year</b>				
		—	1 265	1 265
<b>Other comprehensive income:</b>				
Changes in asset revaluation reserve	7.1	3 969	—	3 969
Net actuarial gains/(losses) of superannuation defined benefit plans		—	441	441
<b>BALANCE AS AT 30 JUNE 2016</b>				
		<b>11 551</b>	<b>26 144</b>	<b>37 695</b>
<b>Profit (loss) for the year</b>				
		—	1 718	1 718
<b>Other comprehensive income:</b>				
Changes in asset revaluation reserve	7.1	1 067	—	1 067
Net actuarial gains/(losses) of superannuation defined benefit plans		—	( 861)	( 861)
<b>BALANCE AS AT 30 JUNE 2016</b>				
		<b>7 582</b>	<b>24 438</b>	<b>32 021</b>

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



# NOTES

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ending 30 June 2017

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For the year ended 30 June 2017

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Objectives and Function

The Port Arthur Historic Site Management Authority (the Authority) is a Government Business Enterprise, established in 1987, in accordance with the *Port Arthur Historic Site Management Act 1987*. The Authority's main objectives are to:

- ensure the preservation and maintenance of the historic site as an example of a major convict settlement and penal institution of the 19th Century;
- use its best endeavours to secure financial assistance by way of grants, sponsorship and other means;
- provide adequate facilities for the use of visitors;
- co-ordinate archaeological activities on the site;
- promote an understanding of the historical and archaeological importance of the site; and
- promote the site as a tourist destination.

1.2 Basis of Accounting

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

- The *Government Business Enterprises Act 1995* and related Treasurer's Instructions; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

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 1.4.

The Financial Statements are compliant with Australian Accounting Standards including the Australian equivalents to International Financial Reporting Standards (AIFRS).

In complying with AIFRS the Authority is ensuring that the Financial Statements and accompanying notes are also compliant with International Financial Reporting Standards (IFRS)

The Financial Statements have been prepared on the basis that the Authority is a going concern.

1.3 Functional and Presentation Currency

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

1.4 Changes in Accounting Policies

Adoption of new and amended Accounting Standards

In the current year, the Authority 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 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not for Profit Public Sector Entities (effective from 1 July 2016).

The Authority has applied AASB 124 Related Party Disclosures for the first time. As a result the Authority has nothing material to disclose. This information is presented in Note 10. The Authority

have implemented a Related Parties Disclosure Policy as a result of the extension of the standard.

- AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value Disclosures of Not-for-Profit Public Sector Entities (effective from 1 July 2016).

The amendment provides relief to not-for-profit public sector entities from certain disclosures about the fair value measurement of property, plant and equipment held for their current service potential rather than to generate net cash inflows that is categorised within Level 3 of the fair value hierarchy. The above amendments have a nil financial effect on the accounts.

Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. The Authority's assessment of the impact of the relevant new standards and interpretations is set out below.

AASB 9 Financial Instruments and 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) (effective from 1 January 2018)

The main impacts of these standards on the Authority are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the Authority's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. Amortised cost is to be used for assets with contractual terms giving rise to principal and interest payments.

Fair value is to be used for all other financial assets. Gains or losses on financial assets at fair value are to be recognised in profit and loss unless the asset is part of a hedging relationship or an irrevocable election has been made to present in other comprehensive income changes in the fair value of an equity instrument not held for trading.

When adopted, the standard will affect calculating impairment losses for the Authority's receivables. Assuming no substantial change in the nature of receivables, as they don't include a significant financing component, impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, the Authority will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised and also factor in any future changes or events.

There will be no impact on the Authority's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Authority does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

AASB 1058 Income of Not-for-Profit Entities, AASB 15 Revenue from Contracts with Customers, and AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities. AASB 2015-8 Amendments to Australian Accounting Standards arising from AASB 15 provides for an effective of application from 1 January 2018.

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 Contributions. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

The Authority has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report include:

- Under the new standards, other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. The Authority is yet to evaluate the existing grant arrangements as to whether revenue from those grants could be deferred under the new requirements.
- Grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. The Authority receives several grants for which there are no sufficiently specific performance obligations. These grants are expected to continue being recognised as revenue upfront assuming no change to the current grant arrangements.
- Depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the Authority has received cash, but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime). The Authority is yet to fully complete its analysis of existing arrangements for sale of its goods and services and the impact on revenue recognition has not yet been fully determined.

AASB 16 Leases (effective from 1 January 2019)

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

AASB 16 will result in most of the Authority's operating leases being brought onto the statement of financial position. There are limited exceptions relating to short-term leases and low-value assets which may remain off the balance sheet. The Authority doesn't have any lease commitments which fall into this category.

The calculation of the lease liability will take into account appropriate discount rates, assumptions about the lease term, and increases in lease payments. A corresponding right to use assets will be recognised, which will be amortised over the term of the lease.

Lessor accounting under AASB 16 remains largely unchanged. For finance leases, the lessor recognises a receivable equal to the net investment in the lease. Lease receipts from operating leases are recognised as income either on a straight-line basis or another systematic basis where appropriate.

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 (effective from 1 January 2017)

Amendments to AASB 107 will require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures will include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities and be disclosed by way of a reconciliation in the notes to the Statement of Cash Flows.



For the year ended 30 June 2017

**2 REVENUE AND EXPENSES**
**INCOME FROM TRANSACTIONS**

Income is recognised in the Statement of Profit and Loss and Other 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.

	2017	2016
	\$'000s	\$'000s
<b>a) Fees, Tours and Merchandise Income</b>		
Entrance fees and tour income	10 737	9 442
Ghost tours	743	780
Food and merchandising sales	4 607	4 671
Cascades Female Factory tours and commercial operations	369	345
Education and training programs	2	2
	<b>16 458</b>	<b>15 240</b>

**Tourism Revenue**

Amounts earned in exchange for the provision of goods (such as food at the cafes and restaurant or products available through the gift shop) are recognised at the time of sale. Revenue from the provision of services (entrance and tour fees) is recognised when the fee in respect to the service is provided.

	2017	2016
	\$'000s	\$'000s
<b>b) Grant Income</b>		
State grant – Cascades Female Factory	375	394
Australian Government grant – Port Arthur	333	121
State grant – Port Arthur	3 144	3 236
	<b>3 852</b>	<b>3 751</b>

**Grants**

Government Grants are recognised as revenue when there is reasonable assurance that the Authority is able to meet the qualifying conditions.

The State Government provided monetary grant funding of \$3 144 000 to the Authority during 2016-17 and \$3 011 000 during 2015-16 for conservation purposes across the Port Arthur and Coal Mines Historic Sites.

The funds were acquitted in accordance with the *Port Arthur Historic Site Management Act 1987* and the Authority's *Statutory Management Plan 2008*.

The State Government provided monetary grant funding of \$375 000 to the Authority during 2016-17 and 2015-16 in support of operations at the Cascades Female Factory Historic Site.

Additional grant funding was provided by the Federal Government in 2014-15 to support the appointment of an Executive Officer for the Australian Convicts Sites over a 3 year period, to be based at Port Arthur. A remaining amount of \$103 152 will be transferred to the NSW Government, Office of Environment and Heritage, to host the Australian Convicts Site Executive Officer in NSW.

The Federal Government provided the following grants which were acquitted during 2016-17.

- Australian Convict Sites Executive Officer, allocated \$108 460
- Australian Convict Sites Signage Project \$86 000
- Coal Mines Historic Site – Entry Point Information and Interpretation Node Project \$58 160
- Isle of the Dead Walkways Stage 2 \$80 000

**Grants (continued)**

In June 2017 The Australian Government provided PAHSMA with the following grant which are currently held in Unearned Revenue as follows:

- National Heritage Sites Program – Department of Environment & Energy for the revision of Statutory Management Plan of \$44 000

	2017	2016
	\$'000s	\$'000s
<b>c) Interest Income</b>		
Interest	221	199
<b>Interest</b>		
Interest on funds invested is recognised as it accrues using the effective interest rate method.		
	2017	2016
	\$'000s	\$'000s
<b>d) Other Income</b>		
Rent, service and licence fees	192	178
Gain on sale of assets	52	33
Fair Value Gain on Asset Revaluation	3 283	312
Other	192	75
	<b>3 719</b>	<b>597</b>

**Other income**

Revenue from rent and service fees is recognised on a straight line basis over the term of the relevant agreement.

Fair value gain on asset revaluation was a result of first time recognition of heritage artefacts

**EXPENSES FROM TRANSACTIONS**

Expenses are recognised in the Statement of Profit and Loss and Other 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.

	2017	2016
	\$'000s	\$'000s
<b>e) Employee Expenses</b>		
Employee expenses	10 262	9 266
Payroll tax	546	498
Worker's compensation	152	71
	10 960	9 835

**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.



For the year ended 30 June 2017

3 SEGMENT INFORMATION

	Port Arthur Historic Site		Cascades Female Factory Historic Site	Consolidated
	Conservation	Tourism		
	\$'000	\$'000	\$'000	\$'000
<b>REVENUE</b>				
Grant	3 477	—	375	3 852
Sales	2	16 153	373	16 528
Interest Revenue	110	111	—	221
Other Income	3 409	221	19	3 649
	6 998	16 485	767	24 250
Conservation expenses	3 258	—	109	3 367
Infrastructure expenses	—	330	85	415
Interest Expense	—	—	—	—
Depreciation	592	225	15	832
Amortisation	—	—	—	—
Operating expenses	—	17 543	828	18 371
	3 850	18 098	1 037	22 985
<b>RESULT 30 JUNE 2017</b>	<b>3 148</b>	<b>( 1 613)</b>	<b>( 270)</b>	<b>1 265</b>
<b>NET ASSETS</b>				
<b>TOTAL ASSETS DEPLOYED</b>	<b>25 251</b>	<b>20 614</b>	<b>2 036</b>	<b>47 901</b>
<b>TOTAL LIABILITIES INCURRED</b>	<b>( 3 768)</b>	<b>( 6 063)</b>	<b>( 375)</b>	<b>( 10 206)</b>
<b>NET ASSETS DEPLOYED</b>	<b>21 483</b>	<b>14 551</b>	<b>1 661</b>	<b>37 695</b>

	Port Arthur Historic Site		Cascades Female Factory Historic Site	Consolidated
	Conservation	Tourism		
	\$'000	\$'000	\$'000	\$'000
<b>REVENUE</b>				
Grant	3 316	41	394	3 751
Sales	2	14 951	345	15 298
Interest Revenue	99	100	—	199
Other Income	250	277	13	540
	3 667	15 369	752	19 787
Conservation expenses	3 331	—	79	3 949
Infrastructure expenses	—	537	7	543
Interest Expense	—	—	—	—
Depreciation	539	199	15	753
Amortisation	—	—	—	—
Operating expenses	—	13 463	( 101)	12 824
	3 870	14 199	—	18 069
<b>RESULT 30 JUNE 2016</b>	<b>( 204)</b>	<b>1 170</b>	<b>752</b>	<b>1 718</b>
<b>NET ASSETS</b>				
<b>TOTAL ASSETS DEPLOYED</b>	<b>21 845</b>	<b>18 955</b>	<b>1 662</b>	<b>42 462</b>
<b>TOTAL LIABILITIES INCURRED</b>	<b>( 1 030)</b>	<b>( 9 411)</b>	<b>—</b>	<b>( 10 441)</b>
<b>NET ASSETS DEPLOYED</b>	<b>20 815</b>	<b>9 544</b>	<b>1 662</b>	<b>32 021</b>

The Authority derived income from:

i) Tourism:

- a) Entrance fees and Ghost tours at the Port Arthur Historic Site
- b) Entrance fees and tours at the Cascades Female Factory Historic Site
- c) Food and merchandise sales
- d) Rentals, services and licence fees

ii) Conservation:

- a) Grant funding from the State and Commonwealth Government for the continual conservation of the Sites
  - b) Publication and research fees
  - c) Donations
- Geographical Information – the Authority operates solely within Australia.



For the year ended 30 June 2017

**4 ASSETS**

4.1 RECEIVABLES		
	2017	2016
	\$'000s	\$'000s
Receivables	138	116
Other receivables	140	5
Insurance claim – worker's compensation	44	22
<b>TOTAL</b>	<b>322</b>	<b>143</b>

Receivables are recognised at amortised cost, less any impairment losses.

4.2 INVENTORIES		
	2017	2016
	\$'000s	\$'000s
Port Arthur gift shop stock	372	439
Food and beverage stock	20	82
Cascades Female Factory gift shop stock	28	22
Brooke Street Stock	2	3
Fuel stock	6	5
<b>TOTAL</b>	<b>428</b>	<b>550</b>

Inventories are measured using the lower of cost or net realisable value.

**4.3 PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE**
**a) Carrying amount**

	2017	2016
	\$	\$
<b>LAND</b>		
At fair value	7 430	6 650
<b>TOTAL</b>	<b>7 430</b>	<b>6 650</b>
<b>BUILDING</b>		
At fair value	4 283	7 448
<b>TOTAL</b>	<b>4 283</b>	<b>7 448</b>
<b>HERITAGE</b>		
Buildings	10 484	10 111
Artefacts and exhibition equipment	3 736	451
<b>TOTAL</b>	<b>14 220</b>	<b>10 562</b>
<b>PLANT, EQUIPMENT AND VEHICLES</b>		
At cost	2 869	2 702
Less: Accumulated depreciation	( 1 827)	( 1 877)
<b>TOTAL</b>	<b>1 042</b>	<b>825</b>
<b>INFRASTRUCTURE</b>		
At fair value	17 255	15 561
Less: Accumulated depreciation	(7 400)	( 7 787)
<b>TOTAL</b>	<b>9 855</b>	<b>7 774</b>
<b>CAPITAL WORKS IN PROGRESS</b>	<b>4 001</b>	<b>357</b>
<b>TOTAL PROPERTY, PLANT AND EQUIPMENT</b>	<b>40 831</b>	<b>33 616</b>

Land and building assets were last independently valued as at 30 June 2017. The valuer was Bill Parsons Certified Practising Valuer of Saunders and Pitt, 14 Victoria Street Hobart. The revaluation was based on market value. Indexation has been provided by Bill Parsons and been applied as at 30 June 2017.

Infrastructure assets were last independently valued as at 30 June 2017. The valuer was Andrew Lovibond of Jacobs, 100 Melville Street Hobart. The revaluation was based on replacement cost. Heritage Collection assets were independently valued as at the 30 June 2017. The valuer was Chris Tassell of Quantitative Research Group, 21 Swanston Street, New Town, Tasmania. The revaluation was based on market value.



For the year ended 30 June 2017

**4 ASSETS** (continued)

**b) Reconciliation of movements**

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.

2017	Land	Buildings	Heritage Assets	Plant Equipment and Vehicles	Infra-structure	Capital Works in Progress	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>CARRYING VALUE AT 1 JULY</b>	6 650	7 448	10 562	825	7 774	357	33 616
Additions	—	—	—	484	15	3 644	4 143
Disposals	—	—	—	( 37)	—	—	( 37)
Transfers	—	57	—	50	( 107)	—	—
	—	(3 310)	—	—	—	—	(3 310)
Newly Identified assets	—	—	3 283	—	—	—	3 283
Revaluation increments (decrements)	780	284	375	—	2 529	—	3 968
Depreciation	—	( 196)	—	( 280)	( 356)	—	( 832)
<b>CARRYING VALUE AT 30 JUNE</b>	7 430	4 283	14 220	1 042	9 855	4 001	40 831
<b>2016</b>							
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>CARRYING VALUE AT 1 JULY</b>	6 600	7 313	9 971	591	6 923	850	32 248
Additions	—	—	—	197	—	574	771
Disposals	—	—	( 15)	( 15)	—	—	( 30)
Transfers	—	—	—	250	817	( 1 067)	—
Newly Identified Assets	—	—	312	—	—	—	312
Revaluation increments (decrements)	50	338	294	—	384	—	1 066
Depreciation	—	( 203)	—	( 198)	( 350)	—	( 752)
<b>CARRYING VALUE AT 30 JUNE</b>	6 650	7 448	10 562	825	7 774	357	33 616

**c) Fair value measurement hierarchy for assets as at 30 June 2017**

2017	Carrying amount as at 30 June 2017	Fair value measurement at end of reporting period using:	
	\$'000s	Level 2	Level 3
	\$'000s	\$'000s	\$'000s
<b>Land at fair value</b>	7 430	7 430	
<b>Buildings at fair value</b>	4 283	4 283	
<b>Infrastructure at fair value</b>	9 855	—	9 855
<b>Heritage Assets</b>			
Buildings	10 484	—	10 484
Artefacts and exhibition equipment	3 736	—	3 736
<b>Total Heritage Assets</b>	<b>14 220</b>	<b>—</b>	<b>14 220</b>
<b>2016</b>			
	Carrying amount as at 30 June 2017	Fair value measurement at end of reporting period using:	
	\$'000s	Level 2	Level 3
	\$'000s	\$'000s	\$'000s
<b>Land at fair value</b>	6 650	6 650	
<b>Buildings at fair value</b>	7 448	7 448	
<b>Infrastructure at fair value</b>	7 774	—	7 774
<b>Heritage Assets</b>			
Buildings	10 111	—	10 111
Artefacts and exhibition equipment	451	—	451
<b>Total Heritage Assets</b>	<b>10 562</b>	<b>—</b>	<b>10 562</b>



For the year ended 30 June 2017

4 ASSETS (continued)

d) Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
<b>HERITAGE ASSETS</b>				
Buildings	Replication cost	Direct cost per square metre	\$100-\$2 750/m <sup>2</sup> (\$1700)	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value.
Artefacts and exhibition equipment	Market Value	Cost per item	N/A	N/A
<b>INFRASTRUCTURE</b>				
Infrastructure	Depreciated replacement Cost	Cost per unit	\$5 000-\$8 000 per unit (\$7 000 per unit)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of plant and equipment	10-25 years (15 years)	Tasmanian construction indexes have remained stable over the last 12 months. Design and useful lives are reviewed regularly but generally remain unchanged. As a result it is unlikely that significant variations in values will arise in the short term.
Roads and infrastructure earthworks	Depreciated replacement Cost	Cost per metre	\$100-\$250 per metre (\$175 per metre)	A significant increase or decrease in cost per unit would result in a significantly higher or lower fair value.
		Useful life of plant and equipment	25-60 years (45 years)	Tasmanian construction indexes have remained stable over the last 12 months. Design and useful lives are reviewed regularly but generally remain unchanged. As a result it is unlikely that significant variations in values will arise in the short term.

e) Depreciation

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 and Heritage Assets are not depreciated.

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

Land	Nil
Buildings – Non Specialised	20-40 years
Heritage assets	Nil
Exhibitions	5 years
Plant and equipment	3-20 years
<b>Infrastructure assets</b>	
Roads, footpaths and bridges	50-100 years
Lighting and communication	20-70 years
Grounds and gardens	7-40 years
Drainage	70-85 years

**Property, plant, equipment and infrastructure**

i) Valuation basis

Land, buildings, infrastructure and other long lived assets are recorded at fair value. All other non-current physical assets are recorded at historic cost less accumulated depreciation and accumulated impairment losses. Heritage buildings are valued at replication cost. Artefacts and exhibition equipment are valued at reproduction cost.

Heritage Asset Valuation assessment has been split into two stages. The first centered on those items from the Props Collection which were on public display in the open houses, museum and interpretation gallery as well as those items from the Props and Port Arthur Collection purchased during the past five years. The first assessment was completed by 30th June, 2016 and reflected in the 2015-16 accounts. The second assessment was completed by 30th June 2017.

The assessment of the fair value of those Heritage items from these collections which met the asset threshold definition as defined by the PAHSMA Board was undertaken in accordance with Australian accounting standards AASB116 and AASB13. The valuation assessment involved the physical assessment of each item from the collection on display as well as the two items in the Props and Port Arthur Collections purchased during the past five years.

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.

ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment and infrastructure 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 Authority 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 threshold adopted by the Authority is \$1 000. Assets valued at less than \$1,000 are charged to the Statement of Profit and Loss and Other 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) Asset revaluation

The Authority undertakes a detailed review of all building and infrastructure assets every three years as part of a revaluation and between these years applies indexation to the values if appropriate.

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

The Authority's assets are re-valued with sufficient regularity to ensure they reflect fair value at balance date.

v) Asset impairment

Assets that have an indefinite useful life are not depreciated but are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.



For the year ended 30 June 2017

5 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.

**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 Authority becomes obliged to make future payments as a result of a purchase of assets or services.

**5.1 PROVISIONS**

	2017	2016
	\$'000s	\$'000s
Accrued wages and salaries	267	130
Annual leave	672	605
Long service leave	1 054	946
On-costs for leave	131	112
Superannuation	7 441	7 657
<b>TOTAL</b>	<b>9 565</b>	<b>9 450</b>
Current	2 150	1 652
Non-current	7 415	7 797
<b>TOTAL</b>	<b>9 565</b>	<b>9 450</b>

**Employee benefits**

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.

**5.2 UNEARNED REVENUE**

	2017	2016
	\$'000s	\$'000s
Commercial Grant Unearned Income	44	436
Credit Card Control Account	10	—
Gift voucher clearing	1	1
Unearned Revenue JRS	37	32
<b>TOTAL</b>	<b>92</b>	<b>469</b>

Government Grants are recognised as revenue when there is reasonable assurance that the Authority is able to meet the qualifying conditions.

In June 2017 The Australian Government provided PAHSMA with the following grant which is currently held in Unearned Revenue as follows:

- National Heritage Sites Program – Department of Environment & Energy for the revision of Statutory Management Plan of \$44 000
- Since the commencement of a new ticketing and booking system, during the 2015-16 financial year, PAHSMA has been able to record gift vouchers and pre-purchased tickets.

For the year ended 30 June 2017

5 LIABILITIES (continued)

5.3 SUPERANNUATION

a) Movement in Net Defined Benefit Liability/Asset

The following table shows how the Statement of Financial Position item relating to superannuation under AASB 119 has changed over the last two years:

Financial year ending	2017	2016
	\$'000s	\$'000s
Net defined benefit liability/(asset) at start of year	7 657	6 546
(+) Defined benefit cost	400	422
(+) Remeasurements	( 441)	861
(-) Employer Contributions	( 176)	( 172)
Net defined benefit liability/ (asset) at end of year	7 441	7 657

b) Estimate of Defined Benefit Cost for year ending 30 June 2018

The estimate of Port Arthur's defined benefit cost for the year ended 30 June 2018 is summarised below:

Financial year ending	2018
	\$'000s
Current Service Cost	119
Net Interest	313
Past service cost	^
Gain/loss on settlements	^
Estimated defined benefit cost	432

^ not known until end of year

The defined benefit cost recognised in profit and loss will be affected by any past service costs, curtailments or settlements that occur during the year.

c) Estimate of Net Defined Benefit Liability/Asset for year ending 30 June 2018

An estimate of the net defined benefit liability that will need to be included in Port Arthur's Statement of Financial Position at 30 June 2018 is shown below. It has been calculated assuming that actual experience matches the assumptions made.

Financial year ending	2018
	\$'000s
Net defined benefit liability/(asset) at start of year	7 441
(+) Estimated defined benefit cost	432
(+) Estimated remeasurements	^
(-) Estimated employer Contributions	( 441)
Estimated net defined benefit liability/ (asset) at end of year	7 432

^ amount not known until end of year

d) Nature of the benefits provided by the Scheme – Defined Contribution Plans

Members of the Contributory Scheme receive lump sum benefits on resignation and lump sum or pension benefits on retirement, death or invalidity. The Contributory Scheme is closed to new members.

e) Description of the regulatory framework

The Scheme operates under the *Public Sector Superannuation Reform Act 2016* and the *Public Sector Superannuation Reform Regulations 2017*.

Although the scheme is not formally subject to the Superannuation Industry (Supervision) (SIS) legislation, the Tasmanian Government has undertaken (in a Heads of Government Agreement) to operate the scheme in accordance with the spirit of the SIS legislation.

As an exempt public sector superannuation scheme (as defined in the SIS legislation), the scheme is not subject to any minimum funding requirements.

RBF is a complying superannuation fund within the provisions of the *Income Tax Assessment Act 1997* such that the fund's taxable income is taxed at a concessional rate of 15%. However RBF is also a public sector superannuation scheme which means that employer contributions may not be subject to the 15% tax (if the Tasmanian Government and RBF elect) up to the amount of "untaxed" benefits paid to members in the year.

f) Description of other entities' responsibilities for the governance of the Scheme

Prior to 1 April 2017 the RBF Board was responsible for the governance of the Scheme. From 1 April 2017 the Superannuation Commission (the Commission) has fiduciary responsibility for, and oversees the administration of, the Scheme. The day to day

running of the Scheme is managed by the Office of the Superannuation Commission, within the Department of Treasury and Finance.

g) Description of risks

There are a number of risks to which the Scheme exposes Port Arthur. The more significant risks relating to the defined benefits are:

- Investment risk – The risk that investment returns will be lower than assumed and employers will need to increase contributions to offset this shortfall over the long term.
- Salary growth risk – The risk that wages or salaries (on which future benefit amounts will be based) will rise more rapidly than assumed, increasing defined benefit amounts and the associated employer contributions over the long term.
- Inflation risk – The risk that inflation is higher than anticipated, increasing pension payments and the associated employer contributions over the long term.
- Benefit options risk – The risk is that a greater proportion of members who joined prior to 1 July 1994 will elect the pension option, which is generally more costly than the alternative lump sum option.
- Pensioner mortality risk – The risk is that pensioner mortality will be lighter than expected, resulting in pensions being paid for a longer period.
- Legislative risk – The risk is that legislative changes could be made which increase the cost of providing the defined benefits.



For the year ended 30 June 2017

## 5 LIABILITIES (continued)

## 5.3 SUPERANNUATION

## h) Description of significant events

During 2016 the Tasmanian Government passed the *Public Sector Superannuation Reform Act 2016*, which reforms the administration arrangements for the provision of public sector superannuation in Tasmania. Whilst this legislation changed the entities responsible for the governance of the Scheme it did not affect the contributions payable to or the benefits payable by the Scheme

## i) Reconciliation of the Net Defined Benefit Liability/(Asset)

As at	2017	2016
	\$'000s	\$'000s
Defined Benefit Obligation	8 734	8 717
(-) Fair value of plan assets	( 1 293)	( 1 060)
Deficit/ (surplus)	7 441	7 657
(+) Adjustment for effect of asset ceiling	—	—
<b>NET DEFINED BENEFIT LIABILITY/ (ASSET)</b>	<b>7 441</b>	<b>7 657</b>
Current net liability	( 441)	( 325)
Non-current net liability	7 000	7 332

## j) Reconciliation of the Fair Value of Scheme Assets

Financial Year Ending	2017	2016
	\$'000s	\$'000s
<b>FAIR VALUE OF PLAN ASSETS AT BEGINNING OF THE YEAR</b>	<b>1 060</b>	<b>1 194</b>
(+) Interest income	37	55
(+) Actual return on plan assets less interest income	210	( 177)
(+) Employer contributions	176	172
(+) Contributions by plan participants	46	47
(-) Benefits paid	( 225)	( 220)
(-) Taxes, premiums & expenses paid	( 10)	( 11)
(+) Transfers in	—	—
(-) Contributions to accumulation section	—	—
(+) Settlements	—	—
(+) Exchange rate changes	—	—
<b>FAIR VALUE OF PLAN ASSETS AT END OF THE YEAR</b>	<b>1 294</b>	<b>1 060</b>

## k) Reconciliation of the Defined Benefit Obligation

Financial Year Ending	2017	2016
	\$'000s	\$'000s
<b>PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS AT BEGINNING OF THE YEAR</b>	<b>8 717</b>	<b>7 740</b>
(+) Current service cost	135	118
(+) Interest cost	302	359
(+) Contributions by plan participants	46	47
(+) Actuarial (gains)/ losses arising from changes in demographic assumptions	( 67)	—
(+) Actuarial (gains)/ losses arising from changes in financial assumptions	( 785)	1 090
(+) Actuarial (gains)/ losses arising from liability experience	621	( 406)
(-) Benefits paid	( 225)	( 220)
(-) Taxes, premium & expenses paid	( 10)	( 11)
(+) Transfers in	—	—
(-) Contributions to accumulation section	—	—
(+) Past service cost	—	—
(+) Gain/ loss on settlements	—	—
(+) Settlements	—	—
(+) Exchange rate changes	—	—
<b>PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS AT END OF THE YEAR</b>	<b>8 734</b>	<b>8 717</b>

## l) Reconciliation of the Effect of the Asset Ceiling

The asset ceiling has no impact on the net defined benefit liability/(asset).



For the year ended 30 June 2017

5 LIABILITIES (continued)

5.3 SUPERANNUATION

(m) Fair value of Scheme assets – Para 142

As at 30 June 2017 <sup>^</sup>	2017
	\$'000s
<b>ASSET CATEGORY</b>	
International equities	257
Diversified fixed interest	66
Property	179
Alternative investments	359
Cash and cash equivalents	211
Australian equities	220
<b>TOTAL</b>	<b>1 292</b>

<sup>^</sup>Estimated based on assets allocated to Port Arthur as at 30 June 2017 and asset allocation of the Contributory Scheme as at 31 March 2017.

The following table shows the percentage of each class of asset that have a quoted market price in an active market for RBF as a whole as at 30 June 2016.

As at 30 June 2016	Total	Level 1 Quoted prices in active markets for identical assets	Level 2 Significant observable inputs	Level 3 Unobservable inputs
<b>ASSET CATEGORY</b>				
Cash and cash equivalents	100%	45.3%	54.7%	0.0%
Equity instruments	100%	7.0%	85.0%	8.0%
Debt instruments	100%	0.0%	100%	0.0%
Derivatives	100%	0.1%	99.9%	0.0%
<b>TOTAL</b>	<b>100%</b>	<b>34.1%</b>	<b>63.7%</b>	<b>2.2%</b>

(n) Fair value of Entities Own Financial Instruments

The fair value of Scheme assets includes no amounts relating to:

- any of Port Arthur's own financial instruments
- any property occupied by, or other assets used by Port Arthur.

Assets are not held separately for each reporting entity but are held for the Fund as a whole. The fair value of Scheme assets for each reporting entity was estimated by allocating the total Fund assets in proportion to the value of each reporting entity's funded liabilities, calculated using the assumptions outlined in this report, with the exception of the discount rate. For the purposes of allocating assets to each reporting entity, we have used the Government Bond yield of 3.3%, in order to be consistent with the allocation of assets reported to the Department of Treasury and Finance.

o) Significant Actuarial Assumptions at the Reporting Date

Financial year ending	2017	2016
<b>ASSUMPTIONS TO DETERMINE DEFINED BENEFITS COST AND START OF YEAR DBO</b>		
Discount rate (active members)	3.55% pa	4.80% pa
Discount rate (pensioners)	3.55% pa	4.80% pa
Expected rate of increase of compulsory preserved amounts	4.50% pa	4.50% pa
Expected salary increase rate	3.00% pa	3.00% pa
Expected pension increase rate	2.50% pa	2.50% pa
<b>ASSUMPTIONS TO DETERMINE END OF YEAR DBO</b>		
Discount rate (active members)	4.35% pa	3.55% pa
Discount rate (pensioners)	4.35% pa	3.55% pa
Expected rate of increase of compulsory preserved amounts	3.00% pa	3.00% pa
Expected salary increase rate	3.00% pa	4.50% pa
Expected pension increase rate	2.50% pa	2.50% pa



For the year ended 30 June 2017

5 LIABILITIES (continued)

5.3 SUPERANNUATION

p) Sensitivity analysis

The defined benefit obligation as at 30 June 2017 under several scenarios is presented below. Scenario A and B relate to discount rate sensitivity. Scenario C and D relate to expected pension increase rate sensitivity.

	Base Case	Scenario A -1% pa discount rate	Scenario B +1% pa discount rate	Scenario C -1% pa pension increase rate	Scenario D +1% pa pension increase rate
Discount rate	4.35% pa	3.35% pa	5.35% pa	4.35% pa	4.35% pa
Pension Increase	2.50% pa	2.50% pa	2.50% pa	1.50% pa	3.50% pa
Defined benefit obligation (A\$'000)	8 734	9 735	7 908	8 004	9 595

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

6 COMMITMENTS AND CONTINGENCIES

6.1 Contingent Assets and Liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

COMMITMENTS AND CONTINGENCIES	2017	2016
	\$'000s	\$'000s
Visitor Centre Redevelopment Commitment	10 728	—

The Authority is currently redeveloping its Visitor Centre. During the year the Visitor Centre was demolished which resulted in the asset being derecognised and written off. The carrying value of the Buildings as at the date of derecognition, April 2017 was \$3.31m. The cost of the redevelopment is approximately \$13.1m with \$7.1m of the costs being funded by the cash flows of the Authority and the remaining \$6m to be funded through a loan with TasCorp for a period of 10 years. As at 30 June 2017, the Authority had unused loan facilities of \$6.2m. \$200,000 of the unused debt facility expired on the 30 June 2017.

Quantifiable Contingencies (Assets)

A long term lease of land between PAHSMa and another party expired on 30 June 2015. Negotiations are continuing with the lessee to extend the lease for a further term. The building on the land under negotiation was valued as at 30 June 2017 at a value of \$185 000.

7 RESERVES

7.1 ASSET REVALUATION RESERVE

	Land	Buildings	Infrastructure	Heritage Assets	Total
2017	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
<b>ASSET REVALUATION RESERVE</b>					
Balance at the beginning of financial year	1 770	3 028	2 187	597	7 582
Revaluation increments / (decrements)	780	284	2 529	376	3 969
<b>BALANCE AT END OF FINANCIAL YEAR</b>	<b>2 550</b>	<b>3 312</b>	<b>4 716</b>	<b>973</b>	<b>11 551</b>
<b>2016</b>					
<b>ASSET REVALUATION RESERVE</b>					
Balance at the beginning of financial year	1 720	2 690	1 803	302	6 515
Revaluation increments / (decrements)	50	338	384	295	1 067
<b>BALANCE AT END OF FINANCIAL YEAR</b>	<b>1 770</b>	<b>3 028</b>	<b>2 187</b>	<b>597</b>	<b>7 582</b>

8 AUDITOR'S REMUNERATION

	2017	2016
	\$'000s	\$'000s
Amounts paid or payable to the external auditors for the audit of the accounts	35	39
	<b>35</b>	<b>39</b>

9 FOREGONE REVENUE

	2017	2016
	\$'000s	\$'000s
The Authority offers discounts to holders of student and pension cards on the sale of site tickets.		
Potential ticket sales	2 452	2 291
Discount given	( 777)	( 716)
<b>NET TICKET SALES</b>	<b>1 675</b>	<b>1 575</b>



For the year ended 30 June 2017

10 RELATED PARTY DISCLOSURES

10.1 DIRECTOR REMUNERATION

The following tables disclose the remuneration details for each person who acted as a director during the current and previous financial years. Directors are paid in accordance with the Director and Executive Remuneration guidelines and appointed in accordance with the Board Appointment guideline as issued by the Department of Treasury and Finance.

Director Remuneration	Directors' Fees	Committee Fees	Superannuation <sup>1</sup>	Other <sup>2</sup>	Total
<b>2017</b>					
<b>NON-EXECUTIVE DIRECTORS</b>					
Sharon Sullivan – Chairperson	31 667	—	3 008	—	34 675
Kristal Buckley	14 022	—	1 332	—	15 354
Suzanne Clark	14 022	—	1 332	—	15 354
Michael Field	14 022	—	1 332	—	15 354
Judith Franks	14 022	—	1 332	—	15 354
Peter McKay	14 022	—	1 332	—	15 354
<b>EXECUTIVE DIRECTOR</b>					
Stephen Large – CEO <sup>3</sup>	—	—	—	—	—
<b>TOTAL</b>	<b>101 777</b>	<b>—</b>	<b>9 668</b>	<b>—</b>	<b>111 445</b>

Director Remuneration	Directors' Fees	Committee Fees	Superannuation <sup>1</sup>	Other <sup>2</sup>	Total
<b>2016</b>					
<b>NON-EXECUTIVE DIRECTORS</b>					
Sharon Sullivan – Chairperson	31 301	—	2 974	—	34 275
Kristal Buckley	13 860	—	1 317	—	15 177
Suzanne Clark	13 860	—	1 317	—	15 177
Michael Field	13 860	—	1 317	—	15 177
Judith Franks	13 860	—	1 317	—	15 177
Peter McKay	13 860	—	1 317	—	15 177
<b>EXECUTIVE DIRECTOR</b>					
Stephen Large – CEO <sup>3</sup>	—	—	—	—	—
<b>TOTAL</b>	<b>100 601</b>	<b>—</b>	<b>9 558</b>	<b>—</b>	<b>110 159</b>

<sup>1</sup> Superannuation means the contribution to the superannuation fund of the individual. Superannuation benefits for members of a defined benefit scheme were calculated using a notional cost based on the actuarial cost method.

<sup>2</sup> Other includes the total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased).

<sup>3</sup> The CEO does not receive additional remuneration as a Director.



For the year ended 30 June 2017

10 RELATED PARTY DISCLOSURES (continued)

10.2 EXECUTIVE REMUNERATION

The following table discloses the remuneration details for personnel that acted as a senior executive during the current and previous financial years:

	Salary <sup>1</sup>	Short term incentive payments <sup>2</sup>	Termination benefits <sup>3</sup>	Super-annuation <sup>4</sup>	Vehicles <sup>5</sup>	Other benefits <sup>6</sup>	Other non-monetary benefits <sup>7</sup>	Total
2017	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXECUTIVE REMUNERATION</b>								
Stephen Large Chief Executive Officer	193 636	—	—	18 395	5 708	—	35 239	252 978
Jane Harrington Director Conservation & Infrastructure	160 939	—	—	16 682	2 738	—	21 005	201 364
Anne McVilly Director Tourism Operations	150 045	—	—	14 254	—	—	30 872	195 171
Jennifer Fitzpatrick Marketing Manager (from 1/8/16)	94 881	—	—	9 013	—	—	—	103 894
Nicole Roberts Chief Financial Officer	106 989	—	—	10 163	—	—	2 841	119 993
Carol Armstrong Human Resources Manager	109 023	—	—	10 357	—	—	14 320	133 700
	<b>815 513</b>	<b>—</b>	<b>—</b>	<b>78 864</b>	<b>8 446</b>	<b>—</b>	<b>104 277</b>	<b>1 007 100</b>
<b>ACTING SENIOR EXECUTIVES</b>								
Kate McCarthy Acting Marketing Manager (1/7/16 – 26/8/16)	19 192	—	5 763	1 823	—	—	—	26 778
	19 192	—	5 763	1 823	—	—	—	26 778
<b>TOTAL</b>	<b>834 705</b>	<b>—</b>	<b>5 763</b>	<b>80 687</b>	<b>8 446</b>	<b>—</b>	<b>104 277</b>	<b>1 033 878</b>

1 Gross Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.

2 Short term incentive payments do not apply to the Port Arthur Historic Site Management Authority.

3 Termination benefits include all forms of benefit paid or accrued as a consequence of termination.

4 Superannuation means the contribution to the superannuation fund of the individual. Superannuation benefits for members of a defined benefit scheme were calculated using a notional cost based on the actuarial cost method.

5 Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

6 Other benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.

7 Other non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services and so on). No key management personnel appointed during the period received

a payment as part of his or her consideration for agreeing to hold the position.

	Salary <sup>1</sup>	Short term incentive payments <sup>2</sup>	Termination benefits <sup>3</sup>	Super-annuation <sup>4</sup>	Vehicles <sup>5</sup>	Other benefits <sup>6</sup>	Other non-monetary benefits <sup>7</sup>	Total
2016	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>EXECUTIVE REMUNERATION</b>								
Stephen Large Chief Executive Officer	197 148	—	—	18 729	4 512	—	8 578	228 967
Jane Harrington Director Conservation & Infrastructure	160 925	—	—	15 288	3 703	—	3 868	183 784
Anne McVilly Director Tourism Operations	148 364	—	—	14 095	—	—	3 715	166 174
Andrew Ross Marketing Manager	90 789	—	5 099	9 109	—	—	—	104 997
Nicole Roberts Chief Financial Officer	116 012	—	—	11 021	—	—	2 861	129 894
Carol Armstrong Human Resources Manager	110 610	—	—	10 508	—	—	643	121 761
	<b>823 849</b>	<b>—</b>	<b>5 099</b>	<b>78 750</b>	<b>8 216</b>	<b>—</b>	<b>19 665</b>	<b>935 579</b>
<b>ACTING SENIOR EXECUTIVES</b>								
Kate McCarthy Acting Marketing Manager (8/4/15 – 4/9/15 and 2/5/16 – 30/6/16)	31 739	—	—	3 000	—	—	1 865	36 604
	31 739	—	—	3 000	—	—	1 865	36 604
<b>TOTAL</b>	<b>855 588</b>	<b>—</b>	<b>5 099</b>	<b>81 750</b>	<b>8 216</b>	<b>—</b>	<b>21 530</b>	<b>972 183</b>



For the year ended 30 June 2017

**10 RELATED PARTY DISCLOSURES** (continued)

**10.3 RELATED PARTY TRANSACTIONS**

Nothing to declare in the 2016-17 financial year.

**11 CASH FLOW RECONCILIATION**
**11.1 CASH AND DEPOSITS**

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

	2017	2016
	\$'000s	\$'000s
Cash	199	2 191
Automatic teller machine	—	44
Deposits at call	5 906	5 812
<b>TOTAL</b>	<b>6 105</b>	<b>8 047</b>

**11.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES**

	2017	2016
	\$'000s	\$'000s
<b>NET RESULT FROM PROFIT/(LOSS) FOR THE YEAR</b>	<b>1 265</b>	<b>1 718</b>
Depreciation and amortisation	832	752
Loss/(Gain) on Sale of property, equipment and vehicles	( 52)	( 5)
Fair Value Gain on Asset Revaluation	( 3 283)	( 312)
Asset Devalued	3 310	—
Non cash movement in superannuation	225	250
Decrease (increase) in Receivables	( 180)	38
Decrease(increase) in Prepayments, accruals and deposit paid	( 104)	( 43)
Decrease (increase) in Inventories	122	( 83)
Increase (decrease) in Employee Benefits	331	173
Increase (decrease) in Creditors	31	( 205)
Increase (decrease) in Unearned Revenue	( 385)	147
<b>NET CASH FROM (USED BY) OPERATING ACTIVITIES</b>	<b>2 112</b>	<b>2 429</b>

**12 FINANCIAL INSTRUMENTS**
**12.1 Risk Exposure**
**Risk Management Policies**

The Authority's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable.

The Board of Directors has overall responsibility for the establishment of the Authority's financial risk management framework. This includes the development of policies covering specific areas such as price risk, interest rate risk, credit risk and liquidity risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Authority's activities. The day to day risk management is carried out by the Authority's finance function under policies and objectives which have been approved by the Board of Directors. Management has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate, price, liquidity and foreign exchange rate risks and assessment of market forecasts for interest rate and foreign exchange movements.

The Board receives bi-monthly reports which provide details of the effectiveness of the processes and policies in place.

The Authority does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Mitigation strategies for specific risks faced are described below.

**a) Credit risk exposures**

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

The Authority does not have any material credit risks.

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of these financial assets (net of any provisions) as presented in the Statement of Financial Position.

The Authority has no significant concentration of credit risk with any single counterparty or group of counterparties.

The following tables analyse financial assets that are past due but not impaired:

	2017	2016
	\$'000s	\$'000s
<b>RECEIVABLES</b>		
Current	63	22
30 days	44	66
60 days	18	12
91+ days	13	16
<b>TOTAL</b>	<b>138</b>	<b>116</b>

**Liquidity risk**

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

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit risk profile;
- managing credit risk related to financial assets;
- investing surplus cash; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.



For the year ended 30 June 2017

12 FINANCIAL INSTRUMENTS (continued)

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The primary market risk that the Authority is exposed to is interest rate risk.

Changes in variable rates of 100 basis points at reporting date would have the following effect on the Authority's profit or loss and equity:

Sensitivity analysis of Authority's exposure to Possible Changes in Interest Rates

	Statement of Comprehensive Income		Equity	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
<b>2017</b>				
Financial assets	2	( 2)	2	( 2)
<b>NET SENSITIVITY</b>	<b>2</b>	<b>( 2)</b>	<b>2</b>	<b>( 2)</b>
<b>2016</b>				
Financial assets	21	( 21)	21	( 21)
<b>NET SENSITIVITY</b>	<b>21</b>	<b>( 21)</b>	<b>21</b>	<b>( 21)</b>

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2016.

12.2 FINANCIAL INSTRUMENT COMPOSITION AND MATURITY ANALYSIS

	Weighted average effective interest rate (%)	Floating interest rate	Fixed interest rate maturing in 1 year or less	Non-interest bearing	Total carrying amount per Statement of Financial Position
<b>2017</b>		\$'000s	\$'000s	\$'000s	\$'000s
<b>FINANCIAL ASSETS</b>					
Cash	2.69	153	5 906	46	6 105
Receivables and accruals	—	—	—	322	322
<b>TOTAL</b>		<b>153</b>	<b>5 906</b>	<b>368</b>	<b>6 427</b>
<b>FINANCIAL LIABILITIES</b>					
Creditors and accruals	—	—	—	547	547
<b>TOTAL</b>		<b>—</b>	<b>—</b>	<b>547</b>	<b>547</b>

	Weighted average effective interest rate (%)	Floating interest rate	Fixed interest rate maturing in 1 year or less	Non-interest bearing	Total carrying amount per Statement of Financial Position
<b>2016</b>		\$'000s	\$'000s	\$'000s	\$'000s
<b>FINANCIAL ASSETS</b>					
Cash	2.78	2 105	5 812	129	8 047
Receivables and accruals	—	—	—	143	143
<b>TOTAL</b>		<b>2 105</b>	<b>5 812</b>	<b>272</b>	<b>8 189</b>
<b>FINANCIAL LIABILITIES</b>					
Creditors and accruals	—	—	—	522	522
<b>TOTAL</b>		<b>—</b>	<b>—</b>	<b>522</b>	<b>522</b>



For the year ended 30 June 2017

**13 OTHER SIGNIFICANT ACCOUNTING POLICIES**

**13.1 Judgements and Assumptions**

In the application of Australian Accounting Standards, the Authority is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by the Authority which have significant effects on the Financial Statements include:

- Employee benefits, note 5.1
- Superannuation, note 5.2
- Property, plant and equipment and infrastructure, note 4.3

The Authority 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.

**13.2 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.

**13.3 Taxation**

The Authority is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax and the Goods and Services Tax. Section 66 of the *Government Business Enterprises Act 1995* specifies those GBEs that are required to pay income tax equivalents. The Authority has been exempted from paying income tax equivalents.

**13.4 Comparatives**

The previous year's figures are provided in the financial report for comparative purposes. Where applicable, the comparative figures have been adjusted to conform to changes in presentation and classification in the current year.

**13.5 Rounding**

All amounts in the Financial Statements have been rounded to the nearest dollar, unless otherwise stated.

**13.6 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.

**14 EVENTS OCCURRING AFTER BALANCE DATE**

There have been no events subsequent to balance date which would have a material effect on the Authority's Financial Statements at the date of certification.

# AUDITOR'S INDEPENDENCE DECLARATION



Level 8, 144 Macquarie Street, Hobart, Tasmania, 7000  
 Postal Address: GPO Box 851, Hobart, Tasmania, 7001  
 Phone: 03 6173 0900 | Fax: 03 6173 0999  
 Email: admin@audit.tas.gov.au  
 Web: www.audit.tas.gov.au

10 October 2017

The Board of Directors  
 Port Arthur Historic Site Management Authority  
 Arthur Highway  
**PORT ARTHUR TAS 7182**

Dear Board Members

**Auditor's Independence Declaration**

In relation to my audit of the financial report of Port Arthur Historic Site Management Authority for the financial year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of Australian Auditing Standards in relation to the audit
- (b) any applicable code of professional conduct in relation to the audit.

As agreed with the Audit Committee, a copy of this declaration must be included in the Annual Report.

Yours sincerely

Rod Whitehead  
**Auditor-General**

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## Independent Auditor's Report

To the Members of Parliament

Port Arthur Historic Site Management Authority

Report on the Audit of the Financial Report

### Opinion

I have audited the financial report of the Port Arthur Historic Site Management Authority (the Authority) which comprises the statement of financial position as at 30 June 2017, the statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the certification statement by the directors.

In my opinion, the accompanying financial report:

- (a) presents fairly, in all material respects, the Authority's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year then ended
- (b) is in accordance with the *Government Business Enterprises Act 1995* 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 Report* section of my report. I am independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report 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.

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I confirm that the independence declaration was provided to the directors of the Authority on the same date as this auditor's report.

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

### Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. These matters were addressed in the context of my audit of the financial report 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
--	---

<b>Land, Buildings and Infrastructure Assets</b> <i>Refer to notes 4.3 (a) – (d)</i>	
---	--

The Authority recognises land and buildings at fair value using a market valuation approach. In addition, assets including roads, bridges, footpaths, and sewerage and water infrastructure are recognised at fair value, determined using the depreciable replacement cost of the assets.

The valuation of these assets involves significant judgement and estimation. Revaluation is complex in nature and relies upon the advice of an expert and data inputs from management.

During 2016-17, experts engaged by the Authority provided the following valuations:

- land and buildings, \$11.7m
- infrastructure assets, \$9.8m.

In 2015-16 a significant redevelopment was approved for the construction of a new Visitor Centre at an estimated cost of \$13.1m. Construction of the new building commenced in April 2017, on the site of the previous building. At 30 June 2017, the Authority had expended \$4.0m on the new building.

The existing visitor centre, with a carrying value of \$3.3m, was derecognised through the statement of profit and loss and other comprehensive income.

- Obtaining and reviewing the valuation assessments prepared by the independent valuers engaged by the Authority.
- Assessing the methodology used by the external valuers to estimate fair values.
- Evaluating the external valuer's competence, capabilities and objectivity.
- Ensuring the data inputs into the valuation had been considered by the valuer.
- Assessing the revised useful lives of the infrastructure assets for reasonableness.
- Evaluating the year-end work in progress schedule to ensure that new items were legitimate capital expenditure.
- Review capital commitments disclosed within the financial report for reasonableness.
- Evaluating disclosures in the notes to the financial report for compliance with Australian Accounting Standards.

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**Heritage Assets****Refer to notes 4.3 (a) – (d)**

Heritage buildings were independently valued at 30 June 2017 using a replication cost method that reflected the valuation of the heritage value or quality embodied in the asset. The nature of heritage assets requires significant judgement and expertise in valuation.

During 2015-16, heritage collections were valued as part of a progressive recognition of artefacts and exhibition equipment. Phase two of the revaluation process was conducted in 2016-17.

Expert assessment valued the assets at \$3.7m, but noted archaeology, building and the 1996 collections did not meet the definition of an asset and were not recognised.

- Obtaining and reviewing the valuation assessments prepared by the independent valuers engaged by the Authority.
- Assessing the methodology used by the external valuers to estimate fair values.
- Evaluating the external valuer's competence, capabilities and objectivity.
- Examining disclosures in the notes to the financial report for compliance with Australian Accounting Standards.

**Responsibilities of the Directors for the Financial Report**

The directors of the Authority are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and the *Government Business Enterprises Act 1995* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

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

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 report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

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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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Authority'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 report 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 Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the directors 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.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the directors, I determine those matters that were of most significance in the audit of the financial report 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.



Rod Whitehead  
**Auditor-General**

**Tasmanian Audit Office**

10 October 2017  
Hobart

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# DECLARATIONS

For the year ended 30 June 2017

## SUPERANNUATION CERTIFICATION

In the opinion of the Chief Executive Officer, PAHSMA has met its obligations under the Superannuation Guarantee Act for any employee for which PAHSMA makes Superannuation Guarantee contributions who is or becomes a member of a complying superannuation scheme, or a Retirement Savings Account (RSA) other than the Contributory Scheme (Section 55 of the *Public Sector Superannuation Reform Act 2016*).



**STEPHEN LARGE**  
Chief Executive Officer  
1 September 2017

## PUBLIC INTEREST DISCLOSURE (PID)

The following report is made in compliance with the *Public Interest Disclosures Act 2002* Section 86. The PAHSMA Public Interest Disclosures procedure can be accessed on the PAHSMA website at portarthur.org.au under 'About Us'.

Number and types of disclosures made to PAHSMA during the year and the number determined to be a public interest disclosure	Nil
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Number of disclosures determined by the relevant public body to be public interest disclosures that it investigated during the year	Nil
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The number and types of disclosed matters referred to the public body during the year by the Ombudsman	Nil
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The number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate	Nil
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The number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year	Nil
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The number and types of disclosed matters that the relevant public body has declined to investigate during the year	Nil
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The number and type of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation; and	Nil
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Any recommendations made by the Ombudsman that relate to the relevant public body	Nil
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**STEPHEN LARGE**  
Chief Executive Officer  
1 September 2017

## STATEMENT OF CERTIFICATION

In the opinion of the directors of Port Arthur Historic Site Management Authority:

- a) the financial statements and notes of the Authority are in accordance with the *Government Business Enterprises Act 1995* including:
  - i) giving a true and fair view of the results and cash flows for the year ended 30th June 2017 and the financial position at the 30th June 2017 of the Authority;
  - ii) complying with the Australian Standards and Interpretations and with the Treasurer's Instructions
- b) there are reasonable grounds to believe the Authority will be able to pay its debts as and when they fall due.

This declaration has been made after receiving the following declaration from the Chief Executive Officer and Chief Financial Officer:

- a) the financial records of the Authority for the year ended 30th June 2017 have been properly maintained in accordance with section 51 of the *Government Business Enterprises Act 1995*;
- b) the financial statements and notes for the year ended 30th June 2017 have been prepared in accordance with section 52 of the *Government Business Enterprises Act 1995*; and
- c) the financial statements and notes for the year ended 30th June 2017 give a true and fair view.

Signed in accordance with a resolution of the directors:



**MICHAEL FIELD**  
Director  
5 October 2017



**SUZANNE CLARK**  
Director  
5 October 2017

## CONSERVATION EXPENDITURE

In the opinion of the directors of the Port Arthur Historic Site Management Authority, all grants, including Capital Investment Program Funds, provided by the Tasmanian Government for conservation expenditure, have been reported in accordance with Treasurer's Instruction GBE 08-52-01P *Accounting for Grants Used to Fund Conservation Expenditure*.

Signed in accordance with a resolution of the Board.



**MICHAEL FIELD**  
Director  
5 October 2017



**SUZANNE CLARK**  
Director  
5 October 2017



