

ANNUAL REPORT 2017-18



PORT ARTHUR HISTORIC SITE MANAGEMENT AUTHORITY





Penitentiary precinct Image: Alastair Bett

Cover: New Visitor Centre at Port Arthur Historic Site Image: Adam Gibson courtesy JAWS Architects

ANNUAL REPORT 2017-18

PORT ARTHUR HISTORIC SITE MANAGEMENT AUTHORITY

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.*
- People Matter:**  *We acknowledge and show respect to our people – past, present and future.*
- Accountability:**  *We hold ourselves, and each other, accountable for our actions and behaviours.*
- Passion and Pride:**  *We are committed to being world class.*



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 2018.
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
12 September 2018



PETER MCKAY

Director
12 September 2018

Chair's Review	4
Chief Executive Officer's Report	6
The Board	8
Executive Group	10
Governance	11
<hr/>	
The Year at a Glance	12
Port Arthur Historic Site Visitor Centre	16
Statement of Corporate Intent	18
Contribution to the State Economy	20
Our People	22
Tourism Operations	24
Marketing	28
Conservation and Infrastructure	30
Cascades Female Factory Historic Site	36
<hr/>	
Financial Report – 30 June 2018	38
Auditor's Independence Declaration	75
Independent Auditor's Report	76
Declarations	80



We are celebrating another year of success enjoyed throughout PAHSMA, mainly due to the positive transformation that has been occurring across our Sites and with our people as we strive to provide outstanding conservation and tourism experiences.

We welcome the growth in visitor numbers which mirror the positive tourism growth enjoyed in Tasmania, but also acknowledge that with such growth comes increased workloads for the entire PAHSMA team. The past year has brought both challenges and achievements for us all. Rising to these challenges, our people have developed and are practising the PAHSMA Values: Unity, People Matter, Accountability, and Passion and Pride.

A most significant achievement, detailed later in this report, has been the completion and reopening of our redeveloped Port Arthur Historic Site Visitor Centre, thanks to the professional efforts of our builder, Vos Constructions and the many subcontractors that worked on the new building. The dedication and enthusiasm of our entire Port Arthur Historic Site team was crucial to the success of this project and in particular Marty Passingham, Anne McVilly, Jane Harrington, Jody Steele, Maria Stacey, Nicky Roberts and Jennifer Fitzpatrick contributed much time to ensuring the project was delivered to the highest possible quality while keeping the visitor experience foremost in their minds. The Board is delighted and humble in acknowledging this achievement.

PAHSMA is entrusted with the conservation of the heritage values of the properties under our care and we need to be sure that our growing visitor numbers do not, in the future, threaten these values. To this end we have commenced a Carrying Capacity Study which will give us the information to ensure that with our growing visitor numbers our heritage values are conserved, and that employee satisfaction levels and visitor experiences are maximised. Our research to date shows limited work has been done in this space in the past and as the project evolves we hope to share this information with other Tasmanian organisations that face similar challenges.

It was pleasing to announce Tasmanian architectural firm, Liminal Studio partnered with Snøhetta and Rush Wright as the winners of the architectural design competition for our Cascades Female Factory History and Interpretation Centre. This announcement is just the beginning of another challenging major capital project for PAHSMA's future.

The effects of climate change on our Sites, as evidenced by the severe storm event in May 2018, continues to be a real and ever-present threat and a regular discussion topic within PAHSMA and now with other external stakeholders. Our scientific studies together with monitoring, research and rectification works at the Coal Mines are focussed on reducing the damage caused by erosion, salination and rising sea levels, and our team are in valuable discussions with other experts to ensure we protect our Sites for future generations.

Disappointingly, success has not been forthcoming with regard to the Federal Group's luxury hotel resort development plans which were first proposed over 10 years ago. During this year, PAHSMA has worked with the Federal Group to progress their plans, however discussions have stalled as the Federal Group are assessing their future needs relating to proposed changes in gaming reform in Tasmania. As this development will be located on our doorstep and provide high-end accommodation to tourists visiting the Tasman Peninsula, in addition to employment opportunities for our local community, PAHSMA is hopeful that the Federal Group will resume talks early in the coming financial year to create a development that will enhance the Site's values and its World Heritage status.

During the year PAHSMA has raised the concerns of our stakeholders regarding potential gun law reforms with key decision makers. PAHSMA has a special responsibility to do this and we will continue to support the Board's firm commitment to the principle that no legislative changes in gun laws in Australia should weaken the effect of current statutes.

The year has been immensely rewarding for the Authority and on behalf of PAHSMA

and the Board I extend appreciation and gratitude to our Minister and Premier, the Hon. Will Hodgman MP, and to the Tasmanian and Australian Governments generally for supporting PAHSMA's achievements in conservation and our contributions to the Regional and State economies through our tourism operations.

Finally, I wish to express my sincere gratitude to our people and volunteers, my Board colleagues, the CEO Stephen Large, the PAHSMA Executive, our Community Advisory Committees and the PAHSMA Conservation Advisory Committee. During 2017-18 we have shown that with unity we can achieve significant milestones in our conservation, tourism and corporate culture aims while creating a foundation for a successful and sustainable future.



PROFESSOR SHARON SULLIVAN AO FAHA
Chair



Inset:
Professor Sharon Sullivan AO
with Premier Will Hodgman MP
at opening of Visitor Centre
Image: Alastair Bett

Port Arthur Gallery within the new Visitor Centre at Port Arthur Historic Site Image: Adam Gibson courtesy JAWS Architects

Without doubt, 2017-18 has been a pivotal year for PAHSMA culminating in the completion of the new Port Arthur Historic Site Visitor Centre, an immensely challenging and important project for the organisation. The official reopening by PAHSMA's Portfolio Minister and Premier of Tasmania, the Hon. Will Hodgman MP was held on 18 December 2017.

This was the largest capital building project in PAHSMA's history. It was completed on budget and on time and is a credit to all of the PAHSMA team involved, the Project Control Group, Project Superintendent Michael Pender and his team, the architects Rosevear Stephenson and Tasmanian builders Vos Constructions.

The expanded building provides a delightfully improved experience for our visitors, including a state-of-the art Interpretation Gallery, the new 1830 Restaurant & Bar and enhanced facilities and workspaces for our team. The improvements made in our ticketing, food and retail areas have already significantly reduced visitor wait times and enabled a greater range and quality of products to be on offer.

PAHSMA aims to support Tasmanian businesses at all of our Sites whenever local services are competitive in terms of quality and price. The Visitor Centre construction and fitout plus a range of projects completed during the year have ensured many local and Tasmanian businesses have been contracted.

Despite most of our Port Arthur Historic Site tourism operations functioning from containers and temporary facilities during the Visitor Centre redevelopment, the Site enjoyed another record year with 368 862 day time visitors. This is an outstanding result, being 10.7% above budget and an increase of 9.6% on the previous year.

The strong visitation result was boosted significantly by the cruise ship sector with 26 vessels docking at Port Arthur. This is a valued tourism market providing a welcome revenue source to both PAHSMA and many local Tasman Region businesses. This is complemented by increased employment and economic benefits for an area highly dependent on the tourism industry. It is fair to say that economic advantages from cruise

ship visits has contributed to PAHSMA's funding for the Visitor Centre redevelopment and other key projects, which may have not been previously possible.

The continued growth of international visitation to the Port Arthur Historic Site is delightedly acknowledged, and in particular the Chinese market which has increased by 60% over the last year. This has enabled growth in staffing levels for our permanent Visitor Services team.

The Cascades Female Factory Historic Site has also experienced record results with 38 576 visitors, a notable increase of 14.9% on the previous year.

While more detail will be covered throughout this report, I am pleased to advise that a number of important projects have either commenced or continued during the last year. These include a review of the Statutory Management Plan, the development of a Carrying Capacity Study, substantial design and documentation for the proposed History and Interpretation Centre at the Cascades Female Factory Historic Site, completion of Stage 1 of the Isle of the Dead walkway, further work on the Penitentiary interpretation, product development planning, discussions with Navigators on future ferry considerations, a review of PAHSMA's Performance Management System, monitoring and research on the effects of climate change at our Sites, and advancement in an Australian Research Council project – *Landscapes of Production and Punishment* in partnership with the University of New England and the University of Tasmania.

To support our vision to be globally recognised for excellence, PAHSMA hosted a number of groups during the year including Deakin University, ICOMOS China, Tsukuba University, Dunhuang Academy, University of New England, Tourism Industry Council of Tasmania, Tourism Tasmania Board and others. In addition, our own expert people have represented PAHSMA at various Tasmanian, National and international forums and participated in industry relevant training programs.

Notwithstanding, while we have achieved some outstanding outcomes we have faced some significant challenges as a growing organisation including an increasing workload pressure on the management and operational teams in most areas. While I am hoping the next year will provide some consolidation time for our people to have some well-earned leave to recharge the batteries, we are seeking to address resource constraints while achieving operational improvements.

Our people – as ever – have performed amazingly over the last year in professionally handling the large volume of visitors, coping with the added pressures of the Visitor Centre redevelopment and conserving and presenting all three Sites to a very high standard. The feedback from visitors and other stakeholders continues to be very positive.

PAHSMA's commitment to the local community has continued as we have worked closely with our two Community Advisory Committees, 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 and Premier, the Hon. Will Hodgman MP
- Chair Professor Sharon Sullivan AO FAHA and PAHSMA Board members for their continued contribution, support and guidance
- our hard working and committed employees
- members of the Port Arthur and the Cascades Female Factory Community Advisory Committees and their respective Chairs, Barry Jennings and Dr Dianne Snowden AM
- members of the PAHSMA Conservation Advisory Committee, chaired by Helen Lardner
- our colleagues at Parks & Wildlife and Pennicott Wilderness Journeys who with PAHSMA deliver the increasingly popular Three Capes Track

- 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, Heritage Tasmania and the Tourism Industry Council of Tasmania
- Peter, John & Michael Roche and the Navigators team
- our Work Health and Safety Committee
- our volunteers at all three Sites
- the Port Arthur and Tasman Tourism Association Committee with Chair Heather Henri
- Gaye Wright and the Tasman Gazette staff
- the PAHSMA Executive team.

The year ahead will be another active one as we focus on our priority projects outlined in our Corporate Plan. While continuing to develop our people and refine our systems we will also be progressing necessary approvals for the new History and Interpretation Centre at the Cascades Female Factory Historic Site, finalising our Statutory Management Plan review and installing more walkways on the Isle of the Dead. Managing an anticipated growth in visitor numbers while refining our tourism operations will continue as we aim to enhance our visitors experience to ensure we are world class.

The 2017-18 year has been a momentous one for PAHSMA and it is with a great sense of pride that we can positively reflect on what has been achieved.



STEPHEN LARGE
Chief Executive Officer



New Visitor Centre at Port Arthur Historic Site Image: Adam Gibson courtesy JAWS Architects

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 AC 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 Advisory Group 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

Board meetings held	
6	
Meetings attended:	
4	Sharon Sullivan
6	Michael Field
6	Jude Franks
6	Suzanne Clark
6	Peter McKay
5	Kristal Buckley
6	Stephen Large



PAHSMA Board
(left to right):
Sharon Sullivan
Stephen Large
Jude Franks
Michael Field
Suzanne Clark
Peter McKay
Kristal Buckley

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 has been supported by an excellent team consisting of Debbie Williams, Maggie Dsouza, Elise Roberts, Tanya Dalton and Maddy Wade who display the organisational values every day.

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, Marty Passingham and James O'Regan, 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 and product development. Anne McVilly sits on the Management Committee of the Australian Cruise Association, the peak cruise marketing body for the Australian and Pacific regions. Anne played a critical role in the Visitor Centre redevelopment including overseeing the Food & Beverage package, joinery, furniture, equipment and interior fit-out whilst ensuring continuity of operations and the quality visitor experience during and after construction. Anne works closely with her direct team of Cathy Howard, Maria Stacey, Jake Bradshaw, Ben Bate, Dan McKenzie, Peta Daley and Debbie Williams while being supported by an amazing group of employees who exhibit passion and pride for their roles, our visitors and our Sites.

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, Tracey Rainbird and Susan Brown. During the year, the team wished Sam Webb the best of luck as she moved to an alternate government HR role in Hobart, and welcomed Pauline Wood. 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, fundraising, media and public relations. With the support of the Sales and Marketing Coordinator, Sophie Kelly, the team is able to be responsive to the changing digital marketing landscape to actively engage with wider audiences and promote PAHSMA's Sites through national, state and regional tourism forums.

GOVERNANCE ARRANGEMENTS

PAHSMA operates in accordance with the State Government's 'Guidelines for Tasmanian Government Businesses – Corporate Governance Principles'.

The Audit, Risk and Governance Committee assists the Board in fulfilling oversight responsibilities relating to financial statements, internal controls, compliance and the annual external audit. During the year the committee comprised of Board members, the Hon. Michael Field AC, the Hon. Peter McKay and Suzanne Clark together with the CEO Stephen Large and the Chief Financial Officer, Nicky Roberts.

RISK MANAGEMENT

PAHSMA has Risk Registers and Emergency Management Plans for all three of our Sites to ensure the organisation has systems and procedures in place to mitigate risks and to respond to challenges or emergencies in a safe and effective manner. A significant review of these are underway, particularly as they relate to the new Visitor Centre.

As PAHSMA sites are defined as Crowded Places, our HR Officer Work Health and Safety, Philip Johnston has attended forums and conducted risk assessments and security audits at our staffed sites to assess levels of risk and identify gaps. The identified risks at the Port Arthur Historic Site have been further reduced with the Visitor Centre redevelopment through the addition of enhanced vehicle traffic controls, door entry controls and expanded security surveillance systems.

PAHSMA has a Business Continuity Plan in place which is reviewed regularly with the Business Continuity Committee. This year PAHSMA has engaged the services of a local consultant to facilitate the implementation of a PAHSMA Records Retention and Disposal Schedule to further reduce corporate risks.

OVERSEAS TRAVEL

PAHSMA's Director Tourism Operations, Anne McVilly, travelled to Santa Clarita, Los Angeles and Fort Lauderdale USA in March 2018, to represent Tasmania with the Australian Cruise Association (ACA) at Seatrade Global. This global cruise trade show and conference is a key international business to business event, attended by leaders and decision makers of all major cruise lines. Attendance enables PAHSMA to grow relationships with cruise lines while promoting our Sites, and this year Anne also attended conference sessions on the Future Cruise Passenger and Overtourism. Returning to Tasmania via New Orleans, Anne was able to undertake a Ghost Tour and visit other large tourism attractions to identify further visitor management strategies for consideration at our Sites. The cost of this one travel trip equated to \$6 894.



PAHSMA
Executive Group
(left to right):
Nicky Roberts
Jane Harrington
Anne McVilly
Carol Armstrong
Jennifer Fitzpatrick

OUR ACHIEVEMENTS

Conservation expenditure of \$3.63M was applied to projects across the World Heritage convict sites managed by PAHSMA. Some of the notable conservation and infrastructure achievements included:

- Redevelopment works valued at \$13.1M were completed on the Port Arthur Historic Site Visitor Centre
- Completion of Stage One of Isle of the Dead walkways
- Resetting of four headstones on the Isle of the Dead
- New climate control doors installed at the historical home, Trentham
- New drainage at the Commandant's House
- Replacement of the footbridge over Radcliffe Creek
- Conservation and reinstallation of the Messengers Door at the Cascades Female Factory
- Stone repairs to the wall dividing Yards 3 and 4 at the Cascades Female Factory
- Selection and announcement of the Cascades Female Factory History and Interpretation Centre architectural design competition winner, Liminal Studio with Snøhetta and Rush Wright
- Remedial works to erosion damage at the Coal Mines coastal area
- Upgrade works on the Wastewater Treatment Plant
- New curriculum activity 'Breaking the Code' and contribution to 'The Colonisation of Hobart' digibook
- Preparation and loan of collection items for the National Gallery of Victoria's exhibition 'Colony: Australia 1770-1861'.

VISITOR NUMBERS

- In 2017-18 the Port Arthur Historic Site welcomed 368 862 day visitors (a 9.6% increase on the previous year) and 29 648 Ghost Tour visitors (being 11% down on last year)
- The number of Chinese visitors arriving at Port Arthur Historic Site (excluding groups) increased by 60% compared to the previous year
- 26 cruise ships docked in Port Arthur
- Cascades Female Factory Historic Site welcomed 38 576 visitors (an increase of 14.9% on the previous year).

SUSTAINABILITY

- Port Arthur Historic Site actively promotes sustainable visitation and operations. The installation of an eWater sanitiser and other eco-certified products in the new Visitor Centre reduce the effects on the environment
- The PAHSMA 'Healthy at Work' program continues the emphasis on personal well-being in the workplace
- Port Arthur Historic Site actively sources both local produce and services with 62 local suppliers and 27 local contractors located within 70kms, resulting in a greater quality of food, improved local relationships and a reduction in food miles and travel time
- During this year PAHSMA commenced a submission for Eco Certification with Ecotourism Australia.



Local produce served in the 1830 Restaurant and Bar
Image: Sam Shelley

OFFICIAL VISITORS

Following are the notable visitors that have been welcomed to the Port Arthur Site during the year:

18 July & 18 December 2017

- The Hon Rebecca White MP, Leader of the Opposition & Member for Lyons

21 September & 18 December 2017

- Mr Brian Mitchell MP, Federal Member for Lyons

2 October 2017

- HE Mr Abel Guterres, Ambassador Extraordinary and Plenipotentiary of Timor-Leste with Mr Domingos Savio, Counsellor, Embassy of Timor-Leste and Dr Nitin Verma, Hon. Consul for Timor-Leste in Tasmania

18 December 2017 & 30 May 2018

- The Hon Will Hodgman MP, Premier of Tasmania

23 December 2017

- Crown Prince Frederik and Crown Princess Mary of Denmark

11 April 2018

- Tourism Industry Council of Tasmania

24 April 2018

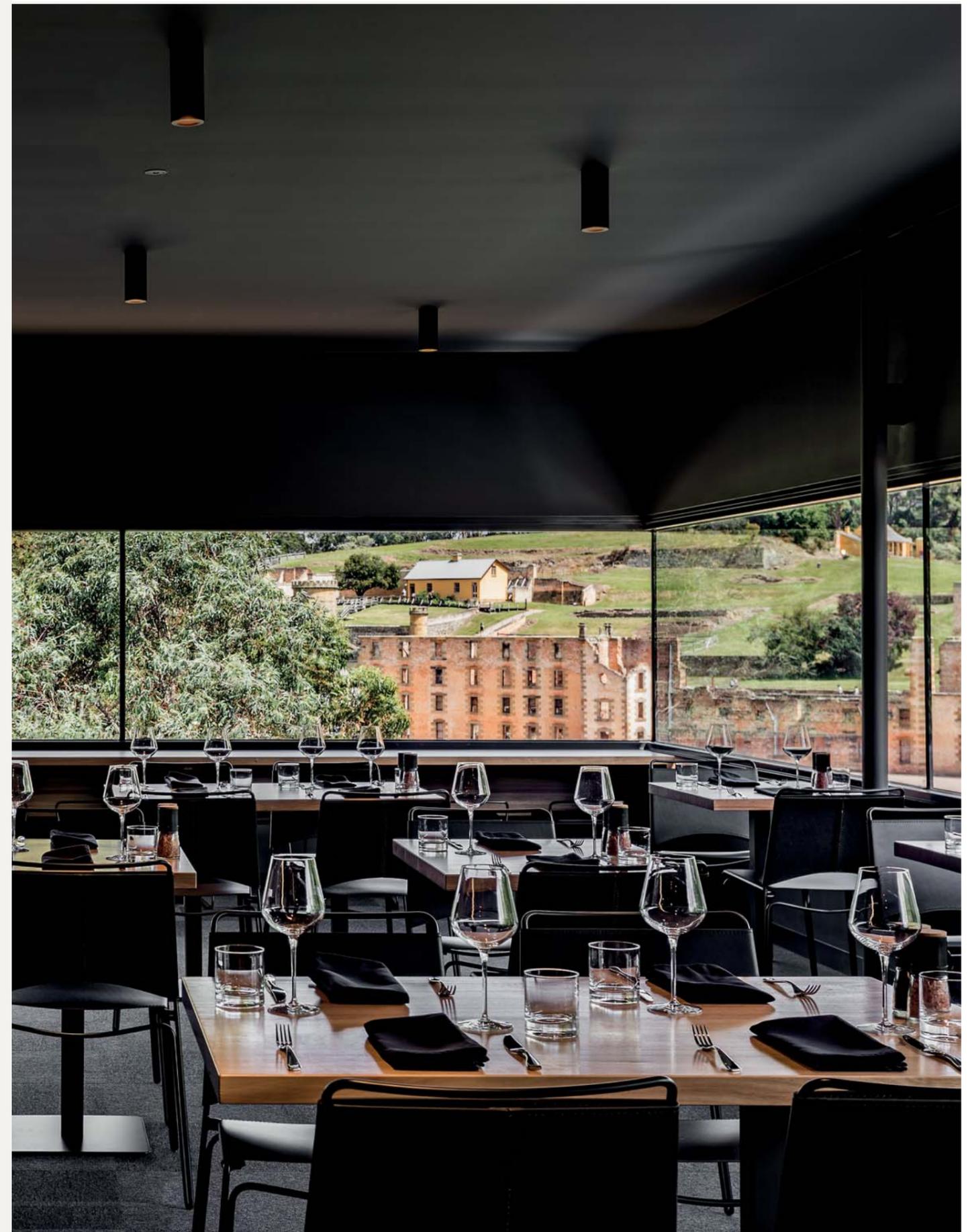
- HE Mr Manuel Innocencio De Lacerda Santos Jr, Ambassador of Brazil

31 May 2018

- The Tourism Tasmania Board

6 June 2018

- HE Mohamed Khairat, Ambassador of Egypt



The interior of 1830 Restaurant and Bar Image: Adam Gibson courtesy JAWS Architects



Port Arthur Gallery Image: Alastair Bett

DUNHUANG ACADEMY

This year PAHSMA was honoured to welcome five representatives from the Dunhuang Academy in China as part of our ongoing exchange with this World Heritage listed site. As well as a range of fruitful exchanges about conservation programs, carrying capacity, human resource management and shared issues, our visitors provided PAHSMA with invaluable insights into providing the best experience for our Chinese visitors, which will prove important in our ability to progress in this growing market.

AWARDS

PAHSMA received the following awards in the 2017-18 financial year:

- **Tasmanian Tourism Awards**
Award Winner for Port Arthur Historic Site in the Cultural Tourism Attraction category
- **Australian Tourism Awards**
Silver award for Port Arthur Historic Site in the Cultural Tourism category
- **Australian Traveller People's Choice Awards**
Award Winner for Port Arthur Historic Site as the Best Historical Site in Australia

• **TripAdvisor**

Port Arthur Historic Site listed in the Top Ten Landmarks in Australia

• **Destination Southern Tasmania's Southern Stars Awards**

Highly commended in the Rising Star category for PAHSMA employee, Kendal Garrett

SUPPORTING THE LOCAL COMMUNITY

PAHSMA acknowledges the importance of the local community to our operations and future and ensures that the community are considered, consulted and celebrated by our Sites in a variety of ways, including:

- Free entry to local ratepayers and residents
- Exhibitions by local artists
- Artisan market stalls for cruise ship visits
- Local provedore section in the new Port Arthur Historic Site Gift Shop
- Port Arthur Talks program
- Boxing Day Woodchop
- Carols by Candlelight
- Annual memorial cricket match
- VET and return to work programs
- Work Experience Programs with the Tasman District School
- Community Advisory Committees at Port Arthur and Cascades Female Factory
- Participation in the Port Arthur and Tasman Tourism Association
- Supporting Rotary and the Lions Club

PORT ARTHUR TALKS PROGRAM

Port Arthur Historic Site hosts talks by authoritative speakers on a variety of topics relevant to our history, conservation, environmental issues and research. These are offered free of charge to attendees.

TALK 108 – 23 August 2017

Cooking the colonial way

- Sally Wise
Celebrity chef

TALK 109 – 25 October 2017

Edward Swarbreck Hall

- Dr Carey Denholm AM
Former Professor and Dean of Graduate Research at the University of Tasmania
- Professor Stefan Petrow
Department of History and Classics
University of Tasmania

TALK 110 – 20 February 2018

Sarcoptic mange in wombats

- Dr Scott Carver
Lecturer in Wildlife Ecology at the University of Tasmania

TALK 111 – 5 April 2018

Cleansing the Colony: Transporting convicts from New Zealand to Van Diemen's Land

- Dr Kristyn Harman
Senior Lecturer in History at the University of Tasmania

TALK 112 – 21 June 2018

The evacuation of that scene of wickedness and wretchedness: Jeremy Bentham and his panopticon penitentiary versus New South Wales

- Dr Tim Causer
Senior Research Associate at the Bentham Project from University College London.

Port Arthur Historic Site representatives accepting Tourism Award
Image: Alastair Bett



PORT ARTHUR HISTORIC SITE VISITOR CENTRE

PAHSMA is extremely proud of the new Port Arthur Historic Site Visitor Centre and how it immediately provides visitors with an impressive sense of arrival, one truly worthy of our World Heritage status. Our largest ever capital building project, the redeveloped Visitor Centre was officially reopened on 18 December 2017. The official opening was celebrated with our Portfolio Minister for Heritage and Premier, the Hon. Will Hodgman MP together with many dignitaries, guests, contractors, employees, local community members and the PAHSMA Board in attendance.

UNDER CONSTRUCTION

The 11 months preceding the opening were indeed challenging with a carefully executed plan ensuring that all visitor services, tour, retail and food and beverage operations continued during the construction period. PAHSMA is extraordinarily grateful and proud of the contribution and tolerance of our people who found themselves in less than perfect work surroundings for the coldest months of the year. The fact that no adverse visitor feedback was received during the building works literally speaks for itself.

The project was a huge undertaking both financially at \$13.1M and operationally. It required the total closure of the pre-existing Visitor Centre for over 6 months while visitor services were relocated to other temporary locations. This included the use of some of the historic buildings, for example the gift shop was relocated to the Policeman's Cottage and our Convict Card Gallery found a home in the Farm Overseer's Cottage. Our Visitor Services team moved to demountable temporary office accommodation while most of our Food and Beverage preparation was relocated to both on and off-site alternatives. PAHSMA was able to support the local community during the redevelopment by hiring the local Lions Club food van and the Tasman Golf Club kitchen to ensure we continued to offer sustenance to visitors, construction workers and our employees throughout the project.

NEW FEATURES

The 'new' building was completed on time and on budget, and has provided the Site with an immensely improved and world class facility. Our goals in the project were to provide a sense of arrival, an improved visitor experience as an essential response to the increasing visitation and to improve the working environment for our team.

- The physical and operational benefits derived from the project have included:
- dramatically enhanced capacity to manage ticketing and information services in peak periods
 - spacious light filled offices for our Visitor Services team
 - an expanded café to address growing visitor numbers
 - enhanced public areas and toilet facilities
 - professionally stream-lined and enhanced Food and Beverage operations and offerings
 - a renewed restaurant dining experience with the opening of 1830 Restaurant and Bar (the name being selected after seeking creative input from employees)
 - improved visitor access and product range in our new Gift Shop
 - a comfortable and usable check-in area for Three Capes Track walkers, and
 - an amazingly functional and impressive *Port Arthur Gallery*.



NEW INTERPRETATION

Our engagement with visitors in terms of interpretation has responded to the challenges of a new hi-tech world and the expectations of communications in a World Heritage place with the much overdue redesign of our newly named *Port Arthur Gallery*. Among other initiatives, the gallery features a new *Stack of Stories* to reflect the post-convict characters associated with Port Arthur and includes welcome stories and histories of the current generation of Port Arthur people through video-interviews. This has met our goal to tell a more complete story of the Port Arthur Historic Site. Another welcome addition is the interactive and oversized *Nine Men's Morris* game. The new gallery also achieves our aims by presenting details of our World Heritage listing and why the convict story has been recognised as internationally significant.

THANKS

Our people have managed extremely well in transitioning to a totally new environment and in some cases with new state of the art equipment, despite being provided with access to the building one week before reopening and two weeks prior to our peak season. PAHSMA wishes to thank and acknowledge the many consultants, contractors and sub-contractors who were involved in the success of this project, ensuring PAHSMA's complex needs were met.

A huge congratulations and thanks are again passed on to the entire PAHSMA team for their dedication, diligence and focus on maintaining a quality visitor experience at all times throughout the project.

New Visitor Centre
cafe area
Image: Adam Gibson
courtesy JAWS Architects



Port Arthur Gallery Images: Alastair Bett



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 include a Statement of Corporate Intent each year in both our Corporate Plan and Annual Report. The Statement of Corporate Intent summarises our strategic management approach and determines the key performance measures 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 included in 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) that establishes the cultural significance of the Sites and sets out the broad strategic policies required to conserve that significance. The basic tenet 'there is nothing more important about the future management of the Port Arthur Historic Sites than the obligation to achieve their long term conservation' is adopted.

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. PAHSMA has also been successful in obtaining additional grant funding.

PAHSMA's Tourism Operations activities are driven by the vision to provide a globally recognised visitor experience that highlights the Sites' heritage significance in both a meaningful and rewarding way to visitors. Tourism Operations aim to maximise financial returns from visitors to the Sites and from commercial operations that the Authority undertakes. The Tourism Plan sets the direction for the management of tourism operations and provides tourism strategies and actions for 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 employees.
 - Located 100km from PAHSMA's main administrative centre, travel is often required to and from the Cascades Female Factory Historic Site to enable effective training, administration and management to occur.
 - 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 continue 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 Historic Sites and their respective post-convict histories.

OUR STRATEGIC DIRECTION

Building on PAHSMA's Vision, Purpose and Values, our Key Priorities for the foreseeable future are focussed on:

- 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 as per Government guidelines to improve transparency and accountability for GBEs. It formally commits PAHSMA to strive to achieve the targets set. The key performance indicators for the 2017-18 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 (KPI's)

FINANCIAL INDICATORS 2017-18	TARGET	ACTUAL
Gross earnings (\$m)	20.25	21.42
Operating profit/(loss) (\$m)	(0.99)	0.62
Commercial Revenue (\$'000)	16 598	16 478
Yield per visitor (\$)	44.03	41.48
Commercial Expenses (\$'000)	13 684	13 970
Conservation Expenses (all sites)(\$'000)	6 073	3 665
NON-FINANCIAL INDICATORS 2017-18	TARGET	ACTUAL
Day Entry visitors	333 000	368 862
Ghost tour participants	32 400	29 648
Female Factory visitors	34 977	38 576
Customer satisfaction levels	90%	94%
% of annual conservation projects completed within budget, scope and on time	90%	75%
Penitentiary Precinct Interpretation Project % of project completed at 30 June	100%	100%
% of Visitor Centre at Port Arthur completed at 30 June	100%	100%
% of IOD Boardwalk replacement Stage 2 completed at 30 June	100%	40%



CONTRIBUTION TO THE STATE ECONOMY

PAHSMA is Tasmania's only tourism and heritage Government Business Enterprise and is committed to making a positive difference to Tasmania. PAHSMA attracts visitors to the State and to the Tasman Peninsula due to our ongoing promotion of the three historic convict sites, and the excellent experiences offered. This results in a substantial economic benefit at both a 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 2017-18 PAHSMA's operations:
- directly employed 173 individual staff providing work and ongoing training and development in a region which has unemployment rates that exceed the State average
 - utilised a Tasmanian architect and builder for the Visitor Centre redevelopment
 - engaged many Tasmanian businesses to supply goods and services
 - sourced local products for sale in the Gift Shop
 - used local produce in food and beverage outlets where possible
 - participated in collaborative partnerships with other Tasmanian entities to market our Sites and our State both nationally and internationally.

PAHSMA welcomed three school-based trainees as part of a pilot program initiated by the Tasmanian Government's School to Work Youth Employment Program including hosting a work readiness session run by the Beacon Foundation to target students from Sorell and Tasman Schools. Following a short work placement potential trainees were invited to apply for positions funded in Certificate II Horticulture, Certificate III Business (Administration) and Certificate II Kitchen Operations. PAHSMA was the first government entity to get positions off the ground under this program and our Learning & Development Officer, Anne Hoyle, has been providing support to other agencies who are yet to start the process. This activity has a direct positive impact on our economy and community.

FINANCIAL RESULT

In 2017-18 PAHSMA's operating profit was \$0.622M compared to 2016-17 which was \$1.265M. PAHSMA has recorded an increase in Entry Fees, Tours and Merchandise income by 2.71%, Grant Income decreased by 0.05%, Interest Income by 59.41% and Other Income by 84.62% compared to the 2016-17 financial year. During the redevelopment of the Visitor Centre, food and beverage and retail were relocated to various locations across the site which had an impact on the ability to generate revenue from these areas.

Employee expenditure has increased by 3.08% compared to the 2016-17 result, which is due to an increase in visitor numbers, the change in workflow due to the redevelopment of the Visitor Centre as well as the CPI salary increases and level rises.

Contractor expenditure decreased by 1.00% compared to the 2016-17 financial year which is due to a decrease in the use of contractors in Conservation and Infrastructure projects given the concentration of work on the redevelopment of the Visitor Centre, compared to 2016-17 financial year.

Cost of Goods sold decreased by 16.98% compared to the 2016-17 result which is consistent with the decrease in sales for food and beverage and retail locations.

Depreciation increased by 37.36% compared to the 2016-17 financial year, which is mainly due to the replacement of plant and equipment and infrastructure within the Visitor Centre.

Interest Expense increased significantly compared to the 2016-17 financial year, which is due to the loan from Tascorp for the redevelopment of the Visitor Centre.

Net Superannuation Interest Expense has increased by 18.19% compared to the 2016-17 financial year, which is based on the actuarial reports provided by Mercer.

Expenditure on Materials have increased by 39.43% compared to the 2016-17 financial year which is primarily due to the Visitor Centre project.

Marketing expenditure has increased by 30.63% compared to the 2016-17 financial year which is mainly due to building three new PAHSMA websites and designing and

printing five new brochures.

Communications expenditure has decreased by 10.90% compared to the 2016-17 financial year, which is due to a change in the mobile phone contracts for staff.

Property Services have increased by 7.48% compared to the 2016-17 financial year, which consists of an increase in electricity expenditure by 7.63%, an increase in repairs and maintenance by 39.73% and an increase in security by 50.06%, which principally relates to the implementation of new cash counting machines, compared to the 2016-17 financial year.

Interpretation expenditure has increased compared to the 2016-17 financial year, which is due to an increase in the number of theatrical plays provided.

Information Technology has decreased by 2.89% compared to the 2016-17 financial year which is due to a decrease in computer software and miscellaneous computer expenses.

Visitor Information has decreased by 32.84% compared to the 2016-17 financial year which is due to the redesign of new brochures which will be introduced during the 2018-19 financial year, as well as having excess stock with Ticket of Leave cards and Playing Cards.

Other operating expenses increased by 62.51% compared to the 2016-17 financial year which is mainly due to a write off of assets of \$544K and funding the disruption for the Visitor Centre redevelopment of \$147K.

PAYMENT OF ACCOUNTS

Tasmanian Government Business Enterprises are required to report annually in accordance with the Payment of Accounts Guidelines. During 2017-18, PAHSMA's average creditor days were 95, with 5448 accounts equating to \$7 989 597 paid on time in comparison to the 6833 accounts equalling \$8 924 346 of accounts due for payment, based on the assumption that all accounts require payment within 30 days. There were no payments of interest paid on overdue accounts. With the completion of the Visitor Centre, remedies have since been implemented to improve these results in the coming year and for future large projects.

The Finance team paid accounts

immediately upon receipt of authorisation, despite the considerably increased workload resulting from the Visitor Centre redevelopment. Payments not made by the due date required further action be taken before payment could be made, such as invoices may have been incomplete, inaccurate, disputed or the goods or services had not yet been received.

BUY LOCAL

Under the Buy Local Guidelines, PAHSMA is required to report on purchases from Tasmanian businesses or consultancies. During the 2017-18 year, 56.2% of PAHSMA purchases totalling \$5 014 125 were from Tasmanian businesses.

There were 25 consultants engaged for \$50k or less, totalling \$373 201. Individual consultancies valued at more than \$50k are shown in the table at right.

BUSINESS GROWTH

As detailed in our Marketing Report, there continues to be great potential for growth in the tourism sector as a consequence of increased visitation particularly from Asia. We continue to promote our attractions to this growing market, both directly and in partnership with Tourism Tasmania. Our accredited China Ready program ensures our services and experiences meet the needs of this ever-expanding visitor demographic. PAHSMA's successful partnership with the Australian Cruise Association facilitates greater business from the cruise ship sector. This important sector continues to deliver great potential to Tasmania and Port Arthur with 117 ships expected to visit Tasmania in 2018-19.

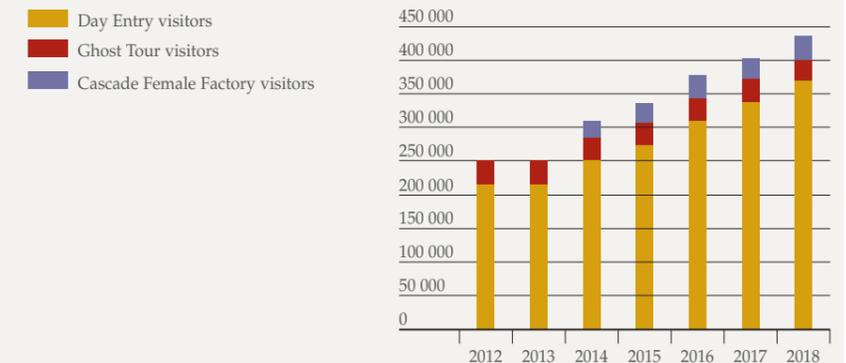
Period of Engagement: July 2017-June 2018

CONSULTANT	LOCATION	DESCRIPTION	AMOUNT
GHD Pty Ltd	Hobart, TAS	Marine monitoring and advice regarding Waste Water Treatment Plant	\$62 673
Brain & Poulter	Sydney, NSW	Food & Beverage consultancy for new Visitor Centre	\$224 885
HPA Projects	Sydney, NSW	Superintendent Project Management for new Visitor Centre	\$662 529

Key Performance Indicators '000s



Visitors to the Site



Financial Results	2011	2012	2013	2014	2015	2016	2017	2018
YEAR ENDING 30 JUNE	\$'000							
Operating Profit/(Loss)	(160)	(372)	(231)	2 364	211	1 718	1 265	622
Food and Beverage Revenue	2 177	2 053	2 139	2 544	2 680	3 056	3 259	2 824
Retail Revenue	1 290	1 129	1 040	1 283	1 490	1 615	1 419	1 271
Conservation Expenditure	3 701	3 804	3 424	5 170	7 810	3 870	3 959	3 665
Cash Flow from operating activities	1 002	401	728	5 129	(844)	2 429	2 112	2 282
Net Assets	14 768	16 463	17 827	28 974	30 098	32 021	37 695	38 569
VISITATION								
Day entry visitors	239 095	215 255	214 008	253 166	272 653	308 612	336 499	368 862
Ghost Tour visitors	38 483	33 623	29 753	33 749	34 097	35 568	33 315	29 648
Cascades Female Factory visitors				23 506	28 663	30 725	33 558	38 576



PEOPLE MANAGEMENT ACTIVITIES

The Human Resources (HR) team provide advice and support in relation to people management practices. This includes developing and implementing policies, programs and procedures that support Work Health and Safety (WHS), learning and development, managing work relationships while providing essential services for payroll, recruitment, job design and workers compensation.

As a Government Business Enterprise, PAHSMA's employment practices are principally governed by the *State Service Act 2000* and its related regulations and directions. As such our people are Tasmanian State Service employees.

Key achievements during the 2017-18 year included:

- Embedding of Organisational Values with workshops conducted across all teams and the introduction of Values graphics
- Implementation of pilot Heritage Trade Skills Apprenticeship program commenced in May
- Participation alongside other Agencies in the Workforce Planning Community of Practice to consider workforce planning and development issues
- More than half our people (100+) participated in Anti-Discrimination or Workplace Behaviour training delivered by Equal Opportunity Tasmania
- HR representatives attended bi-monthly meetings of the State Service Workforce Development Network and kept abreast of unfolding issues with the State Service e-Recruitment system
- Introduction of Auslan training
- Hosted all Year 10 students from Tasman District School as part of the Work Inspirations Program and week-long work experience for some students
- Hosted Vocational Education Training (VET) students studying tourism from a range of Tasmanian colleges.

EMBEDDING OF ORGANISATIONAL VALUES

With the organisational Values of Unity, People Matter, Accountability, and Passion and Pride formalised last year, PAHSMA has continued to progress the embedding of these Values into the everyday aspects of PAHSMA's business. Graphics that represent each of the Values have been adopted for internal communications and PAHSMA Values workshops were conducted with all teams to enable our people to discuss the Values in a practical context.

RECRUITMENT

PAHSMA utilises various strategies to attract suitable employees to meet our business needs and obligations under the *State Service Act 2000* and associated Employment Directions. Vacancies are managed using a merit-based process in compliance with the Tasmanian State Service Managing Positions in the State Service guidelines.

Recruitment activity continued to grow and dominate during the reporting period with a number of new positions being created, particularly to align with the renewed offering for the revised operations and organisational structure for the redeveloped Visitor Centre, notably in the Food and Beverage area. During 2017-18 the number of permanent positions within our Tourism Operations Department has increased, therefore reducing our historical dependency on fixed term employees. This has provided increased job security to those who were permanently appointed. Despite this, PAHSMA's Fixed Term and Casual Employment Register continues to play a pivotal role in the seasonal recruitment of employees.

The increased recruitment activity and employee numbers has correspondingly increased workloads within our payroll processing area. The payroll area is continuing to introduce technological improvements with electronic rostering and payroll self-service while meeting the ever changing legal obligations of award conditions and government requirements.

During 2017-18 PAHSMA had 255 employees in total. On 30 June 2018 PAHSMA had 173 paid employees (115.62 FTE's) which comprises 45 full-time, 104 part-time and 24 casuals. This is a 6.8% increase from the previous year.

LEARNING AND DEVELOPMENT

Training and skills development remains a key focus. In addition to mandatory WHS training PAHSMA channelled significant time and funding into professional development of our people:

- Tourism Operations teams participated in customer service training to become life-long ambassadors for our business
- One Guide completed a Cert III Tourism (Guiding) certificate
- Two Conservation and Infrastructure employees commenced Diplomas in Project Management
- One Manager completed the pilot State Service Manager Essentials program.
- Traffic management accreditation for some operational employees has eased reliance on contractors during peak times
- All Guides were familiarised with current cultural and natural heritage conservation programs by our in-house experts to enhance knowledge shared with visitors
- Auslan training (Australian sign language) was held for several Guides, HR and Heritage Programs employees to ensure the development of new tourism and education products is inclusive of people living with deafness.

Full Time Equivalent Staff Numbers

MONTH	PAID FTEs	MONTH	PAID FTEs
January 2018	162.79	June 2018	115.62
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

WORK HEALTH AND SAFETY AND WELLBEING

PAHSMA continued the evolution of our Work Health and Safety (WHS) Management System and, following vigorous consultation, seven new procedures were added into the system during the year.

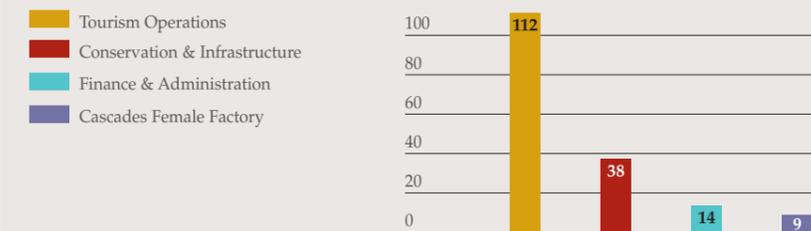
As part of the Tasmanian State Service Occupational Violence and Aggression Campaign, PAHSMA continues to monitor incidents of violence and aggression directed towards staff while training in de-escalation skills is also now a focus.

Health and wellbeing initiatives arranged for employees during the year included:

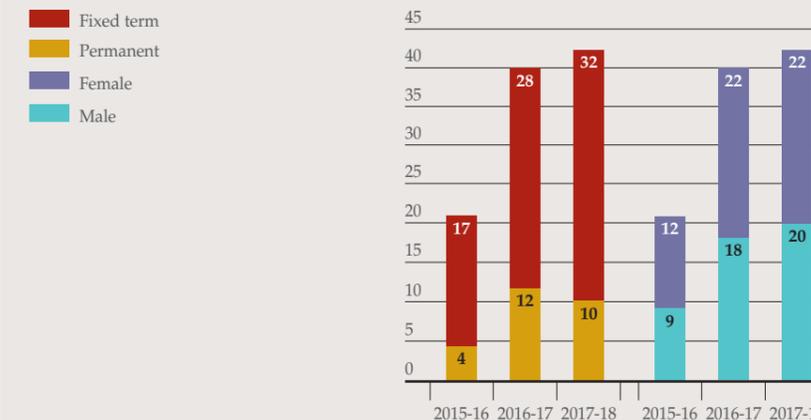
- stretching and Pilates sessions held at the Port Arthur Historic Site
- a revitalisation of the Port Arthur vegetable garden initiative
- team participation in the Point to Pinnacle and the Tasmanian Iconic Walk
- height adjustable desks incorporated into the Visitor Centre redevelopment
- more height adjustable desks were purchased for the Administration Building
- free participation in the Tasmanian State Service Mindfulness Training App
- free access to the Tasmanian State Service Ritualize App
- free flu vaccinations were again offered.

In addition to important First Aid training, our focus has been arranging other WHS training including revising the evacuation procedures associated with the new Port Arthur Historic Site Visitor Centre. A new Health and Safety Representative was also appointed and trained during 2017-18. In addition other important WHS training included First Aid (68 employees), Responsible Officer (12 Board and Executive) and Chief Warden (4 participants).

Employees by Business Unit



PAHSMA New Appointments



Organisational values icons: unity, people matter, accountability, and passion and pride



Customer service with a smile Image: Alastair Bett

TOURISM PLAN

The PAHSMA Tourism Plan 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.

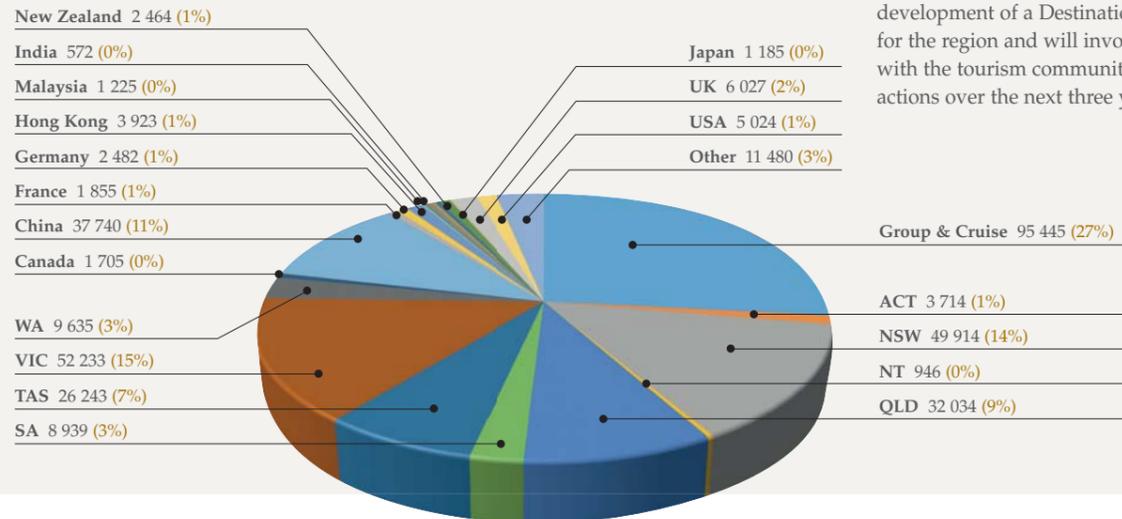
VISITATION

According to the Tasmanian Visitor Survey 1.28 million people visited Tasmania on scheduled air and sea services during the year ending March 2018, an increase of 2% on the previous year (it is important to note this does not include passengers on the 125 cruise ships that also visited Tasmania). The average length of stay by all visitors decreased by 2%, however total expenditure increased by 7% to a total of \$2.37 billion with the average spend increasing to \$1 847 per visitor.

The same survey reports 534 629 people 'visited historic sites and attractions' 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 56% of all holiday visitors to Tasmania, with 368 862 day visitors (a 9.6% increase on the previous year) and 29 648 evening visitors (a drop of 11% to previous year). (Data Source: Tasmanian Visitor Survey)

Given the rapid increase in visitor numbers to Tasmania, the Premier's Visitor Economy Advisory Council will be developing a new yield and dispersal action plan for Tasmania as a matter of priority. It will chart a course for how the benefits of our tourism boom can be realised in every region across Tasmania. Critically, the focus will be on how we can increase the amount visitors spend while they are here and how we can attract them to every region.

Visitor Origin for Port Arthur Historic Site



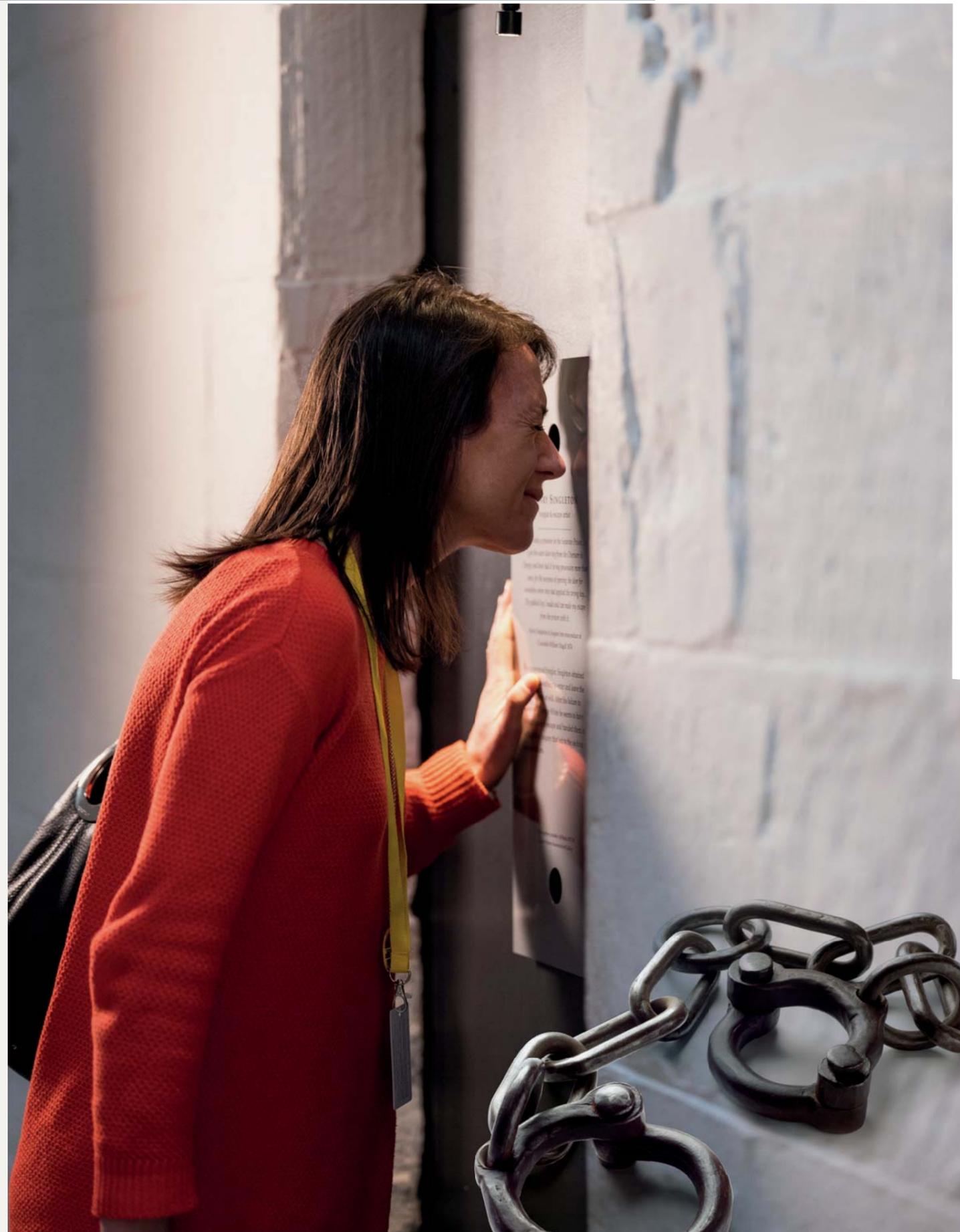
It is pleasing to observe continued growth in winter visitor numbers, which was assisted by several winter events in Hobart, including the Festival of Voices, AFL football games and in particular Dark Mofo which this year brought an increase of 6.5% in Port Arthur day visitation compared to the same period last year.

Interstate visitors remain Port Arthur's primary source market making up over 45% of all arrivals to the Port Arthur Historic Site with the largest percentage coming from metropolitan Sydney and Melbourne. There was strong growth from local Tasmanians and South Australians this year (52% growth on 2016-17) reflecting the increased awareness of the new experience in the local market and the impact of a new direct flight service from Adelaide to Hobart during the period.

TOURISM INDUSTRY

PAHSMA is committed to the Port Arthur and Tasman Tourism Association (PATA) and holds a place on the Committee along with three individual memberships. This year our region enjoyed significant growth in overnight stays, with 106 232 overnight visitors in the 12 months to March 2018, an increase of 2% on last year.

PAHSMA is a gold member and works closely with the southern regional tourism association, Destination Southern Tasmania. This includes active participation in the development of a Destination Action Plan for the region and will involve working with the tourism community to implement actions over the next three years.



Separate Prison Image: Alastair Bett

CRUISE SHIPS

- Port Arthur welcomed 26 cruise ships in 2017-18. Of the 49 748 passengers who came ashore, 11.2% enjoyed a tour to the many tourism experiences in the region
- Tours to all areas of the Tasman Peninsula, the Coal Mines and 'Behind the Scenes' (conducted by conservation staff) were extremely popular among passengers
- Port Arthur also 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 as well as the quality tourism offering and walks in the region
- The 'Cruise Ship Market Days' arranged at the Port Arthur Historic Site are proving to be extremely popular with cruise lines and our community artisans, providing local crafts people with the opportunity to sell their wares direct to cruise passengers
- The Cascades Female Factory welcomed many independent passengers from the 66 ships that visited Hobart in 2017-18.

2017	SHIP	2018	SHIP
30 October	<i>Golden Princess</i>	5 January	<i>Golden Princess</i>
8 November	<i>Sun Princess</i>	29 January	<i>Noordam</i>
20 November	<i>Maasdam</i>	30 January	<i>Pacific Explorer</i>
23 November	<i>Pacific Jewel</i>	2 February	<i>Pacific Jewel</i>
25 November	<i>Carnival Legend</i>	4 February	<i>Carnival Legend</i>
1 December	<i>Pacific Jewel</i>	6 February	<i>Noordam</i>
16 December	<i>Diamond Princess</i>	13 February	<i>Carnival Spirit</i>
17 December	<i>Golden Princess</i>	16 February	<i>Sun Princess</i>
		17 February	<i>Pacific Eden</i>
		23 February	<i>Pacific Jewel</i>
		3 March	<i>Astor</i>
		4 March	<i>Carnival Spirit</i>
		6 March	<i>Diamond Princess</i>
		7 March	<i>Pacific Eden</i>
		12 March	<i>Golden Princess</i>
		15 March	<i>Pacific Eden</i>
		22 March	<i>Carnival Legend</i>
		29 March	<i>Pacific Explorer</i>



Cruise ship Sun Princess arriving at Port Arthur Historic Site Image: Susan Hood

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. In the newly created Three Capes Track reception in the Visitor Centre, we provide excellent customer service with check-in, luggage storage services plus information and booking service for those walkers needing transport and accommodation in the region. Approximately 29% of all 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 be a drawcard for the region with 11 884 walkers in 2017-18 accessing Port Arthur as a part of their experience.

WI-FI

The Port Arthur Historic Site continues to record high usage for the State Government's free Wi-Fi project, with 36 155 users utilising 46 635 sessions. This valuable service allows visitors to communicate with friends or family and to also share their images and comments about their visit.

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 on all PAHSMA Sites, the Three Capes Track and other experiences available on the Tasman Peninsula.

VISITOR SATISFACTION

In February 2018 Myriad Research was engaged to undertake a quantitative visitor research program at the Port Arthur Historic Site. The research outcomes will inform PAHSMA's planning and decision making. Key findings include:

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

- Visitors spent an average of 4.2 hours at the Site, just above the average 4 hours for the 2016 peak season survey
- 32% of surveyed visitors indicated they were staying overnight or longer on the Tasman Peninsula during this trip (marginally up on the 2016 peak season level of 29%) and with a higher average stay expectancy (2.3 nights compared with 1.8 nights for 2016)
- 92% are likely to recommend the Site to others as a place to visit with a Net Promoter Score (NPS) of +78 compared with +56 for 2016
- Visitors used a range of information sources to inform their trip to the Site with the most important being return visitors (24% of survey sample), the website (18%) and recommendation of other tourism or accommodation operators (13%).

PRODUCT DEVELOPMENT

This year the Product Development Committee has focused on developing retail products that better align with the visitor's on-site experience, representing the stories and people of Port Arthur. Several Tasmanian artists were engaged to design bespoke items including jewellery, jigsaw puzzles, pottery and cards.

In partnership with local Turin Productions, Port Arthur Historic Site has continued to develop its program of historical performances offered over the summer, with three performances each day for five days a week from Boxing Day until Easter. Visitor attendance and feedback exceeded expectations with an average daily audience of over 220 people. During August and September 2017 while construction works resulted in visitors not being able to visit the Isle of the Dead, an alternate product offering, the historical play *Mrs Hand* was performed in the chapel of the Separate Prison, resulting in very positive feedback.

Top:
Three Capes Track
reception
Image: Alastair Bett

Bottom:
New Visitor Centre
gift shop
Image: Adam Gibson
courtesy JAWS Architects



DIGITAL TECHNOLOGY

PAHSMA was delighted to be a recipient of a Tasmanian Demand Driver Grant with \$85 150 provided to deliver a series of internal and external digital screens. The screens provide enhanced ability for our visitors to self-plan some of their on-site experiences and will widely promote the outstanding tourism offering available on the Tasman Peninsula to increase regional dispersal of our visitors.



MARKETING STRATEGY

Incorporating intelligence gathered from a comprehensive review of our visitor arrivals, broader region and state strategies together with the latest industry reports, PAHSMA developed a new Marketing Strategy during 2017-18. The new Strategy supports PAHSMA's objectives and priorities through increasing *Advocacy, Partnerships, Conversion and Content* aligned to the brand of PAHSMA. Importantly the Strategy is agile, identifying that each site has differing marketing objectives and target markets. PAHSMA aims to expand the Marketing Strategy to encompass the greater promotional activities of the organisation through conservation and heritage channels.

NEW LOOK FOR HERITAGE SITES

The significant redevelopment of the Port Arthur Historic Site Visitor Centre has provided the opportunity to review how visitors engage with the Site before, during and after their visit. This allowed for many aspects of the consumer communications including brochures, website and advertising for the Site to be revised to align with the new experience of the Visitor Centre. Along with updated video content and imagery, the Port Arthur website redevelopment increased online ticket sales by 35%.

To maintain a presence as a visible family of Sites, some creative alignment was also applied to the Cascades Female Factory and Coal Mines Historic Site communications. Online ticket sales for the Cascades Female Factory were made possible for the first time through website redevelopment, enabling visitors to better plan their trip.

COOPERATIVE CAMPAIGNS

As a Government Business Enterprise, PAHSMA recognises that both physical and financial resources must be managed with the utmost efficiency. By working cooperatively with partners through a range of activities, PAHSMA is able to achieve its strategic tourism priorities while generating brand-aligned content to reach new audiences and

maximise return on investment.

This year we cooperatively invested in campaigns with a number of tourism and media partners including: Tourism Australia, Tourism Tasmania, Destination Southern Tasmania, Spirit of Tasmania, Red Decker Bus, Blooming Tasmania, Tasmanian Travel Centre, Port Arthur & Tasman Tourism Association and Chinese News Tasmania.

Most notably, PAHSMA was a supporting partner in the filming and production of Tourism Tasmania's new *Feed Your Curious* campaign. Tourism Tasmania invested over \$6 million in the campaign which includes Port Arthur's Convict Church. The content was scheduled to feature over 16 weeks from 7 May to 25 August 2018 with television, cinema, print advertising, digital and social media together with public relations, direct marketing and events in Sydney, Melbourne, South East Queensland and Adelaide.

EVENTS

PAHSMA hosted one major event during 2017-18 in partnership with Mona's Dark Mofu winter festival. The back to back performances of Messiaen's *Quartet for the End of Time* in the Separate Prison were sold out within hours of tickets going on sale. The performance at the Site received a substantial amount of media exposure through the festival, reaching an audience of over 608 000 online and through social media. Both MONA and PAHSMA were pleased with the event and will be looking to work together on future events.

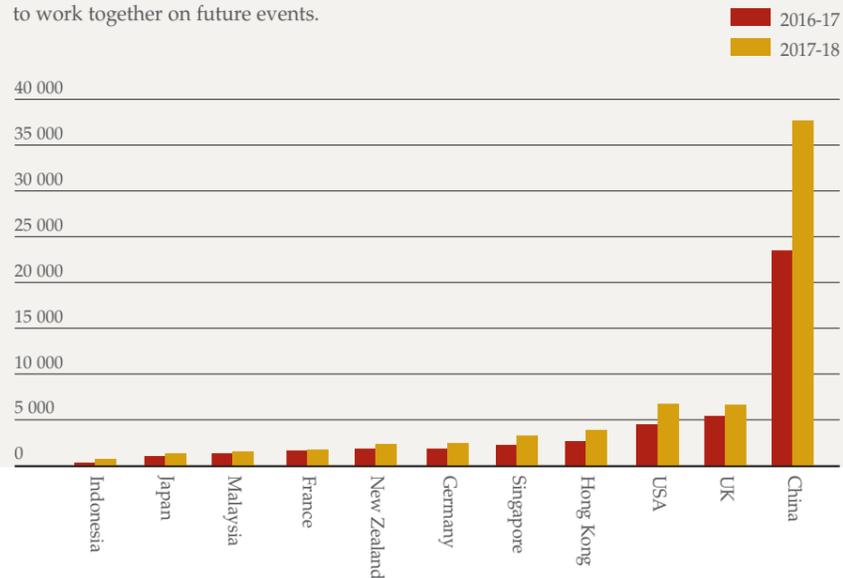
INTERNATIONAL AND CHINA MARKET

Port Arthur Historic Site is well and truly an established 'must see' attraction for international travellers visiting Tasmania. International visitor arrivals to the Site increased by 42% overall on last year with the largest number of visitors coming from mainland China.

While visitors from our key western markets of North America and the United Kingdom increased marginally by 12%, the number of Chinese travellers arriving at Port Arthur increased 60% from the previous period with just over 42 800 visitors (not including international tour group arrivals that are calculated separately). Independent travellers from China, including Taiwan and Hong Kong, this year represented 12% of total visitors to the Site. By comparison, no other international visitor demographic reported arrivals over 1.6%.

Port Arthur Historic Site caters for Chinese visitors via a number of methods to ensure a quality experience including social media accounts (Weibo and WeChat), signage across the Site, translated versions of brochures and visitor guides, plus Mandarin-speaking guided tours scheduled regularly each day.

Port Arthur Historic Site International Arrivals



Exploring Government Cottage Image: Alastair Bett



The year has been particularly challenging for Conservation and Infrastructure with the progress or completion of a number of significant projects. Most of these are outlined below, while one of the most complex, the Port Arthur Historic Site Visitor Centre, is featured separately.

The Visitor Centre project, while extremely exciting, created a considerable workload for a small number of key people. Our Heritage Programs team led by Dr Jody Steele, must be commended for the creation of the new Port Arthur Gallery. The construction project was internally managed by Works Manager, Marty Passingham, and its transition to an occupied building overseen by Infrastructure Manager, James O'Regan. While some of the team were committed to the Visitor Centre project, others were focussed on the usual day-to-day activities and assisting with greater workloads while progressing our continually active responsibilities. The entire team are to be congratulated for their efforts and the subsequent outcomes. In particular, comment should be made about the contribution of both the Building and Works Crew and the Grounds and Gardens Crew, and the two team supervisors, Peter Williams and Gareath Plummer. They continue to be a foundation stone for our ongoing achievements.

PENITENTIARY PROJECT

Following archaeological investigation at the rear of the Penitentiary, the first stage of interpretation regarding the ablutions block and exercise yards began with a large-scale hard landscaping project. PAHSMA's Grounds and Gardens crew prepared the excavated surface with geo-textile and fine crushed rock. This surface was covered with a resin-bound aggregate screed to allow the historic landfall and unexcavated archaeological deposits to remain while presenting a porous surface. The landscaping will assist in the interpretation of the phase changes that occurred during the Penitentiary years of occupation.



Isle of the Dead Walkway Image: Pamela Hubert

CONSERVATION PROJECTS

Stage One of the Isle of the Dead walkways was completed in September 2017, replacing the deteriorated boardwalk. The new steel-framed structure is the first stage of a project to replace on-ground paths on the Island with raised walkways. This will reduce sensitivities arising from visitors walking over unmarked graves and provide greater flexibility for guides to manage tour groups on the Island.

Following periodic monitoring, four headstones on the Isle of the Dead with a forward rotation greater than 10 degrees were identified. Two of these had moved so much that temporary propping had been installed. To prevent collapse, all four stones were re-set to a little under vertical with this work involving the removal of the unconsolidated sand at the base of each stone and its replacement in geotextile bags to create greater support.

Climate-control doors have been installed in the historic Trentham home. These frameless glass doors provide an improved weather barrier and create an improved internal environment for visitors and guides, as well as for the collection items contained therein.

A new glass screen has been installed at the south end of Separate Prison B Wing, replacing the temporary timber wall that has featured for the last few years. The glass has been over-printed with the historical image of the *Perspective view of corridor B from Central Hall* drawn in the mid-19th century, giving visitors a visual rendering of the wing before the roof was destroyed by fire in 1895.

A cut-off drain has been constructed behind the Commandant's House. The drain will reduce the amount of ground water reaching the sub-floor areas of the house and help to mitigate damp issues.

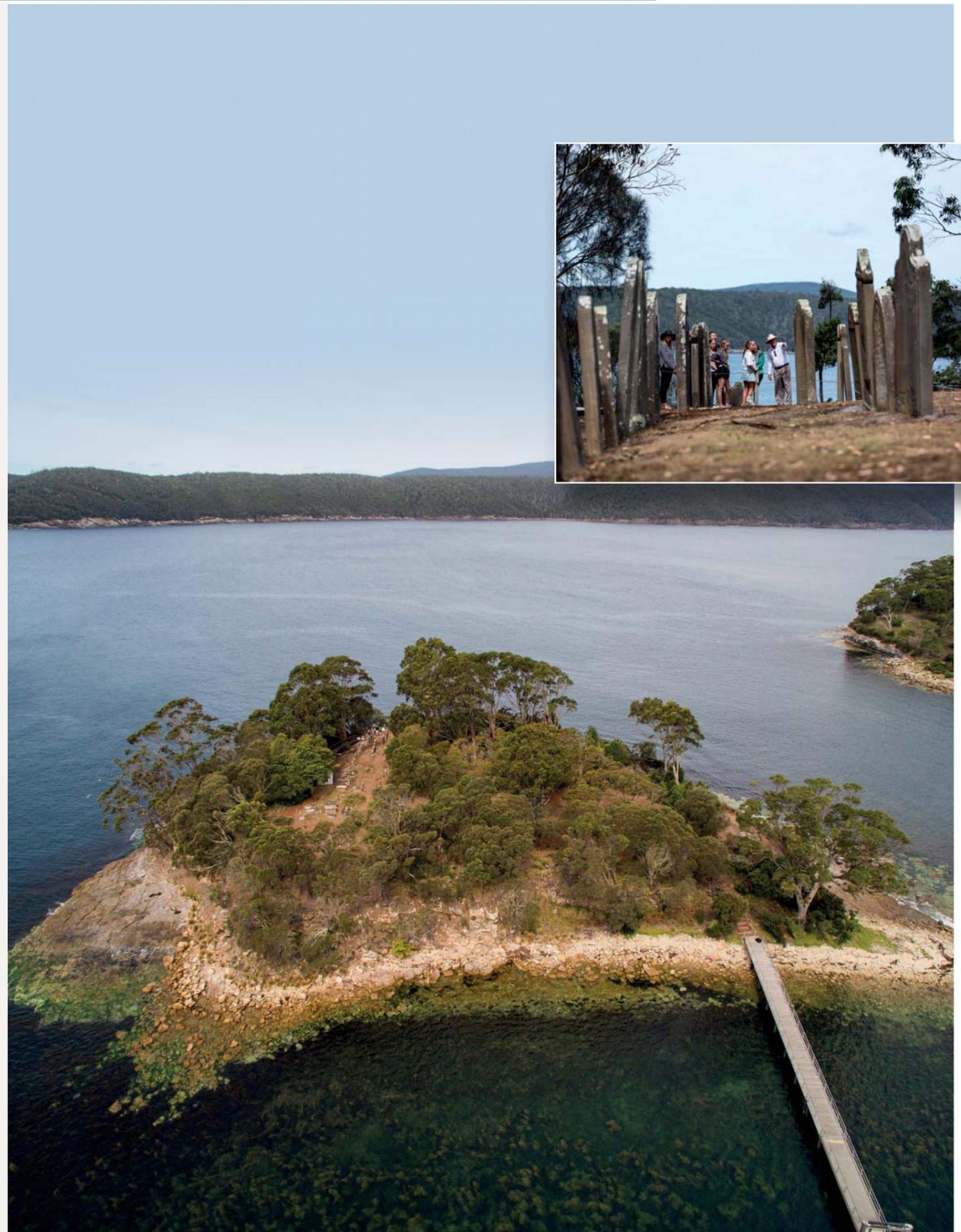
The temporary footbridge over Radcliffe Creek has been replaced with a permanent steel-framed structure. The new bridge is much wider, providing better access for visitors and large tour groups, and is considerably less intrusive on the landscape.

The remaining four *Macrocarpa* trees of the Memorial Avenue were removed in early April. This concludes the felling of the original trees and the final replanting will occur in November 2018 with an appropriate ceremony.

Work is progressing on the Stage One report for the Port Arthur Historic Site Carrying Capacity Study, which will focus on issues for which there are quantifiable indicators and will help to inform PAHSMA's decision making with regard to conservation and tourism operations into the future.

A major conservation project at the Matron's Quarters of the Cascades Female Factory saw the reinstallation of the Messenger's Door. The Messenger's Door is one of two doors from the convict period surviving at the Site. Because the original frame was too fragile, a new steel frame was created to support the door, with glass panels installed to protect the fabric. The original frame has been stored at the Port Arthur Historic Site following conservation treatment. New interpretative text on the internal glass panel is a record of William Smith, a messenger who was known to have worked at the Female Factory.

Stone repairs were undertaken on the wall dividing Yards 3 and 4 at the Cascades Female Factory to replace stones in poor



Above & Inset: Isle of the Dead Image: Hype TV



Messenger door
Image: Alastair Bett

condition and in danger of falling. A small section of the wall that had moved substantially out of alignment was also carefully dismantled and rebuilt.

Prior to the completion of their program in December, our fourth Green Army team allowed some big projects to be tackled. These included hard-landscaping at the back of the Penitentiary; photogrammetric models of a number of buildings; preparation of materials for the Port Arthur Gallery; maintaining ruins at the Coal Mines including monitoring a range of natural values and the foreshore, replanting, controlling weeds and maintaining strong relationships with local community members. We particularly acknowledge the efforts and dedication by John Hueston as a patient mentor for the Green Army team, as well as for taking excellent care of the Coal Mines.

RESPONDING TO CLIMATE CHANGE

PAHSMA continues to address the pressing problems of climate change and particularly an increased incidence of severe weather events. Responding in particular to erosion damage at the Coal Mines, a low-cost response was developed and installed that will 'buy time' for the establishment of longer term infrastructure to reduce or control further losses at our Sites. Harnessing new technologies such as 3D photogrammetry recording, simple but effective means for measuring changes to significant built-heritage fabric have been developed.

PAHSMA continues to contribute to State and national discussions through our continuing investigations of climate change adaptation for heritage site managers. Dr Caitlin Vertigan attended the *Climate Adaptation 2018* conference run by the National Climate Change Adaptation Research Facility at Griffith University and Engineers Australia with 400 Australian and international participants from a range of disciplines. Dr Vertigan presented PAHSMA's climate change challenges and responses addressing an area previously under-researched in adaptation studies in Australia. The accompanying conference poster was judged 'Best Poster at Conference'.

Southern Tasmania was subjected to a destructive storm event on the 10-11 May 2018. Reflecting the damage across Hobart, part of the Rivulet wall adjacent to the Cascades Female Factory collapsed. Thankfully the only other damage was to a power pole near the Site. In addition to impacts on coastal material at the Coal Mines, a pontoon was damaged at the Port Arthur Historic Site due to very high winds and large swells from the south-east causing the piles to dislodge from their socket into the bedrock.

INFRASTRUCTURE WORKS

During the year we took the opportunity to review the Infrastructure Manager role to incorporate responsibility for Geographic Information System (GIS) mapping activities and databases and the Asset Management System more generally. James O'Regan was welcomed to the position and he has advanced both areas significantly, updating and adding to the base and essential layers used within the GIS. This includes an update of the base-plan for the Port Arthur Historic Site, creation of base-plans for our other Sites, and an overhaul and ground-truth of the large and complex dataset for infrastructure to facilitate scheduling, recording and reporting of maintenance and repair tasks.

Other projects have included:

- upgrades to the harvested rainwater and potable water collection, and delivery

systems for connection to the new Visitor Centre

- preliminary assessment of water storage and catchment increase options to inform PAHSMA of available options, risks involved, and provide cost estimates; and
- relocation and upgrade of fire suppression, potable water and electrical services for a new garage for our people-mover vehicles.

Considerable time and resources are expended by PAHSMA in managing the wastewater treatment plant. Upgrades to the plant and the greater wastewater network with new pumps and associated infrastructure, and implementation of process improvements has occurred. In order to meet Environmental Protection Authority (EPA) permit requirements, development of specific operational and management procedures are underway. As part of these works analytical testing of influent was completed in January, a sludge lagoon liner was installed in February and desludging of the Pasveer Ditch occurred in April.

Discussions regarding the transfer of wastewater and water assets to TasWater have continued. This responds to the complexities of PAHSMA running an operation that is not 'core business' and the need for commercial and operational solutions addressing development project requests in the Port Arthur area. While PAHSMA has been able to provide some smaller connections to immediate neighbours, an audit of our wastewater treatment plant has indicated both operational and physical limitations that inhibit additional external connections. This matter has been discussed with our Shareholder Ministers, the Tasman Council and TasWater.

HERITAGE PROGRAMS – EDUCATION

During the year a 22% increase in school education group numbers was attributed to the improvement in school bookings management and program delivery associated with the appointment of a Heritage Programs Administration Officer, James Westcott.

A new curriculum-based activity called *Breaking the Code* was developed. The

activity uses primary source documentation to inform a hands-on activity relating to convict-era communication using a semaphore system developed by Commandant Booth.

In July the Port Arthur Historic Site hosted a photographer from ClickView, an education subscription library, to film 360 degree footage of the Site for use in a virtual reality resource for Australian school children. This resource will be valuable in providing an immersive experience for students, serving as a fun and unique introduction to the Site.

The Heritage Programs team together with the Port Arthur and Cascades Female Factory Guiding teams worked with ABC Education to facilitate online resources associated with Tasmania's history. The first digibook titled *The Colonisation of Hobart* covers Aboriginal history, the arrival of Europeans, the Black War, convict life and industries such as whaling.

Working with Tasman District School students and community members, Bert Dorgelo and Barry Jennings, the construction of a model Tasmanian whale boat was created from a set of almost-complete components generously donated to PAHSMA by their creator, Mr Phillip Fowler. The model was exhibited during the 2018 Australian Wooden Boat Festival and the Tasman Regatta.

COLLECTIONS MANAGEMENT

Much new data on Port Arthur's convict metalworking industries has been generated due to our developed X-ray program for the identification of corroded ferrous objects. Other 'at risk' objects have been re-stored in nitrogen environments to reduce degradation while they await more careful study.

Working in collaboration with students from the University of New England, PAHSMA continues to encourage and facilitate new research on key project archives.

PAHSMA collection material was prepared and loaned to the National Gallery of Victoria and exhibited in Melbourne between 15 March and 15 July. Drawing from public and private

collections across the country, the *Colony: Australia 1770-1861* exhibition brought together the most important examples of art and design produced during this period and surveys the key settlements and development of life and culture in the colonies. Michael Smith, our Collections Project Officer, did an amazing job in making this possible and we have received very complimentary feedback from the Gallery.

In August 2017 the Board formally adopted the Valuation Report for the PAHSMA collections and endorsed the seven recommendations included in that report. These included matters relating to security, storage, and further documentation and research.

RESOURCE CENTRE

Digitisation of additional resources continued with the completion of the audio and video cassettes. They include oral history interviews from as far back as 1981.

We thank PAHSMA employees, Lillian Frankham and Ellen Noye for their contribution to the Australian Research Council (ARC) grant project on convict labour and industry, as well as that of volunteers Ken Lee and Steve Torley, for their tireless work on the transcriptions of convict related records. Transcription of the Port Arthur conduct records (only 2 volumes) is almost complete, and the Green Army also assisted with some post-digitisation file compilation.

Advice, information and resources including films and images from the Resource Centre contributed to engaging the community in providing valuable input and information to the Community Heritage and Tourism Project (CHAT).



Above:
School holiday educational activities – Peg doll making
Image: Sophie Kelly



RESEARCH, COLLABORATIONS AND TRAINING

As with previous years our team have been involved with a range of university and research programs, trade-skill development, and support for various educational, arts and training programs.

- PAHSMA engaged in a three-year Australian Research Council funded project investigating the use of convict labour across the Tasman Peninsula. In collaboration with colleagues from the University of New England, the University of Tasmania and the UK's University of Liverpool, the *Landscapes of Production and Punishment: The Tasman Peninsula 1830-77* project has already generated interest with a number of conference and workshop presentations. Project members have coordinated the transcription of several hundred convict records, coordinated materials testing using a portable Fourier Transform Infrared spectrometer at Port Arthur and the Tasmanian Museum and Art Gallery, facilitated and supported a new PhD research project, and contributed to strategic meetings, research planning and community engagement.
- PAHSMA representatives continued to participate in both the Australian Convict Sites Steering Committee (ACSSC) and the Tasmanian World Heritage Convict Site Managers Group. Conservation Manager, Pamela Hubert, attended the ACSSC annual meeting on Norfolk Island from 28 August to 1 September.
- Continued support has been given to Kingston and Arthur's Vale Heritage Area, having commented on their interpretation framework brief and provided feedback to assist with Work Health and Safety compliance.
- In February, Dr Jane Harrington was reappointed as a member of the Australian Heritage Council.
- Representing PAHSMA, Heritage Programs Manager Dr Jody Steele attended four meetings of the Maria Island Steering Committee and assisted with the procurement of a consulting team to develop a Visitor Experience Plan.
- PAHSMA works closely with the professional bodies Australasian Society for Historical Archaeology (ASHA) and Interpretation

Australia (IA). Representing PAHSMA, Dr David Roe and Dr Jody Steele, with enormous assistance from other team members, convened the first joint national conference of ASHA & AI in Tasmania during October 2017. *Travelling Stories: connecting people and landscapes* allowed ASHA and IA members to develop and deliver some 80 presentations that related to common professional interests and concerns. Travelling 350 kilometres between 12 venues from Launceston to Port Arthur via Hobart, the 120 national and international delegates visited both natural and cultural heritage places.

- Dr Jody Steele presented *From Paris to the Peninsula: some of the 'characters' of medicine at Port Arthur* at the first COMA (Collection of Medical Artefacts) Tasmania seminar in March.
- Four employees gained valuable hands-on training in conservation methodology at the Longford Academy held at Woolmers Estate and Brickendon. This included skills in lime harling applications, graining timber, building condition assessments and traditional roofing. Works Manager, Marty Passingham, attended the Autumn program and assisted in repairs to the smoking room in the walled garden.
- Two employees attended the Digital Access to Collections workshop.
- PAHSMA contributed to discussions organised by Heritage Tasmania as part of an initiative to increase online access to information held in the Tasmanian Heritage Register.
- Academics from Australian National University, Deakin University, University of Sydney and Western Sydney University were hosted for a three-day site based workshop in *Geographies of Heritage*. This group engaged with various interpretations of the historic Site's landscapes and will produce a paper for a special issue of *Landscape Research* in 2018.
- Two visits from volunteers and program managers from the Ile Nou historic site in New Caledonia were welcomed in March, aiming to acquaint a group of guides and educators with the various Port Arthur programs in interpretation and visitor engagement.
- Senior conservation team members once again presented to this year's intake of 25 students and staff from the joint University

of Tasmania and Tsukuba University World Heritage Studies program.

- In partnership with the Tasmanian Building Group Apprenticeship Scheme, PAHSMA commenced trialling our first heritage painting and decorating apprenticeship program in May. The apprentice will work part-time on site at Port Arthur throughout the year to learn a wide range of traditional heritage skills from PAHSMA's painting and decorating team.
- Angela Casey, an emerging visual artist working in digital media, was our 2017 Artist-in-Residence under the Arts Tasmania Residency Program.

BOARD ADVISORY COMMITTEES

The PAHSMA Conservation Advisory Committee is Chaired by Helen Lardner, with members Dr Michael Pearson AO, Richard Mulvaney, John Hawker, Dr Dianne Snowden AM and Prof. Richard Mackay AO.

The Port Arthur Community Advisory Committee changed Chairs during the year from Roseanne Heyward to Barry Jennings, with other members including Tony McIntyre, Anne Courtney, Kate Sainsbury, Wally Lyne, Ted Barrance, Imelda McShane, Sue Kadlecek, Roger Self, Steven Kemp and Stephen Large. Sue Clark represented the PAHSMA Board at meetings.

The Cascades Community Advisory Committee, chaired by Dr Dianne Snowden AM, continued to engage with PAHSMA management on issues of concern and interest to the local community. In October 2017 three new members were welcomed to the committee, bringing with them new perspectives from a diverse range of backgrounds. Members include Ros Escott, Judith Wood, Dr Christina Henri, David Boon, Phillip Hoysted, Lindsay Brinson, Sandra Lo, Jane Hodgman, Andrew Cocker, Wayne Johnson and Stephen Large. Jude Franks represents the PAHSMA Board at meetings.

We remain extremely grateful for the contributions that these Committees provide to PAHSMA and acknowledge the time, interest, highly valued advice and support given by all members.



The Penitentiary Image: Hype TV



CASCADES FEMALE FACTORY HISTORIC SITE

During 2017-18 the Cascades Female Factory Historic Site welcomed a record breaking 38 576 visitors, representing an increase of 14.9% on the previous year's total.

Tours or a performance were offered hourly between 10am and 3pm seven days per week (excluding Christmas Day) with extra tours conducted during summer months.

Our visitors electing to take a guided Heritage Tour numbered 13 048 (an increase of 21.5% on previous year), while 17 595 people preferred to self-guide around the site (an increase of 17.5% on last year).

Now in its seventh year *Her Story*, the historical play performed daily on site, continues to draw large appreciative audiences.

We are grateful to our volunteers who worked alongside employees to positively contribute to the Site, involved in all operational aspects including tour guiding, retail functions, administration and crafts. As at 30 June 2018, in addition to five volunteers, the Cascades Female Factory Historic Site team comprised of six permanent and three fixed term employees, being both full-time and part-time positions.

PRICE INCREASE

The PAHSMA Board approved a price increase across all visitor services offered at the Cascades Female Factory commencing 1 April 2018. The new prices better reflect the value of the visitor experience for their admission, being the first increase since October 2013 when a site admission fee was introduced. The new prices have been positively accepted by visitors with adult Site entry now \$8 and adult Heritage Tours being \$18.

OPEN DAY CANCELLED

The Cascades Female Factory annual Open Day, scheduled for Mother's Day on Sunday 13 May, was reticently cancelled as the severe weather event experienced across Hobart on the night of 10 May significantly impacted South Hobart and our road frontage. With the street closed to all traffic, we heeded the advice of Tasmania Police to not proceed with the Open Day, which is historically the

Site's most popular day of the year. We are thankful to Tasmania Police, TasNetworks and the Hobart City Council for their quick response in ensuring the safety of our Site, employees and community during this time.

IRISH PRESIDENT VISIT

The Site was honoured to host His Excellency, Mr Michael Higgins, the President of Ireland, during his State Visit to Australia on 14 October 2017.

The President, accompanied by his wife Mrs Sabina Higgins, travelled to Hobart to officiate at the unveiling of the *Footsteps to Freedom* statues by Irish sculptor Rowan Gillespie, commemorating the thousands of female convicts transported to Tasmania. The President and Mrs Higgins, along with the Ambassador of Ireland to Australia, Mr Noel White, and the Australian Ambassador to Ireland, Mr Richard Andrews, visited the Cascades Female Factory for a tour and inspection of conservation works and to hear stories of the contributions of Irish convict women.

The overall theme of the President's visit was to commemorate and recognise the historic and valuable relationship between Ireland and Australia. The Site plays an important role in this relationship due to the large number of Irish women who were transported to Van Diemen's Land and spent time in the Female Factory, with many making a valuable and lasting contribution to the formation of Australian society.

FROM THE SHADOWS

At the suggestion of the Cascades Community Advisory Committee (CCAC), the not-for-profit 'From the Shadows' project was established by prominent Tasmanians including the Chair of CCAC to raise funds to commission three statues by renowned Irish sculptor Rowan Gillespie. The new statues will include two of children for the Orphan Schools in New Town and a female convict for the Cascades Female Factory. PAHSMA is committed to the project and is represented on the 'From the Shadows' project team by Jennifer Fitzpatrick.

NEW HISTORY & INTERPRETATION CENTRE

The PAHSMA Board recognises the urgency to replace the outdated building structure that provides facilities for staff and visitors at the Cascades Female Factory. To this end, PAHSMA sponsored an architectural design competition to seek a contemporary and sympathetic response to the need for a new History and Interpretation Centre.

In Stage One of the competition, 47 expressions of interest were submitted with 19 groups invited to prepare concept designs for Stage Two. From these, the competition jury invited four teams to progress to Stage Three.

The winning design for the Cascades Female Factory History and Interpretation Centre by Tasmanian architects Liminal Studio partnered with Snøhetta and Rush Wright Associates was unveiled on 1 March 2018. The competition jury commended the winning team for its sensitive and creative approach, and applauded the response to the need for dual entry and enhanced accessibility. An exhibition of the winning design with other short-listed designs by Hector Abrahams partnered with Neeson Murcutt Architects, Aileen Sage Architects with Jean Rice, and Welsh + Major Architects has been displayed in the Matron's Quarters at the Site.

We remain grateful for the invaluable input from our eminent all-female jury including Professor Sharon Sullivan AO (Jury Chair and PAHSMA Chair), Penelope Seidler AM, Janet Carding (Tasmanian Museum and Art Gallery), Shelley Penn, Catherine Baudet and Justine Clark.

The design will be the cornerstone of an estimated \$4M fundraising campaign for which we have received endorsement from several high profile women. We are hopeful to receive funding support from both the State and Federal governments. This is an exciting and important project for the Cascades Female Factory as the only representation of female convicts in the Australian Convict Sites World Heritage property.

Cascade Female Factory Visitor Numbers



Inset
Irish President Mr Michael Higgins and Mrs Higgins (centre) with *Her Story* actors, Judith and Chris Cornish
Image: Greta McDonald



Cascades Female Factory History and Interpretation Centre concept Image: Liminal Studio



STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

<i>For the year ended 30 June 2018</i>		2018	2017
	Notes	\$'000s	\$'000s
<i>Continuing operations</i>			
REVENUE			
Fees, Tours and Merchandise Income	2(a)	16 904	16 458
Grant Income	2(b)	3 850	3 852
Interest Income	2(c)	90	221
Other Income	2(d)	572	3 719
TOTAL REVENUE		21 416	24 250
EXPENSES			
Employee expenses	2(e)	(11 298)	(10 960)
Cost of goods sold		(2 395)	(2 885)
Contractors		(2 190)	(2 212)
Depreciation	4.3(b)	(1 142)	(832)
Interest expense		(59)	(1)
Net Superannuation interest expense		(331)	(280)
Materials		(461)	(330)
Marketing		(225)	(172)
Communications		(54)	(60)
Property services		(452)	(421)
Interpretation		(64)	(45)
Information technology		(275)	(284)
Visitors Information		(64)	(96)
Assets Derecognised		—	(3 310)
Other operating expenses		(1 784)	(1 097)
TOTAL EXPENDITURE		(20 794)	(22 985)
PROFIT/(LOSS) FOR THE YEAR		622	1 265
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Items that will not be reclassified subsequently to profit or loss			
Net actuarial gains/(losses) of superannuation defined benefit plans	5.4(a)	(609)	441
Changes in asset revaluation reserve	7.1	1 165	3 664
COMPREHENSIVE RESULT		1 178	5 370

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

STATEMENT OF FINANCIAL POSITION

<i>As at 30 June 2018</i>		2018	2017
	Notes	\$'000s	\$'000s
ASSETS			
<i>Current assets</i>			
Cash and deposits	11.1	2 735	6 105
Receivables	4.1	236	322
Inventories	4.2	570	428
Prepayments, accruals and other assets		134	215
<i>Non-current assets</i>			
Property, plant and equipment and infrastructure	4.3	50 828	40 527
TOTAL ASSETS		54 503	47 597
LIABILITIES			
<i>Current liabilities</i>			
Payables		633	549
Provisions	5.1	2 279	2 150
Unearned revenue	5.2	59	92
<i>Non-current liabilities</i>			
Provisions	5.1	7 963	7 415
Tascorp loan	5.3	5 000	—
TOTAL LIABILITIES		15 934	10 206
NET ASSETS		38 569	37 391
EQUITY			
Reserves	7.1	12 412	11 247
Accumulated surpluses		26 157	26 144
TOTAL EQUITY		38 569	37 391

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



STATEMENT OF CASH FLOWS

For the year ended 30 June 2018

		2018	2017
	Notes	\$'000s	\$'000s
		Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		17 910	15 972
Grants from Government		3 850	3 808
Interest received		99	226
GST receipts		1 262	1 023
Payments to suppliers and employees		(18 995)	(18 132)
Interest Paid		(59)	—
GST payments		(1 785)	(785)
NET CASH FROM OPERATING ACTIVITIES	11.2	2 282	2 112
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment and infrastructure		(342)	(421)
Payments for work in progress		(10 314)	(3 644)
Proceeds from the sale of assets		4	12
NET CASH FROM OPERATING ACTIVITIES		(10 652)	(4 053)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Tascorp		5 000	—
NET CASH FROM FINANCING ACTIVITIES		5 000	—
NET INCREASE/(DECREASE) IN CASH HELD		(3 370)	(1 941)
Cash 1 July		6 105	8 046
CASH 30 JUNE	11.1	2 735	6 105

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 2018

		Reserves	Accumulated surpluses	Total equity
	Notes	\$'000s	\$'000s	\$'000s
BALANCE AS AT 1 JULY 2017		11 247	26 144	37 391
Profit / (loss) for the year		—	622	622
Other comprehensive income:				
Changes in asset revaluation reserve	7.1	1 165	—	1 165
Net actuarial gains/(losses) of superannuation defined benefit plans	5.4(a)	—	(609)	(609)
BALANCE AS AT 30 JUNE 2018		12 412	26 157	38 569
BALANCE AS AT 30 JUNE 2017				
BALANCE AS AT 1 JULY 2016		7 582	24 438	32 020
Profit / (loss) for the year		—	1 265	1 265
Other comprehensive income:				
Changes in asset revaluation reserve	7.1	3 665	—	3 665
Net actuarial gains/(losses) of superannuation defined benefit plans	5.4(a)	—	441	441
BALANCE AS AT 30 JUNE 2017		11 247	26 144	37 391

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



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ending 30 June 2018

Note	Page
1	44
1.1	44
1.2	44
1.3	44
1.4	44
2	46
3	48
4	50
4.1	50
4.2	50
4.3	51
5	56
5.1	56
5.2	57
5.3	57
5.4	58
6	64
6.1	64
7	65
7.1	65
8	65

Note	Page
9	65
10	66
10.1	66
10.2	68
11	70
11.1	70
11.2	70
11.3	71
12	71
12.1	71
12.2	73
13	74
13.1	74
13.2	74
13.3	74
13.4	74
13.5	74
13.6	74
14	74



For the year ended 30 June 2018

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* and is domiciled in Tasmania, Australia. The Authority's registered office and principal place of business is 6973 Port Arthur Highway, Port Arthur TAS 7182. 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.

The financial report was authorised for issue by the directors on 12 September 2018.

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:

- 2016-2 Amendments to Australian Accounting Standards –

Disclosure Initiative: Amendments to AASB 107 – The objective of this Standard is to amend AASB 107 Statement of Cash Flows to require entities preparing statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This Standard applies to annual periods beginning on or after 1 January 2017. The impact is increased disclosure of financial activities in relation to cash flows and non-cash changes as shown at Note 11.3. There is no financial impact.

Pending Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 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.

The standard affects calculating impairment losses for the Authority's receivables. As there hasn't been a substantial change in the nature of receivables, they don't include a significant financing component, impairment losses will be determined according to the amount of lifetime expected credit losses. On adoption of AASB 9, the Authority has determined 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 15 Revenue from Contracts with Customers (effective from 1 January 2018)

The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

The Authority has analysed the new revenue recognition requirements under these standards and advise there are no significant impacts. Potential future impacts identifiable at the date of this report include:

- Grants presently recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific.
- 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 has analysed existing arrangements for sale of its goods and services and there hasn't been any material impact.

2014-5 Amendments to Australian Accounting Standards arising from AASB 15

The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of AASB 15 Revenue from Contracts with Customers. This Standard applies when AASB 15 is applied, except that the amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply to annual reporting periods beginning on or after 1 January 2018. This Standard will be applied when AASB 15 is applied.

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 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.



For the year ended 30 June 2018

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.

	2018	2017
	\$'000s	\$'000s
a) Fees, Tours and Merchandise Income		
Entrance fees and tour income	11 670	10 737
Ghost tours	696	743
Food and merchandising sales	4 100	4 607
Cascades Female Factory tours and commercial operations	438	369
Education and training programs	—	2
	16 904	16 458

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.

	2018	2017
	\$'000s	\$'000s
b) Grant Income		
State grant – Cascades Female Factory	416	375
Australian Government grant – Port Arthur	74	333
State grant – Port Arthur	3 360	3 144
	3 850	3 852

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 \$3 359 613 to the Authority during 2017-18 and \$3 144 000 during 2016-17 for conservation purposes across the Port Arthur and Coal Mines Historic Sites.

The State Government provided the following grants for the Port Arthur Historic Site which were acquitted 2017-18 in accordance with the *Port Arthur Historic Site Management Act 1987* and the Authority's Statutory Management Plan 2008.

- Conservation Funding \$3 270 863
- Design and Production of Theatrical Interpretation Program \$3 600

- Digital Interpretation Grant \$85 150
- Totalling \$3 359 613

The State Government provided monetary grant funding of \$415 500 to the Authority during 2017-18 and \$375,000 for 2016-17 in support of operations at the Cascades Female Factory Historic Site.

The State Government provided the following grants for the Cascades Female Factory Historic Site which were acquitted 2017-18 in accordance with the *Port Arthur Historic Site Management Act 1987* and the Authority's Statutory Management Plan 2008.

- Operational funding \$386,137
- Development of Masterplan for the Cascades Female Factory History and Interpretation Centre \$29,363
- Totalling \$415,500

Grants (continued)

In June 2017 The Australian Government provided PAHSMA with the following grant which has now been acquitted during 2017-18.

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

An Export Market Development grant of \$30,444 received from Austrade has been used in further overseas marketing by the Authority in 2017-18.

	2018	2017
	\$'000s	\$'000s
c) Interest Income		
Interest	90	221

Interest

Interest on funds invested is recognised as it accrues using the effective interest rate method.

	2018	2017
	\$'000s	\$'000s
d) Other Income		
Rent, service and licence fees	304	192
Gain on sale of assets	174	52
Fair Value Gain on Asset Revaluation	(1)	3 283
Other	95	192
	572	3 719

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.

	2018	2017
	\$'000s	\$'000s
e) Employee Expenses		
Employee expenses	10 592	10 262
Payroll tax	589	546
Worker's compensation	117	152
	11 298	10 960

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 2018

3 SEGMENT INFORMATION

	Port Arthur Historic Site		Cascades Female Factory Historic Site	Consolidated
	Conservation	Tourism	\$'000's	\$'000's
	\$'000's	\$'000's		
REVENUE				
Grant	3 400	34	416	3 850
Sales	—	16 466	438	16 904
Interest Revenue	45	45	—	90
Other Income	314	245	13	572
	3 759	16 790	867	21 416
Conservation Expenses	2 788	—	127	2 915
Infrastructure Expenses	—	461	186	647
Interest Expense	30	29	—	59
Depreciation	720	404	18	1 142
Operating Expenses	—	15 220	811	16 031
	3 538	16 114	1 142	20 794
RESULT 30 JUNE 2018	222	676	(275)	622
NET ASSETS				
TOTAL ASSETS DEPLOYED	27 224	25 091	2 188	54 503
TOTAL LIABILITIES INCURRED	(6 226)	(9 323)	(385)	(15 934)
NET ASSETS DEPLOYED	20 998	15 768	1 803	38 569

	Port Arthur Historic Site		Cascades Female Factory Historic Site	Consolidated
	Conservation	Tourism	\$'000's	\$'000's
	\$'000's	\$'000's		
REVENUE				
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
Operating Expenses	—	17 543	828	18 371
	3 850	18 098	1 037	22 985
RESULT 30 JUNE 2017	3 148	(1 613)	(270)	1 265
NET ASSETS				
TOTAL ASSETS DEPLOYED	25 251	20 614	2 036	47 901
TOTAL LIABILITIES INCURRED	(3 768)	(6 063)	(375)	(10 206)
NET ASSETS DEPLOYED	21 483	14 551	1 661	37 695

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 2018

4 ASSETS

4.1 RECEIVABLES		
	2018	2017
	\$'000s	\$'000s
Receivables	146	138
Less provision for impairment	—	—
Other receivables	65	140
Insurance claim – worker's compensation	25	44
TOTAL	236	322

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

4.2 INVENTORIES		
	2018	2017
	\$'000s	\$'000s
Port Arthur Gift Shop Stock	422	372
Food and Beverage Stock	111	20
Cascades Female Factory Gift Shop Stock	28	28
Brooke Street Stock	2	2
Fuel Stock	7	6
TOTAL	570	428

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

4.3 PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE

a) Carrying amount

The new Visitor Centre Building has been recorded at fair value. 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 2018. 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. Indexation has been provided by Andrew Lovibond and been applied as at 30 June 2018. 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, TAS. The revaluation was based on market value.

	2018	2017
	\$'000s	\$'000s
LAND		
At fair value	8 173	7 430
TOTAL	8 173	7 430
BUILDING		
At fair value	14 961	4 283
Less: Accumulated depreciation	(121)	—
TOTAL	14 840	4 283
HERITAGE		
Buildings at fair value	10 484	10 484
Artefacts and exhibition equipment at fair value	3 736	3 736
TOTAL	14 220	14 220
PLANT, EQUIPMENT AND VEHICLES		
At cost	4 811	2 869
Less: Accumulated depreciation	(1 876)	(1 827)
TOTAL	2 935	1 042
INFRASTRUCTURE		
At fair value	18 776	16 951
Less: Accumulated depreciation	(8 493)	(7 400)
TOTAL	10 283	9 551
CAPITAL WORKS IN PROGRESS	377	4 001
TOTAL PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE	50 828	40 527



For the year ended 30 June 2018

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.

2018	Land	Buildings	Heritage Assets	Plant, Equipment and Vehicles	Infra-structure	Capital Works in Progress	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
CARRYING VALUE AT 1 JULY	7 430	4 283	14 220	1 042	9 551	4 001	40 527
Additions	—	—	—	340	11	10 312	10 663
Disposals	—	—	—	(504)	(184)	—	(688)
Transfers	—	10 464	—	2 105	1 670	(13 936)	303
Asset De-recognition	—	—	—	—	—	—	—
Newly Identified assets	—	—	—	—	—	—	—
Revaluation increments (decrements)	743	208	—	—	214	—	1 165
Depreciation	—	(115)	—	(48)	(979)	—	(1 142)
CARRYING VALUE AT 30 JUNE	8 173	14 840	14 220	2 935	10 283	377	50 828
2017	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
CARRYING VALUE AT 1 JULY	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)	—	—
Asset De-recognition	—	(3 310)	—	—	—	—	(3 310)
Newly Identified Assets	—	—	3 283	—	—	—	3 283
Revaluation increments (decrements)	780	284	375	—	2 225	—	3 664
Depreciation	—	(196)	—	(280)	(356)	—	(832)
CARRYING VALUE AT 30 JUNE	7 430	4 283	14 220	1 042	9 551	4 001	40 527

c) Fair value measurement hierarchy for assets as at 30 June 2018

Fair Value Hierarchy

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

- Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset held at fair value by the Authority. The table presents the Authority's assets measured and recognised at fair value at 30 June 2018.

The fair values of the assets are determined using valuation techniques which maximise the use of observable data, where it is available, and minimise the use of entity specific estimates. If one or more of the significant inputs is not based on observable market data, the asset is included in level 3. This is the case for Authority's infrastructure and heritage assets, which are of a specialist nature for which there is no active market for similar or identical assets. These assets are valued using a combination of observable and unobservable inputs.

	Carrying amount as at 30 June 2018	Fair value measurement at end of reporting period using:	
2018		Level 2	Level 3
	\$'000s	\$'000s	\$'000s
Land at fair value	8 173	8 173	—
Buildings at fair value	14 961	4 497	10 464
Infrastructure at fair value	10 283	—	10 283
Heritage Assets			
Buildings	10 484	—	10 484
Artefacts and exhibition equipment	3 736	—	3 736
Total Heritage Assets	14 220	—	14 220
	Carrying amount as at 30 June 2017	Fair value measurement at end of reporting period using:	
2017		Level 2	Level 3
	\$'000s	\$'000s	\$'000s
Land at fair value	7 430	7 430	—
Buildings at fair value	4 283	4 283	—
Infrastructure at fair value	9 855	—	9 855
Heritage Assets			
Buildings	10 484	—	10 484
Artefacts and exhibition equipment	3 736	—	3 736
Total Heritage Assets	14 220	—	14 220



For the year ended 30 June 2018

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
HERITAGE ASSETS				
Buildings	Replication cost	Direct cost per square metre	\$100-\$2 750/m ² (\$1 700)	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
INFRASTRUCTURE				
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	1-20 years (20 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	10-40 years (30 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	10-40 years
Heritage assets	Nil
Exhibitions	5 years
Plant and equipment	1-20 years
Infrastructure assets	
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 and equipment and infrastructure

i) Valuation basis

The new visitor Centre has been recorded at fair value.

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 30 June 2016 and reflected in the 2015-16 accounts. The second assessment was completed by the 30 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 2018

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

	2018	2017
	\$'000s	\$'000s
Accrued wages and salaries	164	267
Annual leave	759	672
Long service leave	1 110	1 054
On-costs for leave	142	131
Superannuation	8 067	7 441
TOTAL	10 242	9 565
Current	2 279	2 150
Non-current	7 963	7 415
TOTAL	10 242	9 565

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

	2018	2017
	\$'000s	\$'000s
Commercial Grant Unearned Income	—	44
Credit Card Control Account	25	10
Gift Voucher Clearing	7	1
Prepaid Ticket Sales	27	37
TOTAL	59	92

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

5.3 TASCORP LOAN

	2018	2017
	\$'000s	\$'000s
Tascorp Loan	5 000	—
TOTAL	5 000	—

During 2017-18 the Authority completed the redevelopment of its Visitor Centre. The cost of the redevelopment was funded through a loan with Tascorp for a period of 10 years. As at 30 June 2018, the Authority had unused loan facilities of \$1m.



For the year ended 30 June 2018

5 LIABILITIES (continued)

5.4 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	2018	2017
	\$'000s	\$'000s
Net defined benefit liability/(asset) at start of year	7 441	7 657
(+) Defined benefit cost recognised in profit and loss	432	400
(+) Defined benefit cost (remeasurements) recognised in OCI	609	(441)
(-) Employer Contributions	(415)	(176)
Net defined benefit liability/ (asset) at end of year	8 067	7 441

b) Estimate of Defined Benefit Cost for year ending 30 June 2019

The estimate of Port Arthur's defined benefit cost for the year ended 30 June 2019 is summarised below:

Financial year ending	2019
	\$'000s
Current Service Cost	117
Net Interest	332
Past service cost/curtailments	^
Gain/loss on settlements	^
Estimated defined benefit cost	449

^ 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 2019

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 2019 is shown below. It has been calculated assuming that actual experience matches the assumptions made.

Financial year ending	2019
	\$'000s
Net defined benefit liability/(asset) at start of year	8 067
(+) Estimated defined benefit cost recognised in profit and loss	449
(+) Estimated defined benefit cost (remeasurements) recognised in OCI	^
(-) Estimated employer contributions	(622)
Estimated net defined benefit liability/ (asset) at end of year	7 894

^ 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

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 2018

5 LIABILITIES (continued)

5.4 SUPERANNUATION

h) Description of significant events

There were no Scheme amendments affecting the defined benefits payable, curtailments or settlements during the year.

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

As at	2018	2017
	\$'000s	\$'000s
Defined Benefit Obligation	9 456	8 734
(-) Fair value of plan assets	(1 389)	(1 293)
Deficit/ (surplus)	8 067	7 441
(+) Adjustment for effect of asset ceiling	—	—
NET DEFINED BENEFIT LIABILITY/ (ASSET)	8 067	7 441
Current net liability	622	441
Non-current net liability	7 445	7 000

j) Reconciliation of the Fair Value of Scheme Assets

Financial Year Ending	2018	2017
	\$'000s	\$'000s
FAIR VALUE OF PLAN ASSETS AT BEGINNING OF THE YEAR	1 293	1 060
(+) Interest income	55	37
(+) Actual return on plan assets less interest income	105	210
(+) Employer contributions	415	176
(+) Contributions by plan participants	51	46
(-) Benefits paid	(530)	(225)
(-) Taxes, premiums & expenses paid	—	(10)
FAIR VALUE OF PLAN ASSETS AT END OF THE YEAR	1 389	1 294

k) Reconciliation of the Defined Benefit Obligation

Financial Year Ending	2018	2017
	\$'000s	\$'000s
PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS AT BEGINNING OF THE YEAR	8 734	8 717
(+) Current service cost	119	135
(+) Interest cost	368	302
(+) Contributions by plan participants	51	46
(+) Actuarial (gains)/ losses arising from changes in demographic assumptions	—	(67)
(+) Actuarial (gains)/ losses arising from changes in financial assumptions	44	(785)
(+) Actuarial (gains)/ losses arising from liability experience	670	621
(-) Benefits paid	(530)	(225)
(-) Taxes, premium & expenses paid	—	(10)
PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS AT END OF THE YEAR	9 456	8 734

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 2018

5 LIABILITIES (continued)

5.4 SUPERANNUATION

m) Fair value of Scheme assets

	Total	Level 1 Quoted Prices in active markets for identical assets	Level 2 Significant observable inputs	Level 3 Unobservable inputs
	\$'000s	\$'000s	\$'000s	\$'000s
As at 30 June 2018[^]				
ASSET CATEGORY				
Equity Securities	510	219	291	—
Unit Trusts	865	458	407	—
Direct property	13	—	13	—
TOTAL	1 389	676	712	—

[^]Estimated based on assets allocated to Port Arthur as at 30 June 2018 and asset allocation of the RBF Scheme as at 30 June 2017.

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 3.00%, 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	2018	2017
ASSUMPTIONS TO DETERMINE DEFINED BENEFITS COST		
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	4.50% pa
Expected salary increase rate	3.00% pa	3.00% pa
Expected pension increase rate	2.50% pa	2.50% pa
ASSUMPTIONS TO DETERMINE DEFINED BENEFIT OBLIGATION		
Discount rate (active members)	4.30% pa	4.35% pa
Discount rate (pensioners)	4.30% pa	4.35% pa
Expected rate of increase of compulsory preserved amounts	3.00% pa	3.00% pa
Expected salary increase rate	3.00% pa	3.00% pa
Expected pension increase rate	2.50% pa	2.50% pa

p) Sensitivity analysis

The defined benefit obligation as at 30 June 2018 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	4.30% pa	3.30% pa	5.30% pa	4.30% pa	4.30% pa
Pension Increase	2.50% pa	2.50% pa	2.50% pa	1.50% pa	3.50% pa
Defined benefit obligation (A\$'000)	9 456	10 436	8 646	8 862	10 181

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



For the year ended 30 June 2018

5 LIABILITIES (continued)

5.4 SUPERANNUATION

q) Asset-Liability Matching Strategies

We are not aware of any asset and liability matching strategies adopted by the Fund.

r) Funding Arrangements

The employer contributes a percentage of each lump sum or pension benefit payment. This percentage may be amended by the Minister on the advice of the Actuary.

s) Expected Contributions

FINANCIAL YEAR ENDING 30 JUNE 2019	\$'000s
Expected employer contributions	622

t) Maturity Profile of Defined Benefit Obligation

The weighted average duration of the defined benefit obligation for Port Arthur is 9.8 years.

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	2018	2017
	\$'000s	\$'000s
Visitor Centre Redevelopment Commitment	—	10 728

7 RESERVES

7.1 ASSET REVALUATION RESERVE

	Land	Buildings	Infrastructure	Heritage Assets	Total
2018	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
ASSET REVALUATION RESERVE					
Balance at the beginning of financial year	2 550	3 312	4 412	973	11 247
Revaluation increments / (decrements)	743	208	214	—	1 165
BALANCE AT END OF FINANCIAL YEAR	3 293	3 520	4 626	973	12 412

2017	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
ASSET REVALUATION RESERVE					
Balance at the beginning of financial year	1 770	3 028	2 187	597	7 582
Revaluation increments / (decrements)	780	284	2 225	376	3 665
BALANCE AT END OF FINANCIAL YEAR	2 550	3 312	4 412	973	11 247

8 AUDITOR'S REMUNERATION

	2018	2017
	\$'000s	\$'000s
Amounts paid or payable to the external auditors for the audit of the accounts	40	35
	40	35

9 FOREGONE REVENUE

The Authority offers discounts to holders of student and pension cards on the sale of site tickets.

	2018	2017
	\$'000s	\$'000s
Potential ticket sales	2 085	2 452
Discount given	(398)	(777)
NET TICKET SALES	1 687	1 675



For the year ended 30 June 2018

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 ¹	Total
2018				
NON-EXECUTIVE DIRECTORS				
Sharon Sullivan – Chairperson	32 353	—	3 073	35 426
Kristal Buckley	14 303	—	1 358	15 661
Suzanne Clark	14 303	—	1 358	15 661
Michael Field	14 303	—	1 358	15 661
Judith Franks	14 303	—	1 358	15 661
Peter McKay	14 303	—	1 358	15 661
EXECUTIVE DIRECTOR				
Stephen Large – CEO ²	—	—	—	—
TOTAL	103 868	—	9 863	113 731

Director Remuneration	Directors' Fees	Committee Fees	Superannuation ¹	Total
2017				
NON-EXECUTIVE DIRECTORS				
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
EXECUTIVE DIRECTOR				
Stephen Large – CEO ²	—	—	—	—
TOTAL	101 777	—	9 668	111 445

¹ 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.

² The CEO does not receive additional remuneration as a Director.



For the year ended 30 June 2018

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 ¹	Short term incentive payments ²	Termination benefits ³	Superannuation ⁴	Vehicles ⁵	Other benefits ⁶	Total Remuneration Package	Other non-monetary benefits ⁷	Other long-term benefits ⁸	Total
2018										
EXECUTIVE REMUNERATION										
Stephen Large Chief Executive Officer	197 509	—	—	18 763	6 888	—	223 160	10 400	14 908	248 468
Jane Harrington Director Conservation & Infrastructure	163 631	—	—	15 545	2 573	—	181 749	—	(22,043)	159 706
Anne McVilly Director Tourism Operations	154 180	—	—	14 647	—	—	168 827	—	14 355	183 182
Jennifer Fitzpatrick Marketing Manager	107 549	—	—	10 208	—	—	117 757	—	(247)	117 510
Nicole Roberts Chief Financial Officer	121 228	—	—	11 516	—	—	132 744	—	11 967	144 711
Carol Armstrong Human Resources Manager	111 119	—	—	10 556	—	—	121 675	—	(1 928)	119 747
	855 216	—	—	81 235	9 462	—	945 913	10 400	17 012	973 325
ACTING SENIOR EXECUTIVES										
David Roe Acting Director of Conservation & Infrastructure (26/03/18 – 25/05/18)	25 039	—	—	2 378	—	—	27 417	—	—	27 417
	25 039	—	—	2 378	—	—	27 417	—	—	27 417
TOTAL	880 255	—	—	83 613	9 462	—	973 329	10 400	17 012	1 000 741

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.

	Salary ¹	Short term incentive payments ²	Termination benefits ³	Superannuation ⁴	Vehicles ⁵	Other benefits ⁶	Total Remuneration Package	Other non-monetary benefits ⁷	Other long-term benefits ⁸	Total
2017										
EXECUTIVE REMUNERATION										
Stephen Large Chief Executive Officer	193 636	—	—	18 395	5 708	—	217 739	10 400	24 839	252 978
Jane Harrington Director Conservation & Infrastructure	160 939	—	—	16 682	2 738	—	180 359	—	21 005	201 364
Anne McVilly Director Tourism Operations	150 045	—	—	14 254	—	—	164 299	—	30 872	195 171
Jennifer Fitzpatrick Marketing Manager (From 1/8/16)	94 881	—	—	9 013	—	—	103 894	—	—	103 894
Nicole Roberts Chief Financial Officer	106 989	—	—	10 163	—	—	117 152	—	2 841	119 993
Carol Armstrong Human Resources Manager	109 023	—	—	10 357	—	—	119 380	—	14 320	133 700
	815 513	—	—	78 864	8 446	—	902 823	10 400	93 877	1 007 100
ACTING SENIOR EXECUTIVES										
Kate McCarthy Acting Marketing Manager (1/7/16 – 26/8/16)	19 192	—	5 763	1 823	—	—	26 778	—	—	26 778
	19 192	—	5 763	1 823	—	—	26 778	—	—	26 778
TOTAL	834 705	—	5 763	80 687	8 446	—	929 601	10 400	93 877	1 003 878

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 all other benefits not included in the Total Remuneration Package for the purposes of assessing compliance with the remuneration Guideline (such as housing, subsidised goods or services etc)

8 Other long term benefits include annual and long service leave movements.

9 No key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.



For the year ended 30 June 2018

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.

	2018	2017
	\$'000s	\$'000s
Cash	(189)	199
Automatic teller machine	5	—
Deposits at call	2 919	5 906
TOTAL	2 735	6 105

11.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2018	2017
	\$'000s	\$'000s
NET RESULT FROM PROFIT/(LOSS) FOR THE YEAR	622	1 265
Depreciation and amortisation	1 142	832
Loss/(Gain) on Sale of property, equipment and vehicles	372	(52)
Fair Value Gain on Asset Revaluation	1	(3 283)
Asset Devalued	—	3 310
Non cash movement in superannuation	93	225
Decrease (increase) in Receivables	59	(180)
Decrease(increase) in Prepayments, accruals and deposit paid	77	(104)
Decrease (increase) in Inventories	(141)	122
Increase (decrease) in Employee Benefits	50	331
Increase (decrease) in Creditors	51	31
Increase (decrease) in Unearned Revenue	(44)	(385)
NET CASH FROM (USED BY) OPERATING ACTIVITIES	2 282	2 112

11.3 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Liabilities	Closing Balance	Non-Cash Changes				Cash Flows		Closing Balance
		Transfers to/(from) Other Government Entities	New Leases Acquired	Changes in Fair Value	Other (Specify)	Cash Received	Cash Repayments	
	2017							2018
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Borrowings	—	—	—	—	—	5 000	—	5 000
TOTAL	—	—	—	—	—	5 000	—	5 000

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 table analyses financial assets that are past due but not impaired:

	2018	2017
	\$'000s	\$'000s
RECEIVABLES		
Current	100	63
30 days	32	44
60 days	14	18
91+ days	—	13
TOTAL	146	138

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 2018

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.

At the reporting date, the interest rate profile of the Authority's interest bearing financial instruments was:

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
2018				
Financial assets	(3)	3	(3)	3
NET SENSITIVITY	(3)	3	(3)	3
2017				
Financial assets	2	(2)	2	(2)
NET SENSITIVITY	2	(2)	2	(2)

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2017.

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
2018		\$'000s	\$'000s	\$'000s	\$'000s
FINANCIAL ASSETS					
Cash	2.62	(275)	2 918	92	2 735
Receivables and accruals	—	—	—	370	370
TOTAL		(275)	2 918	462	3 106
FINANCIAL LIABILITIES					
Creditors and accruals	—	—	—	633	633
Tascorp loan	2.15	5 000	—	—	5 000
TOTAL		5 000	—	633	5 633

		\$'000s	\$'000s	\$'000s	\$'000s
2017					
FINANCIAL ASSETS					
Cash	2.69	153	5 906	46	6 105
Receivables and accruals	—	—	—	322	322
TOTAL		153	5 906	368	6 427
FINANCIAL LIABILITIES					
Creditors and accruals	—	—	—	549	549
Tascorp loan	—	—	—	—	—
TOTAL		—	—	549	549



For the year ended 30 June 2018

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:

- Provisions, note 5.1
- Superannuation, note 5.4
- 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

12 September 2018

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 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

Rod Whitehead
Auditor-General

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

Strive | Lead | Excel | To Make a Difference





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 2018, 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 statement of certification 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 2018 and 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.

...1 of 4

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

Strive | Lead | Excel | To Make a Difference

I confirm that the independence declaration provided to the directors of The Authority on 13 September 2018 would be in the same terms if provided to the directors at the time of 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
--	---

Property, Plant and equipment and Infrastructure Assets *Refer to notes 4.3 (a) – (d)*

<p>The Authority's Property, Plant and Equipment and Infrastructure Assets at 30 June 2018 includes land, buildings, heritage and infrastructure assets totalling \$47.52m recognised at fair value. Fair value is determined using the market value or current replacement cost approach.</p> <p>The valuation of these assets involves significant judgement and the valuations are highly dependent on a range of assumptions and estimates and advice from experts.</p> <p>The calculation of depreciation of buildings and infrastructure assets includes estimation of useful lives and residual values, which involves a high degree of subjectivity. Changes in assumptions underlying depreciation calculations can significantly impact the depreciation charged.</p>	<ul style="list-style-type: none"> • Assessing the scope, expertise and independence of experts engaged to assist in the valuations. • Evaluating the appropriateness of the valuation methodology applied to determine fair values. • Critically assessing assumptions and other key inputs in the valuation model. • Testing, on a sample basis, the mathematical accuracy of the valuation model's calculations. • Evaluating management's assessment of the useful lives. • Performing substantive analytical procedures on building and infrastructure depreciation expenses. • Evaluating the adequacy of disclosures made in the financial report, including those regarding key assumptions used.
---	--

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

...2 of 4

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

Strive | Lead | Excel | To Make a Difference



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 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.

...3 of 4

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

Strive | Lead | Excel | To Make a Difference

I 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

13 September 2018
Hobart

...4 of 4

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

Strive | Lead | Excel | To Make a Difference



DECLARATIONS

For the year ended 30 June 2018

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
12 September 2018

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
---	-----

Number of disclosures determined by the relevant public body to be public interest disclosures that it investigated during the year	Nil
---	-----

The number and types of disclosed matters referred to the public body during the year by the Ombudsman	Nil
--	-----

The number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate	Nil
---	-----

The number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year	Nil
--	-----

The number and types of disclosed matters that the relevant public body has declined to investigate during the year	Nil
---	-----

The number and type of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation; and	Nil
--	-----

Any recommendations made by the Ombudsman that relate to the relevant public body	Nil
---	-----



STEPHEN LARGE
Chief Executive Officer
12 September 2018

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 2018 and the financial position at the 30th June 2018 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 2018 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 2018 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 2018 give a true and fair view.

Signed in accordance with a resolution of the directors:



MICHAEL FIELD
Director
12 September 2018



PETER MCKAY
Director
12 September 2018

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
12 September 2018



PETER MCKAY
Director
12 September 2018



bright

beautiful

confined

degraded

cold

cramped

abused

alone

aved

numb

claustrophobic

examined

brat

anageable

worn

angry

frightened

one

