



ANNUAL REPORT 2019-20

PORT ARTHUR HISTORIC SITE MANAGEMENT AUTHORITY



OUR VISION

The Port Arthur Historic Site Management Authority 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.

*Cover: The Proud & The Punished
Image: Alastair Bett*

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An electronic version of this report is available at
[portarthur.org.au/about us/2019-20-PAHSMA-Annual-Report.pdf](http://portarthur.org.au/about-us/2019-20-PAHSMA-Annual-Report.pdf)

October 2020

Disclaimer: The information contained within the 2019-20 Annual Report is considered to be correct at the time of publication. Images used within the publication remain the property of PAHSMA.

DIRECTORS' STATEMENT

To the Honourable Elise Archer MP, Minister for Heritage and the Honourable Peter Gutwein MP, Treasurer

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 2020.

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
28 September 2020



ROSEANNE HEYWARD

Director
28 September 2020

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

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As the new Chair of the PAHSMA Board, joining in December 2019, I would like to firstly acknowledge with great respect my predecessor, Sharon Sullivan AO who led PAHSMA during the first half of this reporting period prior to her retirement. On behalf of the entire team at PAHSMA and its many stakeholders, I would like to formally recognise the significant contribution that Sharon Sullivan made to the organisation over the past 20 years and I feel very privileged to be now taking up the reigns to ensure that her work is honoured and continued.

The 2019-20 Annual Report covers a period of time and events previously not seen or experienced before across our local, domestic and international communities. COVID-19 has delivered significant business impacts, challenging circumstances for our teams and their community as well as ongoing uncertainty about when things may be on a solid path back to some sort of normality.

Visitation to our sites was initially impacted over the summer period by the 2019 Bushfires, however that was quickly surpassed by the growing effects of the COVID-19 pandemic that necessitated the closure of all our sites in late March 2020. Pleasingly we have been able to open the sites once more to the Tasmanian public in the first week of July 2020.

While we are pleased to be open again, the ongoing restrictions around COVID-19 mean that we are currently only able to serve approximately 10% of our normal visitor base and once the 'mainland' states re-open it will provide the opportunity to get access to approximately 50% of our previous visitor base. The re-opening of international tourism markets is expected to be some time off and as a result we are focussed on attracting more Australian visitors to our sites.

Proudly, I can report that the PAHSMA team have rallied together, looked for opportunities to continue to improve our business and displayed resilience, teamwork and passion to succeed. It is the organisational Values of Unity, People Matter, Accountability, and Passion and Pride that shone as the closure period encouraged our people to work together across departments and undertake a large variety of tasks to ensure that our Sites were immaculately presented and ready for re-opening.

The Team at PAHSMA are looking ahead with optimism and energy to make the very best of the current circumstances. Everyone was thrilled when PAHSMA was once again recognised at the 2019 Australian Tourism Awards, taking out the Gold award as the best Major Tourist Attraction for our Port Arthur Historic Site. This is testament to the entire PAHSMA team and their continuing dedication to conserve, protect and promote our World Heritage Sites.

First and foremost, PAHSMA is focussed on continuing to deliver on our responsibilities for the conservation of the heritage sites that we are entrusted with. We are indeed fortunate to

have amongst our Leadership team and Board some of the leading experts in the fields of heritage conservation who guide and encourage the Authority to ensure we are delivering world-class outcomes on our World Heritage listed sites.

The implementation of recommendations from our Organisational Transformation Review has continued to be a priority for the Board and Executive Leadership Team, as we remain committed to upskilling and developing our people, and structuring our business to meet the challenges of an ever-changing landscape.

Our next key conservation project is the development of the Cascades Female Factory History and Interpretation Centre in South Hobart. PAHSMA are extremely grateful to the Tasmanian Government who have recently announced the commitment of \$3M towards this major capital project that will enable us to better tell the female convict story. We are very hopeful that we can make a start on the building in early 2021.

The PAHSMA business model relies on a unique partnership between conservation and tourism, its funding is driven by the proceeds of tourism revenue and the significant and ongoing support from the State Government. The financial results in this Annual Report show clearly the detrimental effect of COVID-19 on our revenue and profit outcomes for the 2019-20 period.

We expect the 2020-21 period to be even more challenging from a financial point of view as a result of the ongoing pandemic effects and will require significant and ongoing support from our State Government to ensure we retain a commercially sound business model.

PAHSMA is extremely thankful for the support and guidance provided by our Minister for Heritage, the Hon. Elise Archer MP, and our Treasurer and Premier, the Hon. Peter Gutwein MP, together with the Tasmanian and Australian Governments generally.

I would also like to acknowledge on behalf of the Board and our people, the valued 10 year contribution made by Jude Franks who has completed her tenure with the Board. This has resulted in the Board membership reducing in size, but not in responsibility or drive to succeed.

Despite the uncertainty related to tourism in the future, I'm excited by the opportunities that lay ahead for PAHSMA, and I look forward to embracing the challenges together with the Board and the entire PAHSMA team.

GRANT O'BRIEN

Chair

The 2019-20 year commenced as any other, with positive anticipation that our visitors would enjoy a world-class tourism experience and that our people would flourish in our work environment while our conservation efforts would continue to receive accolades. PAHSMA was ready to benefit from the major projects completed in previous years while also focussing on new opportunities for the future. As with other businesses reliant upon tourism, this was the case until we closed our Sites due to COVID-19.

No one could have foreseen the challenging journey ahead as COVID-19 created a path of uncertainty for all Australians, and in fact the world. It is therefore with a sense of concern that I present the 2019-20 Annual Report for PAHSMA, as this year has been one of immense unprecedented business challenges and the future is unknown.

Despite the challenges of dwindling tourism and site closures, guided by our exceptional Executive Leadership and Management teams, our people have been extraordinary and proven that as a team working together we can achieve great things. Being closed to visitors has provided the opportunity for many projects to be completed, ranging from building maintenance and gardening to photography and transcribing convict records. It is fair to say our Sites have benefited immensely from the dedicated and focussed attention, as will our future visitors.

PAHSMA's success is, without doubt, attributed to the efforts of each and every individual and team. For this I am very thankful.

Our award-winning Port Arthur Historic Site welcomed 270 685 day time visitors prior to closure. A major project featured in this report is the completion of Stage 3A of our Isle of the Dead walkways project that will provide increased accessibility and improved tour paths for our visitors. The logistics behind this infrastructure project, including the use of helicopters to deliver materials, together with the final design, engineering and workmanship are truly noteworthy.

The Cascades Female Factory in South Hobart welcomed 26 788 during the July to March 2020 period and we are thrilled that the design and statutory approvals for our History & Interpretation Centre have been well progressed.

A Punishing Experiment Image: Alastair Bett



At Saltwater River, our Coal Mines Historic Site continues to prove popular with 13 982 visitors recorded for 2019-20.

As site visitation and subsequent revenue streams diminished during the year, combined with our already depleted cash reserves, this led to an increased reliance on government funding to meet our operational and conservation expenses and highlighted the increased need for government support as we pave a way for the future. We are particularly grateful to the Tasmanian Government offering payroll tax relief and to TASCORP for providing access to additional loan funds to assist us to particularly meet the ongoing high cost of wages throughout the closure period. It is expected that the operational challenges and financial impacts of COVID-19 for our organisation will continue throughout 2020-21.

Thankfully these challenges have offered transformation opportunities for PAHSMA that will result in long lasting benefits. Over the past five months the Executive Leadership Team with Board support have been able to regroup and refocus, setting new priorities to ensure a sustainable future.

Notwithstanding the crisis environment, we have also gained positive traction in upskilling our management team, launching new products such as *The Proud & The Punished* dramatisation, and forged strong partnerships with our community and networks that are integral to our recovery. Work has also been focussed on streamlining our business systems and processes to support continuous improvement.

At PAHSMA we do not work in isolation but rely on relationships with our many stakeholders, who have been acknowledged in this report and I thank them for their contribution during the year. I also thank our former Chair Sharon Sullivan AO who, over 20 years on the PAHSMA Board, has been an outstanding contributor and mentor and our newly appointed Chair Grant O'Brien together with the PAHSMA Board for admirably leading us through uncharted territory.

Most importantly, again I want to acknowledge the extraordinary efforts of our people who bring professionalism, knowledge, an excellent customer service focus and a smile to our workplaces. It is definitely our team of talented people at PAHSMA that encourage our visitors to return, and more-so than ever, I am hopeful that both Tasmanian and Australian domestic travellers will enjoy the heritage tourism experience we will offer in the coming year in our very COVID-safe environment.

STEPHEN LARGE

Chief Executive Officer

CHIEF EXECUTIVE OFFICER'S REPORT



THE YEAR AT A GLANCE

270 685
DAY VISITORS TO PORT
ARTHUR

24 131
GHOST TOUR VISITORS

26 788
VISITORS TO CASCADES
FEMALE FACTORY

13 982
VISITORS TO COAL MINES

+79.4
WORLD-CLASS VISITOR
SATISFACTION

COVID-19

- PAHSMA sites closed to visitors from 21 March to 30 June 2020 with the impacts reported herein.

PORT ARTHUR HISTORIC SITE

- 270 685 Total Day Visitors (target 361 700)
- 24 131 Ghost Tour Visitors (target 28 480)
- It is important to note evening visitation was on track to reach 2019-20 targets prior to COVID as were those undertaking our optional tours of *Isle of the Dead*, *Escape from Port Arthur* and the *Commandant's Carriage*
- 17 Cruise ships anchored (from 21 anticipated)
- 8 810 walkers checked-in for the Three Capes Track (1 July 2019 to 22 March 2020)
- \$45.58 Yield – Individual visitor spend (increase 2.7% compared to 2018-19 \$44.42)
- Launched *A Punishing Experiment* performance in the Separate Prison.

VISITOR SATISFACTION

- +79.4 NPS – World Class NPS Visitor Satisfaction (Net Promoter Score)

COAL MINES HISTORIC SITE

- 13 982 Visitors
- 8 405 Vehicles (increased from 6 756 last year)
- Counted 12 000 birds since monitoring commenced 2014.

CASCADES FEMALE FACTORY

- 26 788 Total Visitors (a decrease of 23% on the previous year while being closed for 25% of the year)
- 1 948 School Students
- \$11.71 Yield – Individual visitor spend (decrease 1% 2018-19 \$11.83)
- Launched *The Proud & The Punished* dramatised tour
- Development Approval from Hobart City Council for the Cascades Female Factory History & Interpretation Centre, and \$3M of funding confirmed by the Tasmanian Government.

EMPLOYEE SATISFACTION

- 252 people employed
- Tasmanian State Service Employee Survey satisfaction score of 68 with more than 80 PAHSMA participants (March 2020).

HUMAN RESOURCES

- Renegotiation of the PAHSMA Staff Agreement
- Hosting Vocational Education Training students from a range of Tasmanian Colleges
- Significant work to progress our Organisational Transformation Review
- Commenced implementation of new Rostering software designed to benefit both employees and employer
- Provision of guaranteed minimum hours for all permanent part-time employees.

CONSERVATION

- Conservation Expenditure of \$3.71M
- Completion of Stage 3A of the Isle of the Dead walkways and fabrication for Stage 3B
- Completed *Landscapes of Production and Punishment: The Tasman Peninsula 1830-1877* three-year research project
- Education program hosted 5 034 students and 635 teachers
- 1 700 children participated in school holiday programs, and 1 400 in our special summer activity *Weird and Wonderful Port Arthur*
- 130 sound recordings catalogued and 850 reports digitised through our Resource Centre.

Isle of the Dead Walkway with Monument of William Doodie in foreground Image: Pamela Hubert



WHS & WELLBEING

- Reported accidents and incidents prior to the sites' closure to visitors in March 2020 were down 25% as compared to the same period in 2018-19.

FINANCIAL RESULTS

- \$1.63M Net loss

SUSTAINABILITY

PAHSMA actively promotes sustainable visitation and operations. In addition to ongoing endeavours our 2019-20 sustainability initiatives included:

- auditing packaging and introducing environmentally friendly options into our food and beverage operations
- coordinating activities to recognise World Soil Day
- embracing technology in lieu of previously printed reporting and administration tasks
- encouraging good employee health and wellbeing in the workplace and for those working from home
- sourcing local produce and services for Port Arthur Historic Site with 79 local suppliers and contractors located within 70 km, resulting in excellent quality food, improved local relationships and reduced food miles and travel time.

SUPPORTING THE LOCAL COMMUNITY

PAHSMA proudly 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
- Port Arthur Talks program
- Exhibition by local artists
- Local artisan market stalls for cruise ship visits
- Local provedore section in the Port Arthur Historic Site Gift Shop
- Boxing Day Woodchops including the World Championship Jack and Jill sawing competition
- Hosting *Work Inspirations* for 22 students and other activities with the Tasman District School
- Community Advisory Committees at Port Arthur and Cascades Female Factory
- Participation in the Tasman Business and Tourism Association
- Leading the Tasman Cruise Group
- Supporting the Female Convicts Research Centre and *From the Shadows* statue project
- Supporting Rotary, the Lions Club and the Tasman Golf Club
- Providing in-kind support and donations to community organisations.

AWARDS

- TASMANIAN TOURISM AWARDS – Winner for Port Arthur Historic Site in the Major Tourism Attraction category
- AUSTRALIAN TOURISM AWARDS – Winner for Port Arthur Historic Site in the Major Tourism Attraction category

Premier Peter Gutwein and Anne McVilly accept the Gold award
Image: Paul Chapman, Mode Imagery



OFFICIAL VISITORS

Following are the notable visitors that have been welcomed during the year:

PORT ARTHUR HISTORIC SITE

- 26 July 2019: The Hon Elise Archer MP, Attorney General of Tasmania
- 18 September 2019: HE Ms Victoria Francolino Slepak, Ambassador of Uruguay
- 5 November 2019: Hon Dame Annette King, New Zealand High Commissioner to Australia
- 23 November 2019: Mr Kazuyoshi Matsunaga, Consul-General of Japan in Melbourne
- 11 December 2019: The Hon Peter Gutwein MP, Treasurer
- 4 December 2019: HE Mr Mohammad Sufiur Rahman, High Commissioner for the People's Republic of Bangladesh to Australia, New Zealand and Fiji
- 15 February 2020: Mr Luke Daunivalo, High Commissioner of Fiji

CASCADES FEMALE FACTORY

- 1 October 2019: The Hon Peter Gutwein MP, Treasurer

PORT ARTHUR TALKS PROGRAM

Port Arthur Historic Site hosted free talks relevant to our history, conservation, environment and research.

- 7 August 2019: Professor Pam Sharpe
Private Robert McNally's secret journal of 1820s Van Diemen's Land
- 18 September 2019: Anne McVilly
Old, new, large, small, basic, luxury: Port Arthur's relationship with the cruise sector
- 20 November 2019: Michael Bremer-Trainor
Woodgraining and colour in historic buildings
- 5 February 2020: Dr Richard Tuffin
From quarry to workshop: convict labour at varying scales
- 17 March 2020: Dr Caitlin Vertigan
How heritage is handling climate change, here and abroad.

Late in 2019, PAHSMA were actively planning for what promised to be a very busy summer season. As travel and tourism lessened in response to the already devastating Australian bushfires, the news came that novel coronavirus (COVID-19) had entered Tasmania. This turned our normal operations upside down, particularly in the Tourism part of the business.

The PAHSMA Board, Executive Leadership Team and management rapidly convened to formulate response plans with the support and guidance of the Tasmanian government. Under the guidelines of a Pandemic Action Plan we introduced COVID-19 responses, and implemented changed service methods and ways of working based on Health Department and State Service Management Office recommendations.

The decision was made to close our Port Arthur and Cascades Female Factory Historic Sites to visitors from 21 March 2020, and the Coal Mines Historic Site from 27 March 2020. A further decision was made to formally close the sites as places of work for our Tourism Operations staff in early April. The last month of the financial year saw considerable effort towards the anticipated re-opening of the sites in early July 2020. These closures have had a significant impact on the workforce, our finances and the way we manage our Sites, with key effects summarised below.

FINANCE

- Reduction of \$3.73M in income from visitor entry, tours, hospitality and rentals.
- Debtors increased by \$150K with Tourism trade debtors written off or provided for as doubtful in collection totalling \$169K.
- \$569K in payroll tax relief provided by the Tasmanian Government.
- The Tasmanian Government continues to support and work closely with PAHSMA in navigating what is expected to be a slow recovery.

WORKFORCE

- Under the Pandemic Plan, our Executive Leadership Team activated a communications plan to keep our people updated on relevant information including WHS and Wellbeing support advice.
- PAHSMA employees were not eligible for Commonwealth Government Jobkeeper payments.
- The Tasmanian Government gave an undertaking to continue to provide ongoing payments to state public servants, which includes PAHSMA's workforce. Despite being closed to visitors and not generating revenue, the wages cost associated with this obligation equated to \$2.442M.



Covid-19 interoperability with Robert Eastment

- Guaranteed paid minimum hours for some staff were met for work not able to be performed in Tourism Operations.
- We undertook considerable redirection of Board, Executive, Management and employee efforts to manage COVID-19 impacts and pursue different ways of approaching our operations.
- Many employees benefited from learning new skills in different areas in various roles across all of PAHSMA including gardening, photographic recording, transcribing convict records, painting, sanding and record keeping to name a few.
- A number of employees participated in the government's Interoperability Arrangements for Sharing Skilled Resources in Tasmania (IASSRT).

WHS & WELLBEING

- The response to the COVID-19 pandemic required the allocation of resources in the preparation of PAHSMA's COVID Safety Plan, completing the associated risk assessments and the implementation of the required controls to prepare PAHSMA sites for re-opening to the public. The Work Health and Safety Consultative Committee, the Health and Safety Representative and Union Workplace Delegates were involved in the consultative process, the completion of the risk assessments and the preparation of the plan.
- From June 2020, information sessions relating to COVID-19 were prepared and presented to Tourism Operations employees in readiness for the sites' re-opening to visitors.
- With many staff not working on site, managers and supervisors engaged in a range of communication methods to ensure regular contact and oversight of their teams.

CONSERVATION

- Deferral of some planned conservation projects including the completion of the Isle of the Dead Walkways Stage 3B and the reroofing of the Clerk of Works house.
- Redirection of conservation activity into special projects such as internal painting and objects cleaning and conservation at the Commandant's House.
- A collaborative project with the University of New England to investigate the development of the industrial workshops adjacent to Port Arthur's Penitentiary had commenced, although the major archaeological excavations planned as the central component of this project had to cease in March due to COVID-19.
- Site closures created an opportunity for our Tourism Operations employees to engage in a range of activities, primarily in the gardens and grounds and Resource Centre.

TOURISM & HOSPITALITY

- The Tasmanian Government suspended Cruise Ship visits from 15 March 2020.
- We welcomed significantly fewer visitors than would normally be the case, with Port Arthur and the Cascades Female Factory Historic Sites formally closed to the public from 21 March 2020.
- During the closure, weekly takeaway heat-at-home meals made available at 1830 Restaurant & Bar were greatly supported and appreciated by the local community.

MARKETING STRATEGY

- Following the implementation of mass gathering and travel restrictions across the state, PAHSMA redirected its Marketing focus to increase online engagement through social media channels and the website. New elements were added to the website to allow people to engage with PAHSMA's stories and collections online and provide entertainment for families at home. Social media introduced audiences to the stories of the more prominent characters of our sites and to a range of interesting items in our collections.
- Recognising the likely dramatic changes to the visitor market when travel restrictions are eased, Tasmanian company, Red Jelly were engaged to create a high level Marketing Strategy, Public Relations and Communications Plan for the sites. The strategy will provide the basis for a new domestic campaign for PAHSMA sites in 2020-21.
- Normal marketing trade events in 2020 were cancelled as travel restrictions fell across Australia.

THE FUTURE

- As at 30 June 2020 PAHSMA sites remained closed, with expectation to open on 3 July 2020 to Tasmanian visitors.
- A request has been made to the Tasmanian Government for financial support.
- A review of activities and responses has been undertaken that will inform future actions and planning in relation to COVID-19.

Our thanks to each and every PAHSMA employee for using this uncharted time to advantage. One unexpected bonus has been the ability for tourism team members to gain valuable knowledge of the work undertaken by our conservation team to ensure our sites are presented to such a high standard.

Social distancing



Working in new ways





GRANT O'BRIEN

(from 23 December 2019)

AICD

Tasmanian born, Grant O'Brien was appointed as Chair to the PAHSMA Board in December 2019. His 29-year career with one of Australia's largest publicly listed companies, Woolworths, has provided extensive skills in Finance, Commercial and Business Operations, Marketing and Retail. Grant was a former Chairman for both Australian Leisure and Hospitality and Hydrox Holdings in addition to being a member of the Business Council of Australia, a Director of the Global Consumer Goods Forum and Chairman of the Retail Council of Australia. Grant is currently a member of the Tasmanian Government's AFL task force, a Director of the Avner Pancreatic Cancer Foundation, is Deputy Chairman of the Stars Foundation and a Director of the Lauderdale Trust. He enjoys keeping fit, bushwalking and family time.



HON. MICHAEL FIELD AC

BA, LL.D (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 fishing and gardening and lives on the Tasman Peninsula.



ROSEANNE HEYWARD

Roseanne Heyward has longstanding ties with the local Tasman community, having grown up in Koonya and attended the local Tasman District School. She worked in Hobart as a Practice Manager for a specialist medical clinic for 15 years and returned to Koonya to live in 1995. Roseanne has served as a Councillor on the Tasman Council and as Deputy Mayor (2007-2014) and Mayor (2014-2018). Roseanne represented the Council on the PAHSMA Community Advisory Committee from 2009 and now attends as a PAHSMA Board member. Appointed to the PAHSMA Board in February 2019 as a community representative, Roseanne is a member of the PAHSMA Audit, Risk and Governance Committee. She is also an active volunteer with local community organisations including the Koonya Garlic Festival, The Tasman Feast, Koonya Hall Committee, Tasman Peninsula Historical Society, Tasman Peninsula Power and the Tasman Holiday Experience (for children with a disability) Inc.

HON. PETER MCKAY



Peter McKay was appointed to the Board in September 2013, and is a member of the PAHSMA Audit, Risk and Governance Committee.

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 Cambridge in Tasmania where enterprises include vegetable seed production, a vineyard and cropping. Peter is currently a Director of Workforce Health Assessors Pty Ltd where he is a principal, operating nationally and internationally, delivering employment medicals and health and wellbeing programs. Peter is a Director of the Brooke Street Pier, Hobart. He also operates Holiday Rentals at Port Arthur and Cambridge, Tasmania.

KRISTAL BUCKLEY AM

BA (Hons), DipSocSci, MPubPol, GradCertHigherEd



Kristal Buckley AM has been a Director of PAHSMA since September 2013. She has extensive experience in cultural heritage management in Australia and internationally, including World Heritage. Kristal has a long-standing professional connection to Port Arthur, first working at the Site in the 1980s. She is currently a Lecturer in Cultural Heritage 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, and is also a member of the Kingston and Arthur's Vale Historic Area (KAVHA) Advisory Board.

STEPHEN LARGE

F Fin GAICD



Stephen Large is the Chief Executive Officer for PAHSMA, joining the Authority as Acting CEO in February 2000 before being appointed to the position on 1 July 2000. Stephen was previously 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 attends PAHSMA Audit, Risk and Governance Committee meetings. Enjoying being of service to the community, Stephen is the Secretary of the Rotary Club of Tasman Peninsula.

THANK YOU

The Board would like to acknowledge and give sincere thanks to two Board members who have been integral to PAHSMA's success.

SHARON SULLIVAN AO FARA

(to 22 December 2019)



Sharon Sullivan AO joined the PAHSMA Board in 1999 and was appointed Chair in December 2012. During her years of service on the Board, Sharon contributed extensive conservation knowledge and experience, assisting in decisions related to the Penitentiary Restabilisation project, the redevelopment of the Port Arthur Visitor Centre and the design of the Cascades Female Factory History & Interpretation Centre, in addition to forging longstanding relationships with the Dunhuang Academy in China. While retiring from the Board in December 2019, Sharon has left a legacy of progress and a vision for global excellence in conservation and tourism for PAHSMA.

JUDE FRANKS

(to 4 December 2019)



With a passion for the Tasmanian tourism industry and always aiming to “make a difference”, Jude Franks joined the PAHSMA Board in December 2009 and served on the Product Development Committee and the Cascades Female Factory Community Advisory Committee. Jude’s term expired after having worked with PAHSMA for 10 years, and without doubt her extensive tourism and business knowledge coupled with her effervescent sense of humour will be missed. Thank you Jude.



The Penitentiary from above Image: Hype TV, Alastair Bett

EXECUTIVE LEADERSHIP TEAM

Led by the Chief Executive Officer, Stephen Large, the Executive Team as at 30 June 2020 included:



FINANCE AND ADMINISTRATION DAVID NELÁN

BCom, FCA, GAICD

Finance and Administration 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. As Acting Chief Financial Officer, David was supported by an excellent team consisting of Tom Nilsson, Tanya Dalton, Debbie Williams, Peter Brown and Leila Yuan whose focus on accountability and unity is greatly appreciated.



CONSERVATION AND INFRASTRUCTURE JANE HARRINGTON

PhD, BSc, BA (Hons), Grad Dip Sec Studies, MICOMOS

Conservation and Infrastructure has responsibility for general heritage and infrastructure projects and maintenance, Heritage Programs, Archaeology, the Resource Centre, Grounds and Gardens, Buildings and Works and natural heritage. The team of expert managers includes Dr David Roe, Pamela Hubert, Susan Hood, James O'Regan and Katy Ross, supported by Vicki Skeggs, together with outstanding heritage conservation, building and grounds teams who are committed to enhancing the international recognition of our Sites' heritage values. Our team supervisors are Peter Williams and Gareath Plummer. This year we farewelled horticulturalist Ian Parnell as well as Dr Jody Steele and Gemma Davie who have played vital roles in our interpretation and education programs.



TOURISM OPERATIONS ANNE MCVILLY

Tourism Operations comprises all tourism and commercial operations at Port Arthur Historic Site including Visitor Services, Retail, Food &

Beverage services, Guiding, cruise ships and product development. The experienced management team includes Maria Stacey, Jake Bradshaw, Ben Bate, Gabrielle Earnshaw and Isabelle Clarkson, supported by Cathy Howard and Debbie Williams and fabulous and passionate employees in each business unit. Together they continue to deliver outstanding award-winning service to our many visitors.

HUMAN RESOURCES CAROL ARMSTRONG



JP, BCom, BA (Prof Hons), MAHRI

Human Resources has responsibility for People, Culture and Employee Relations, Work Health Safety & Wellbeing, Pay & Conditions, Employment & Organisational Design, and Workforce Planning & Development. In delivering these employment responsibilities the team includes Philip Johnston, Anne Hoyle, Tracey Rainbird, Pauline Wood and Susan Brown. Together the HR team seek to be a team who communicate with strength, clarity and fairness to provide a positive, powerful and motivating environment for employees.

MARKETING JENNIFER FITZPATRICK



The Marketing team is responsible for consumer marketing, travel trade promotions, corporate communications, fundraising, media and public relations. In 2019-20, Marketing welcomed a new Sales and Marketing Coordinator, Maggie Dsouza, who has been a long-standing employee of PAHSMA. Together the team, including Meahd Bradshaw, Digital Media Officer, has been responsive to the changing digital marketing landscape to actively engage with wider audiences and promote PAHSMA's sites through what has been an unprecedented year.



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 Roseanne Heyward with support provided by the CEO and the Acting Chief Financial Officer.

RISK MANAGEMENT

PAHSMA maintains comprehensive Risk Registers and Emergency Management Plans for all three of our Sites to ensure safe and effective systems and procedures are in place to mitigate risks and to respond to challenges or emergencies. A major security review for the Port Arthur Historic Site was completed in 2019-20 providing an assessment of current measures and recommendations relating to potential security risks. PAHSMA also refers to a Records Retention and Disposal Schedule to assist in reducing corporate risks.

OVERSEAS TRAVEL

During 2019-20 PAHSMA submitted two overseas travel reports to the Minister for Heritage and Treasurer.

PAHSMA's previous Non-Executive Director, Jude Franks represented PAHSMA as a keynote speaker at the Dunhuang Academy in Mogao, China to speak on the topic *Cultural and Heritage*

Tourism: Telling our Stories for more immersive Tourism Experiences. This visit enabled PAHSMA to build on existing relationships within China with regard to best-practice management of heritage sites. The travel was approved by the Board and costs associated with this trip, except for \$200, were sponsored by the Dunhuang Academy.

Conservation Officer, Dr Caitlin Vertigan, represented PAHSMA at the Sea Change: Climate Change and Coastal Heritage Conference in Blackpool, United Kingdom. Dr Vertigan spoke about *Making Choices about Change*. This trip, also encompassing other areas of England and Scotland, enabled Dr Vertigan to gain further insight into how other international heritage sites are managing the impacts of climate change and to share these learnings with PAHSMA, our local community at a PAHSMA Talk, and in a comprehensive report to the Minister for Heritage. Some of the travel costs were sponsored by a conference travel bursary while the remaining \$4 996 was paid by PAHSMA.

BOARD & EXECUTIVE PERFORMANCE

Performance reviews for the Board, including the CEO, were conducted by the exiting Chair using the *Government Businesses Assessing Board Performance* format. As a component of the Organisational Transformation Review and with the introduction of a new Chair in December 2019, overall Board performance has been qualitatively discussed by the Board, with the next formal review scheduled for 2020-21. The Board has also reviewed the Board Charter in line with these discussions.

Reviews for a number of Executive members were undertaken by the CEO in line with PAHSMA's Performance Review Process.

2019-20 BOARD APPOINTMENTS & MEETING ATTENDANCE

	BOARD MEETINGS ATTENDED	AUDIT, RISK AND GOVERNANCE MEETINGS ATTENDED	ORIGINAL APPOINTMENT	COMMENCEMENT DATE OF CURRENT TERM	EXPIRY DATE OF CURRENT TERM
Grant O'Brien	10/10	....	23/12/2019	23/12/2019	22/12/2022
Michael Field	13/13	5/5	12/12/2005	26/2/2019	25/2/2022
Kristal Buckley	13/13	....	2/9/2013	2/12/2019	1/12/2021
Peter McKay	12/13	4/5	2/9/2013	2/12/2019	1/12/2021
Roseanne Heyward	12/13	5/5	26/2/2019	26/2/2019	25/2/2022
Stephen Large	13/13	5/5 ¹	3/4/2000	1/7/2015 CEO Renewal	30/6/2022 ²
Sharon Sullivan	2/3	....	22/12/1999	Retired	22/12/2019
Judith Franks	3/3	....	14/12/2009	Retired	4/12/2019

1. CEO attends Audit Risk and Governance Meetings for reporting purposes only and is not a member of the Committee.
2. During 2019-20 the CEO contract was renewed for a further 2 years effective from 1 July 2020

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 core business, general direction, key outcomes expected and the performance targets agreed with PAHSMA's Shareholder Ministers, the Hon. Elise Archer MP, Minister for Heritage, and the Hon. Peter Gutwein MP as Treasurer.

OUR BUSINESS

Since 1987, PAHSMA has been responsible for conserving and maintaining one of Australia's most important heritage sites and major tourism destinations, the Port Arthur Historic Site and adjacent area. Management of the Coal Mines Historic Site at Saltwater River (2004) and the Cascades Female Factory Historic Site in South Hobart (2010) have since 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 British convict settlement and penal institution of the 19th Century;
- co-ordinate archaeological activities on the historic site[s];
- promote an understanding of the historical and archaeological importance of the historic site[s];
- consistently with the Management Plan, promote the historic site[s] as a tourist destination;
- provide adequate facilities for visitor use; and
- use its best endeavours to secure financial assistance by way of grants, sponsorship and other means, for the carrying out of its functions.

OUR OPERATIONS

PAHSMA proudly manages three of the eleven sites that make up the Australian Convict Sites World Heritage property, recognising the careful balance between tourism operations and the conservation and maintenance of the sites for future generations as detailed in the Port Arthur Historic Sites Statutory Management Plan 2008 (SMP) with the tenet that 'there is nothing more important about the future management of the Historic Sites than the obligation to achieve their long term conservation'.

Annual conservation grant funding is provided by the Tasmanian Government. PAHSMA has also been successful in gaining additional grant funding for export marketing.

Funds derived from Tourism Operations are also applied to conservation and infrastructure works. Notably, with the closure of our sites to visitors due to COVID-19, the ability for Tourism Operations to contribute to funding conservation endeavours has been negatively impacted during this year.

PAHSMA's tourism philosophy and strategies as outlined in our Tourism Operations Plan 2016-20 are to engage, inspire and inform visitors with authentic, meaningful and quality products, services and experiences that communicate the Sites' heritage significance. We aim to maximise yield from commercial operations while ensuring that any service fees represent fair value to visitors.

COMMUNITY SERVICE OBLIGATIONS

In accordance with PAHSMA's Ministerial Charter, the Tasmanian Government provide funding to assist in meeting the cost of non-commercial activities (Community Service Obligations) required to be undertaken by PAHSMA.

PAHSMA's Community Service Obligations are to conserve, preserve and maintain the convict historic sites known as Port Arthur Historic Site, Coal Mines Historic Site and Cascades Female Factory Historic Site.

The conservation expenditure cost to PAHSMA to meet these financial obligations during 2019-20 was \$3.712M with a further \$2.533M being spent on supporting infrastructure for a total spend of \$6.245M. These obligations were funded by a \$3.886M Government contribution, in addition to PAHSMA's commercial activities and an Export Market Development Grant received.

OUR OPERATING ENVIRONMENT

As a 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 during 2019-20 include:

- The aforementioned impacts of COVID-19.
- The Port Arthur Historic Site is located on the remote Tasman Peninsula, which presents ongoing challenges in recruiting, retaining and accommodating employees.
- The Cascades Female Factory is located 100km from PAHSMA's main administrative centre resulting in additional travel requirements to enable effective training, administration and management.
- PAHSMA is obliged to protect the heritage values of the Sites and to undertake conservation and interpretation activities in accordance with relevant legislation, international conventions and industry standards. PAHSMA is unable to generate sufficient income from its tourism

operations to fully meet these substantial requirements, thus creating an ongoing reliance on external funding.

- Tourism declined in response to COVID-19 and tourism markets are constantly changing, reflecting new opportunities, emerging technologies, changing lifestyles and social norms. To be commercially successful in this environment, PAHSMA needs to continue to be agile and skilled in forecasting and responding to these influences, while global economic and health factors impact on available disposable household income for tourism products.
- Understanding and respect for the special connection that the Tasman and Tasmanian community share with the historic sites and their respective post-convict histories.

OUR STRATEGIC DIRECTION

Building on PAHSMA's Vision, Purpose and Values, our Key Priorities for 2019-20 were focussed on:

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

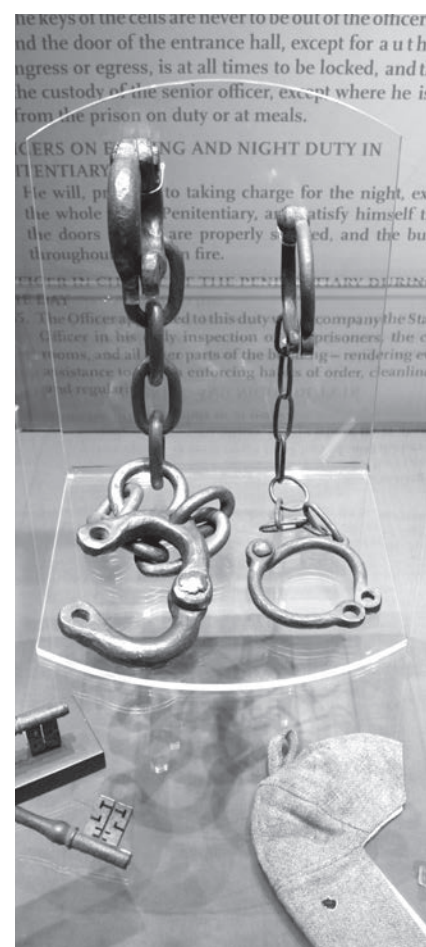
During early 2020, under the leadership of a new Chair, the PAHSMA Board recognised the imperative to review PAHSMA's strategic direction in response to changing circumstances associated with both financial sustainability and COVID-19. The new strategic

direction will be finalised and communicated with our people and stakeholders in the next financial year.

PERFORMANCE AGREEMENT

The Statement of Corporate Intent (SCI) formally commits PAHSMA as part of our corporate planning process to strive to achieve set targets. The key performance measures for the 2019-20 financial year included both financial and non-financial indicators based on financial forecasts and our strategic objectives.

The 2019-20 SCI was agreed and finalised prior to the knowledge that COVID-19 would have such a devastating effect on the Tasmanian and global tourism industry and on PAHSMA's performance particularly with regard to revenue, visitation and the ability to complete all scheduled conservation and infrastructure works, as quantified in the below table. Given the fixed-term nature of PAHSMA's labour and other contracts, a corresponding proportionate reduction in expenditure was not possible.



Port Arthur Historic Site
collection items
Image: Alastair Bett

KEY PERFORMANCE MEASURES		
FINANCIAL INDICATORS 2019–20	TARGET	ACTUAL
Operating profit/(loss) (\$'000)	(547)	(1 575)
Commercial revenue (\$'000)	19 365	14 116
Yield per visitor (\$)	48.97	45.58
Commercial expenses (\$'000)	15 651	14 044
Conservation & infrastructure expenses (all sites)(\$'000)	7 774	6 245

NON-FINANCIAL INDICATORS 2019–20	TARGET	ACTUAL
Port Arthur Historic Site Day Entry visitors	361 700	270 685
Ghost tour participants	28 480	24 131
Cascades Female Factory visitors	33 620	26 788
Visitor Satisfaction Net Promoter Score (NPS)	+70	+79.4
% of annual conservation projects completed within budget, scope and on time	90%	76%
% of Isle of the Dead boardwalk replacement Stage 3 completed at 30 June	70%	97%

CONTRIBUTION TO THE STATE ECONOMY

PAHSMA is Tasmania's only heritage and tourism Government Business Enterprise and is committed to making a positive difference to Tasmania. PAHSMA brings economic benefits to the State and the Tasman Peninsula by attracting visitors with ongoing promotion of our sites, and the excellent experiences offered. From an environmental and community perspective, PAHSMA's commitment to conserve and present these sites guarantees they will remain for future generations.

In 2019-20 PAHSMA's direct positive impact on our economy and community included:

- directly employing, training and developing 252 individuals in a region that has unemployment rates that exceed the State average
- utilising a Tasmanian architectural firm for the design of the Cascades Female Factory History & Interpretation Centre
- engaging many Tasmanian businesses to supply goods and services
- sourcing local products for sale in the Gift Shops
- using local produce in food and beverage outlets where possible
- partnering with other Tasmanian entities to market our Sites.

BUY LOCAL

Under the Buy Local Guidelines, PAHSMA is required to report on purchases from Tasmanian businesses or consultancies. During the 2019-20 year, 92.4% of PAHSMA purchases equating to \$9 501 472 were from Tasmanian businesses or national businesses with offices and staff in Tasmania as provided for in the definition within the guidelines.

FINANCIAL RESULT

In 2019-20, PAHSMA's operating loss was (\$1.575M) compared to a loss of (\$0.219M) in 2018-19. At the end of December 2019, PAHSMA had improved on nearly all of the previous year's financial performance metrics for the same period. However, the negative impacts on tourism arising from the mainland bushfires and COVID-19 that culminated with the closure of all PAHSMA sites to visitors from late March 2020 had a major influence on financial performance. By the end of the financial year, revenue had fallen 17% while expenditure had only decreased 11% from the 2018-19 reported levels leading to the overall loss.

FINANCIAL RESULTS							
Year ending 30 June	2014	2015	2016	2017	2018	2019	2020
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Operating Profit/(Loss)	2 364	211	1 718	1 265	622	(219)	(1 575)
Food and Beverage Revenue	2 544	2 680	3 056	3 259	2 824	2 789	2 710
Retail Revenue	1 283	1 490	1 615	1 419	1 271	1 501	1 300
Conservation Expenditure	5 170	7 810	3 870	3 959	3 665	4 643	3 712
Cash Flow from Operating Activities	5 129	(844)	2 429	2 112	2 282	2 109	274
Net Assets	28 974	30 098	32 021	37 695	38 569	38 265	36 607
VISITATION							
Day Entry visitors	253 166	272 653	308 612	336 499	368 862	357 411	270 685
Ghost Tour visitors	33 749	34 097	35 568	33 315	29 648	30 785	24 131
Cascades Female Factory visitors	23 506	28 663	30 725	33 558	38 576	34 803	26 788

CONSULTANCIES VALUED AT MORE THAN \$50 000 (EX GST)

Name of Consultant	Location	Description	Period of Engagement	Amount
HR Strategic Partners	Victoria	Provision of services relating to Organisational Transformation Review	1 July 2019 - 30 June 2020	\$126 086
Total				\$126 086
There were 2 consultants engaged for \$50 000 or less totalling				\$21 466
Total Payments to Consultants				\$147 552



This financial result is supported by the following observations:

REVENUE:

- Entry fees, tours and merchandise income fell 22% on prior year due to the decrease in visitors across all sites.
- Grant funding income increased in line with annual indexation.

EXPENDITURE:

- Employee expenses decreased by 3.7% compared to the prior year due largely to Payroll Tax relief of \$569K received from the Tasmanian Government. However, employee expenses for 2019-20 at \$11.097M, represent 57% of total annual PAHSMA expenditure compared to 52% in 2018-19. This reflects the strong level of wage support provided to our employees during the COVID-19 shutdown period.
- In line with the decrease in commercial revenue, the related cost of goods sold for food and beverage and retail locations decreased by 21% compared to the prior year.
- During 2019-20, some conservation projects involving contractor engagement and materials slowed down or had to be deferred as social distancing restrictions prevented works being undertaken as planned. This contributed to a 69% reduction in contractor and materials spending compared to the prior year.
- 2019-20 includes \$854K of amortisation expense for Right of Use assets recognised for the first time through the application of AASB 16 Leases. A Lease interest expense of \$157K was also recognised for the first time under the Standard. These amortisation and lease interest costs would previously have been disclosed as equipment rental expenses.

PAYMENT OF ACCOUNTS

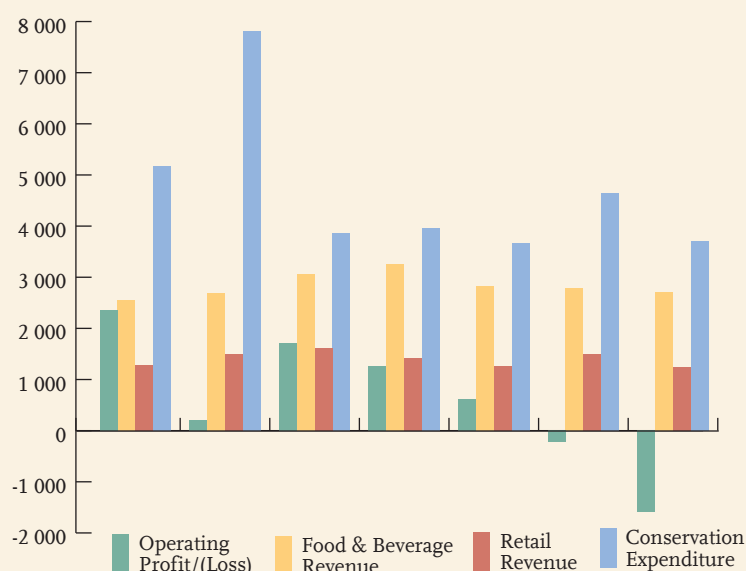
In accordance with the *Payment of Accounts Guidelines* all accounts are required to be paid within 30 days. During 2019-20, PAHSMA's average creditor days were 12.3 days, with 5 741 accounts equating to \$7 548 755 paid within 30 days and 384 accounts equalling \$468 317 outstanding after 30 days from invoice date. There were no payments of interest paid on overdue accounts.

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.

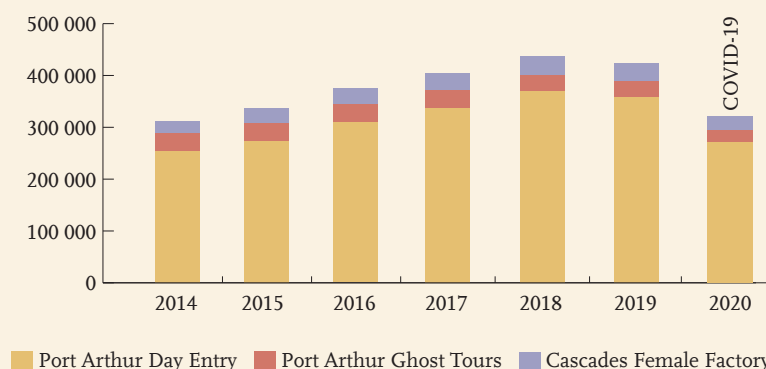
BUSINESS GROWTH

The PAHSMA Product Development Committee responds to tourism trends to review and introduce products, services and experiences to meet the needs of our varied visitor markets. The ability to sell tickets directly to our visitors and trade partners online and through our own

KEY PERFORMANCE INDICATORS ('000s)



VISITORS TO PAHSMA SITES



website continues to be improved to assist to generate business and maximise profit.

In recognition that our food and beverage outlets will need to become a significant profit source in the future, during 2019-20 a Commercial Operations Working Group has been established to focus on reviewing, resetting and improving these operations. Additionally, recruitment for a new Board Director with business development, marketing and tourism expertise has commenced.

Anne McVilly is a member of the Management Committee of the Australian Cruise Association, the peak cruise marketing body for the Australian and Pacific regions. This partnership facilitates valued working relationships and business opportunities from the cruise ship sector.

Dr Jane Harrington is a member of the Australian Heritage Council and this year was invited to sit on the Advisory Committee for the Kingston and Arthur's Vale Historic Area (KAVHA) and the Academic Advisory Board for the UTAS Masters in Tourism, Environment and Cultural Heritage course. These affiliations assist PAHSMA to maintain networks and heritage knowledge, assisting with business growth particularly in the heritage and academic sectors.

Jennifer Fitzpatrick is a Board Member of Destination Southern Tasmania (DST). This association is responsible for advocacy, marketing and development of the tourism industry in Southern Tasmania. This involvement provides PAHSMA with the scope to grow business opportunities and shape the development and promotion of the region.

OUR PEOPLE

PEOPLE MANAGEMENT ACTIVITIES

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

ORGANISATIONAL TRANSFORMATION REVIEW (OTR)

Following PAHSMA's sustained growth from 2005-2019, as recorded in Tasmanian State Service Employee Surveys this has resulted in significant change for our employees and identified resource strains on our multi-faceted heritage and tourism organisation. With the opportunity to objectively review our structure and work methods, our Organisational Transformation Review (OTR) commenced in May 2019, with a view to build agility to sustainably deliver on people, conservation and commercial outcomes.

A range of recommendations were endorsed by the Board during 2019-20 that encompass a variety of issues but generally centre on 'ways of working' with a growth mindset and continuous improvement

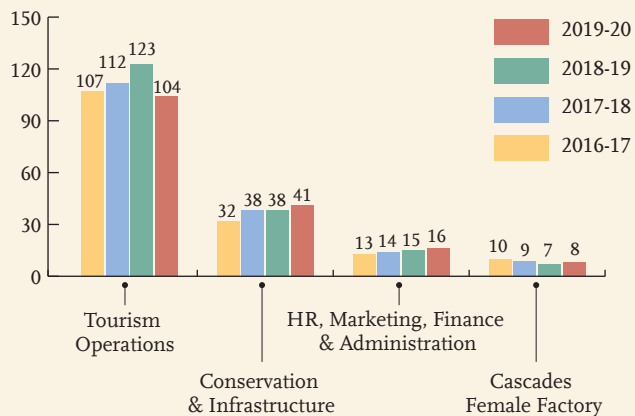
lens. The OTR recommendations provide exciting opportunities for change that will greatly enhance the strategic and operational outcomes for PAHSMA, and during this year have resulted in the upskilling of our management team. This work will continue into 2020-21.

RECRUITMENT

Recruitment activity remained steady in the first half of 2019-20 to meet peak summer visitor demand. The use of a Fixed Term Register was discontinued with a return to the standard Tasmanian State Service recruitment process to allow for more timely communication with candidates and to better meet the needs of prospective employees and PAHSMA.

As at 30 June 2020, PAHSMA employed 169 people, corresponding to 108.78 Full Time Equivalent (FTEs) comprising 54 full-time, 93 part-time and 22 casual employees. This represents an 8.19% decrease in FTEs on the previous year. The reduction is attributed to a decline in tourist visitation. The table below shows the movement in paid FTE employees over the last seven years for summer and winter seasons.

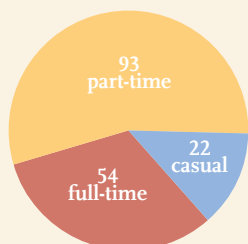
EMPLOYEES BY DEPARTMENT AS AT 30 JUNE 2020



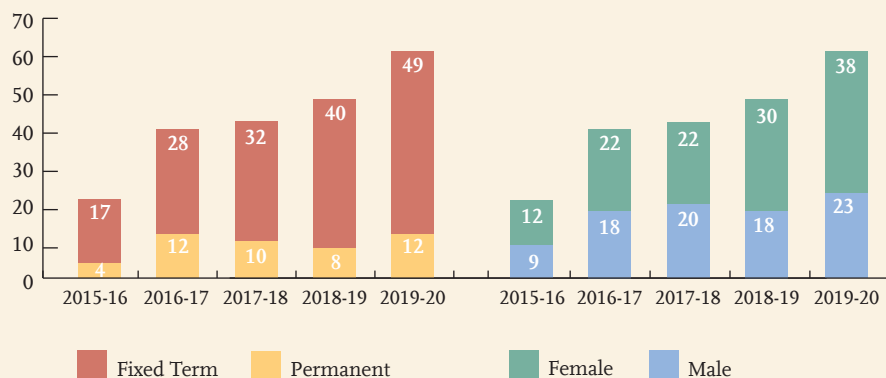
FULL TIME EQUIVALENT EMPLOYEES (FTEs)

MONTH	PAID FTEs	MONTH	PAID FTEs
Jan 20	159.47	Jun 20	108.78
Jan 19	168.22	Jun 19	118.48
Jan 18	162.79	Jun 18	115.62
Jan 17	159.92	Jun 17	110.11
Jan 16	156.30	Jun 16	105.52
Jan 15	131.35	Jun 15	98.85
Jan 14	119.00	Jun 14	88.47

PAHSMA EMPLOYEES



PAHSMA NEW APPOINTMENTS



WORKFORCE CAPABILITY DEVELOPMENT

Work continues on embedding the best practice approach as outlined in the draft People Development Framework for the Tasmanian State Service into PAHSMA's draft People Development Strategic Plan and Capability Framework.

YOUTH EMPLOYMENT

PAHSMA supported three young trainees, comprising one school-based (Certificate II Horticulture) and two part-time trainees (Certificate IV Business and Certificate II Kitchen Operations). We also contributed to the Tasmanian State Service *School to Work Youth Employment Program* by sharing learnings with the working group from the pilot program conducted the previous year.

Other youth employment initiatives include:

- sharing employment of a painting apprentice in our Conservation & Infrastructure Department
- offering VET tourism students from Tasmanian Colleges work placements in Tourism Operations and at the Cascades Female Factory Historic Site
- offering an annual *Work Inspirations* program to year 10 students at Tasman District School
- supporting a successful funding submission to offer a hospitality/retail pre-employment program in the local region.

Wellbeing stretches

DIVERSITY

PAHSMA endeavours to provide assistance to people in the region who are considered disadvantaged when seeking employment. This includes supporting people returning to work after an absence, those with low numeracy and literacy skills and those who may require consideration because of caring responsibilities. Within PAHSMA there is significant generational diversity in the workplace ranging from Baby Boomers to Generation Z. This requires diverse management approaches to ensure every employee enjoys being at work and can perform to the best of their ability.

Tourism Operations team assisting with conservation work



WORK HEALTH AND SAFETY (WHS) & WELLBEING

PAHSMA's Work Health Safety & Wellbeing Policy and Plans reinforce our commitment to care for our employees, volunteers, contractors and visitors in our workplaces. New and existing employees participated in a range of WHS-related training related to their specific roles and learning and development needs as detailed in the below table:

WHS & WELLBEING TRAINING 2019-20	
	No. of People Trained
Responsible Officers	0
Managers/Supervisors	26
Employees	112
Health and Safety Representatives (HSRs)	1
First Aid Officers	86
Emergency Wardens	18
Bystander (Bullying and Harrassment)	114

The main focus during 2019-20 was on maintaining first aid qualifications and providing training in relation to the COVID-19 response. In total, 357 units of training were completed to positively impact on health, safety and wellbeing of our people.

PAHSMA adopts a proactive approach to WHS, Wellbeing and Injury Management and is guided by *Employment Direction No. 27 Workforce Health and Safety* in this regard. The below table provides Workers Compensation claim data for the reporting period.

WORKERS COMPENSATION	
Claim Type	Incident Rate (IR)** 1 July 2019 - 30 June 2020
Claims resulting in lost time of one (1) week or more	0.0001
Musculoskeletal injury and disease claims resulting in one (1) or more weeks off work	0.0001
Psychological Injury claims (Mental Disease) resulting in one (1) or more weeks off work	NIL

**Formula:

$$IR = [\# \text{ claims} > 1 \text{ week}] / 1000 \text{ workers e.g. } 5 \text{ claims} > 1 \text{ week} / 1000 = 0.0005$$

The Work Health and Safety Consultative Committee continued to meet, with highlights being consideration of new work procedures, the COVID-19 response and the review of the committee's Terms of Reference.

The expiry of the 2015 Workplace Health and Wellbeing Program led to the preparation of a draft program for the next 3 years based on an employee needs analysis to determine the most desired and beneficial activities for inclusion.

PERFORMANCE MANAGEMENT

The performance management process at PAHSMA has been identified as an area requiring further focus. The investigation of a PAHSMA-specific performance management technology solution commenced in 2018-19 and due to cost implications awaits the support of a whole-of-government approach that supports employees, while complying with State Service requirements. In the meantime, a simple performance review process that meets legislative requirements is being developed to support and enhance employee performance and development.

2020 STATE SERVICE EMPLOYEE SURVEY

The Tasmanian State Service Employee Survey was conducted during March 2020, seeking opinions from employees and officers about their work and work environment. A reported high level of participation will provide robust data to assist future decision making that has a key focus on our people.



TOURISM PLAN

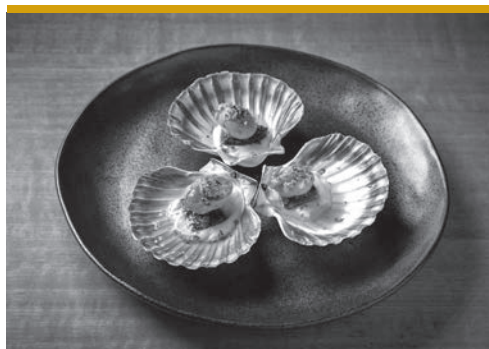
The PAHSMA Tourism Plan explains our Strategic Tourism Priorities to ensure we meet our vision:

- 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 needs of current and emerging markets.
- Continue to take a lead role in regional tourism and community engagement.

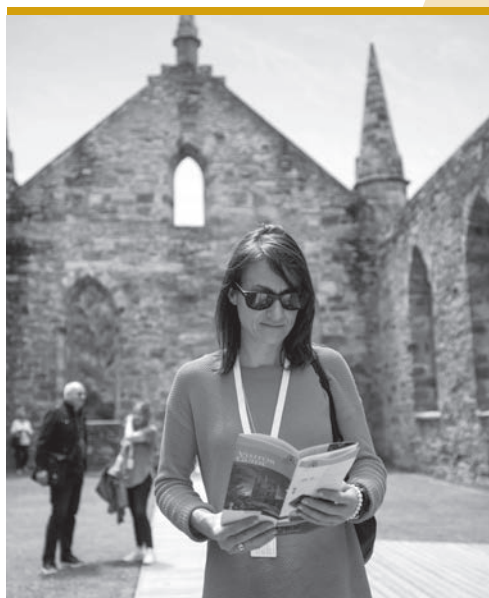
HOSPITALITY – FOOD & BEVERAGE

Our flagship 1830 Restaurant & Bar plus our cafés proved popular with locals and visitors alike with our Head Chef regularly updating the menu to ensure we offer fresh, seasonal and local produce and our Food & Beverage team continue to provide great service.

Fresh local produce in 1830 Image: Peter Whyte



Our visitors Image: Alastair Bett



CRUISE SHIPS

- Port Arthur welcomed 17 cruise ships in what was an ever-changing season with new bookings from ships diverted from Australian bushfire affected regions to Tasmania and others diverted from South East Asia due to COVID-19 with others then subsequently cancelling
- 17 397 passengers came ashore with over 12% undertaking a tour to the many tourism experiences in the Tasman Region. Tours to all areas of the Tasman Peninsula, the Coal Mines and *Behind the Scenes* Tours continued to be extremely popular among passengers
- Port Arthur also welcomed the small luxury expedition ship, *Coral Expeditions*, on 6 occasions, with 425 passengers treated to private tours as part of an exclusive Port Arthur experience
- To further enhance the experience for cruise passengers and crew, PAHSMA offers an on-site market providing local artisans and producers the opportunity to showcase their wares and increase brand awareness.

TOURISM OPERATIONS

OUR VISITORS

Our 2020 summer customer survey undertaken by Myriad Research provided valuable information about our visitors:

Visits in an average group size of **2.5** people

Spends an average of **4.2** hours on site

30% stayed at least one night in the Tasman region

26.5% have visited before

18% arrived by coach

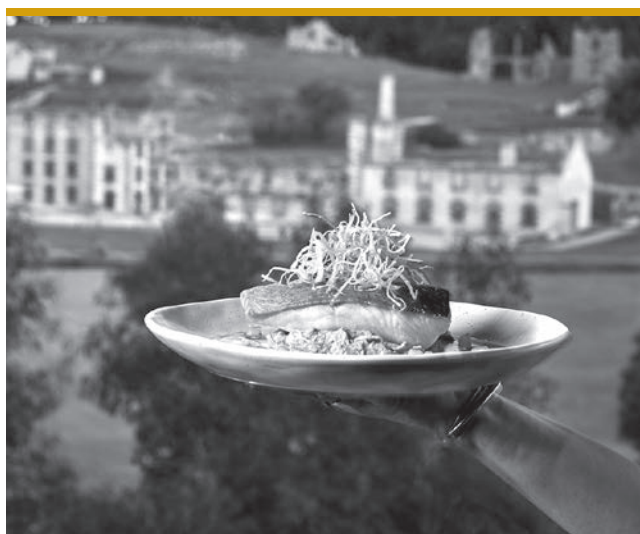
Word of mouth (from family, friends and others) was the most important information source influencing the visit
35%

And thankfully **99%** loved our new Visitor Centre

A Punishing Experiment
Image: Alastair Bett



Below: Local produce in 1830
Restaurant & Bar
Image: Peter Whyte

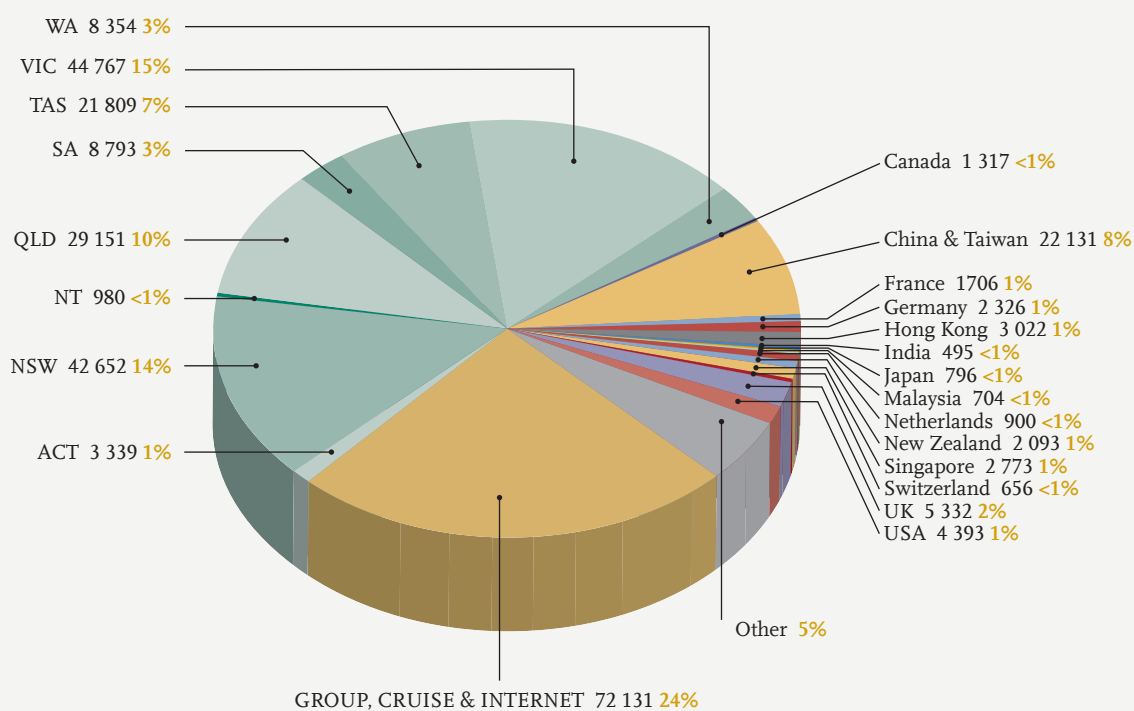


PRODUCT DEVELOPMENT

Guided by the Product Development Committee, a new experience created this year included *A Punishing Experiment*, a new exclusive performance trialled in the Separate Prison in March 2020.

An ever-popular series of historical plays at Port Arthur Historic Site were performed throughout summer. Our thanks to Sue Benner, Alan Andrews, James Parker, Liz Darvell, Rhonda Tomlinson and our own multi-talented employees Jet Black and Carl Schweppes for the theatrical productions.

VISITOR ORIGIN FOR PORT ARTHUR HISTORIC SITE 2019–20





MARKETING

Left: A Piano of Tasmania at Port Arthur
Image: Jason Batey at Retreats Photography

MARKETING PARTNERSHIPS

PAHSMA nurtures partnerships with a number of industry stakeholders to promote our sites and our experiences to aligned audiences.

Port Arthur Historic Site has developed its own signature experience called *Wheel of Fate*. This is listed as one of Tourism Australia's Signature Experiences in the Cultural Attractions of Australia (CAOA). Promoted along with our regular product offering, *Wheel of Fate* is marketed to high-yield international markets alongside other CAOAs products such as Mona, Sydney Opera House and the Australian War Memorial.

PAHSMA partnered with the Spirit of Tasmania in their major media campaign *Spirited Traveller* in February to leverage off Tourism Australia's *Holiday Here This Year* campaign following the mainland bushfires. Our Sites were promoted through Spirit of Tasmania's online Road Trip Planner, via targeted social media advertising and in an e-newsletter to over 300K subscribers.

In October 2019, PAHSMA collaborated with the Queensland University of Technology to provide social media students with a real-life business case to develop a social media campaign sharing our stories of the Cascades Female Factory.

PROMOTION & DISTRIBUTION

PAHSMA maintains trade contracts with partners across Australia and overseas. In November 2019, Jennifer Fitzpatrick attended ATEC Meeting Place in Brisbane to meet directly with inbound trade operators and wholesalers. PAHSMA also joined Tourism Australia and Tourism Tasmania in providing online updates to travel specialists across the globe. Along with an online webinar presentation to 'Aussie Specialist' agents in India, both Port Arthur Historic Site and Cascades Female Factory featured in Tasmania's signature trade event that was recorded for agents as *TasTalk the Movie*.

With an increased focus of activity and transactions online, PAHSMA's Marketing and Visitor Services teams commenced redevelopment of the online booking engine and development of a new trade portal. It is expected these enhancements will increase direct online sales from customers and



Above: *Wheel of Fate*
Image: Peter Whyte

travel agents while reducing handling time and resource usage. Both improvements are scheduled for completion in 2020-21.

PRODUCT CAMPAIGNS & EVENTS

PAHSMA undertook a number of discreet product campaigns to promote 1830 Restaurant & Bar as well as launch new products such as *The Proud & The Punished* dramatised tour at the Cascades Female Factory and *A Punishing Experiment* performance in the Separate Prison.

While closed to visitors, the Port Arthur Historic Site hosted pianist, Kelvin Smith to record and share a video of him playing Ludovico Einaudi's *Le Onde* on a Strauss piano in front of the Penitentiary. The day was perfect, the music was haunting and the final video was widely shared online, including by local media ABC Radio Hobart.

LOCAL REGIONAL MARKETING

PAHSMA continues to support and play a leading role in the new local Tasman Business and Tourism Association (TBTA). PAHSMA, through the Marketing and Communications Manager, has helped to guide marketing activities and encourage greater communication and alignment with the state and regional tourism organisations. The Port Arthur and Tasman Region maintained some growth in overnight stays, with 112 452 overnight visitors in the 12 months to March 2020, an increase of 2.2% on last year.

(Source: Tasmanian Visitors Survey YE March 2020)

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

CONSERVATION AND INFRASTRUCTURE



Cleaning of collection items

The reporting year was one of considerable activity for the Conservation and Infrastructure team, and saw us actually increase our outputs post the pandemic declaration in March. This reinforced that our conservation activities remain an enduring responsibility in isolation from our other important undertakings. In February our Heritage Programs Manager, Dr Jody Steele, chose to pursue a new career in consulting after a long and admirable career in the Tasmanian State Service. Her contribution to PAHSMA and to the protection of Tasmania's heritage has been remarkable and she leaves a considerable legacy, most visibly in the interpretation at our three sites.

Our efforts ranged from designing new exhibition panels and furniture for the Thomas Lock token exhibition – after receiving the love token on loan from the Australian Museum – to conservation projects at the Master Shipwrights, Watchman's Quarters and Separate Prison and our continuing successful education program. We installed a new generator to service the Asylum and in the process undertook archaeological investigations to reveal and protect a brick box drain illustrated on a circa 1870 plan of the area. Monitoring of the trench adjacent to the asylum wall also facilitated the protection of sandstone blocks that formed the foundation of the wing housing the separate apartments.

ISLE OF THE DEAD

Stage 3A of the Isle of the Dead walkways was completed linking Stages One and Two on the eastern side of the Isle and including new platforms. Fabrication for Stage 3B was completed prior to the postponement of work until COVID-19 workplace health and safety concerns could be resolved. The installation stage is now well underway and expected to be completed by late 2020.

COMMANDANT'S HOUSE

The closure of the Port Arthur Historic Site provided an opportunity to undertake internal conservation work at the Commandant's House. The chance to closely inspect, clean and repair collection material in the house as well as to refinish the floor, replace mats and runners and repaint walls has seen excellent results from a concerted team effort.

COAL MINES HISTORIC SITE

An increased daily staff presence during peak visitation periods has provided an opportunity to monitor visitor behaviour and impacts and assist with future planning. New security barriers and signage facilitate closure at times of potential environmental danger and for emergency situations. Conservation work has reinstated damaged or dislodged stone on buildings including the Chapel, Prisoners' Barracks and the Commissariat's Quarters.

CLIMATE CHANGE AND COASTAL HERITAGE

In addition to being represented at the *Sea Change* conference in the UK, PAHSMA contributed to Tasmanian programs such as the Southern Councils Regional Coastal Strategy and other projects of the Tasmanian Climate Change Office. Site management responses continue, most obviously at the Coal Mines where annual littoral strip reloading protects at risk heritage features.

NATURAL VALUES MANAGEMENT

We engaged in short and long-term projects including monitoring of threatened species such as white-bellied sea eagles and swift parrots at Point Puer, masked owl at Port Arthur and *Caladenia* orchids at the Coal Mines. Our monthly bird survey at the Coal Mines has now counted 12 000 birds since monitoring began in 2014.



*Isle of the Dead
Helicopter deliveries
Image: Osborne
Aviation
Isle of the Dead
walkway
Image: Pamela
Hubert*

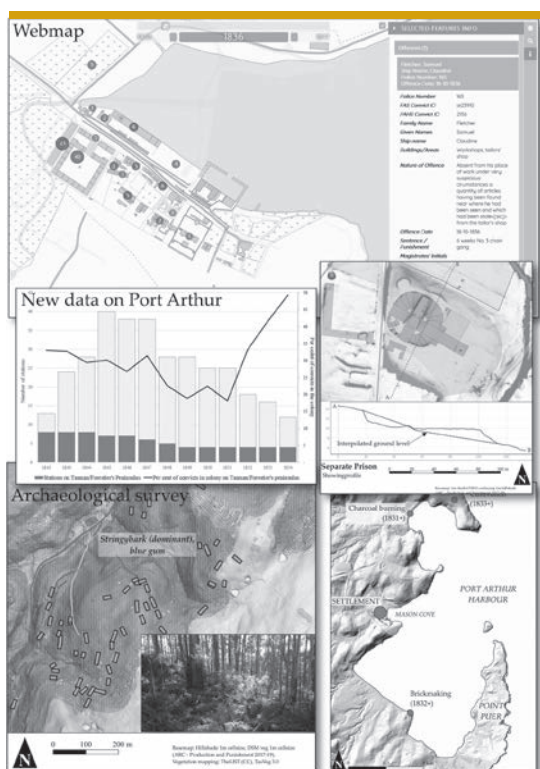


The targeting of invasive weed species resulted in a significant reduction in declared weeds including gorse, broom, thistle, and nettle. Better fire preparedness has been achieved with controlled burning, fire-break clearing, and mobile water tanks. Illegal dumping sites at the Coal Mines and Point Puer have been cleaned and protected against further similar incidents.

We are addressing the effects of damage exhibited by our ageing significant trees with a range of techniques to extend longevity where practicable, and replant where there is significant risk of tree failure.

ARCHAEOLOGY COLLECTIONS PROJECT

Major milestones have been achieved in 2020. Of the known 732 archaeology projects conducted at Port Arthur since 1976, the voluminous records of 386 have now been reviewed, digitised to new standards, and catalogued into an archaeological project management database. Complementary Geographic Information System (GIS) locational data for these projects have been developed and form the base for a new “layer” in our web-mapping system. The entire archaeological artefact collection has been re-housed into stable conditions, over 1250 original archaeology drawings and plans have been stored in archival sleeves and over 6500 photographs in the PAHSMA image collection have been assigned to their respective projects. The resultant digital archive is comprised currently of some 94 000 data files.



Landscapes of Production and Punishment project
Image: Dr Richard Tuffin

LANDSCAPES OF PRODUCTION AND PUNISHMENT

Our collaboration with the University of New England, University of Tasmania and the UK's University of Liverpool on the Australian Research Council funded, three-year research project *Landscapes of Production and Punishment: The Tasman Peninsula 1830-1877* concluded in 2020. It drew upon a range of digital humanities and archaeological techniques, and examined the rich historical records and archaeological remains of the Tasman Peninsula's convict past.

In the largest coordinated research project ever conducted at PAHSMA's sites, the project broke new inter-disciplinary ground and resulted in the transcription of thousands of pages of archival records, 15 papers published or in press, over a dozen conference presentations, two new student research projects, and the development of an innovative, publically available web-map for Port Arthur allowing access to a wide range of historical data and geographical information (convictlandscapes.com.au).

RESOURCE CENTRE

We catalogued over 130 sound recordings, and digitised around 850 reports, and some old but valuable card indexes. Volunteers Ken Lee, Steve Torley and Annette Evans continue to make a valuable contribution.

HERITAGE TRAINEESHIPS

Improving the skills available to the heritage sector continued through work-based training and heritage skills development opportunities in partnership with the Tasmanian Building Group Apprenticeship Scheme. Our Painter & Decorator apprentice, Nick Richards (shared with another host employer), has contributed to heritage projects around the site, such as the repainting of Trentham's exterior.

School-based traineeships have continued successfully with a local student in her second year of working part-time with the Gardens crew to complete a Certificate II Horticulture. In late 2019 another student completed a Certificate II Construction spending blocks of time working at the site rather than regular days per week. The program success is attributed to our trades and office-based staff who supervise and guide students, providing opportunities to develop knowledge of best-practice heritage conservation practices and techniques.

DONATIONS

We are very grateful for the following generous donations:

Item	Donors
Letter penned by Commandant Booth to the Derwent Bank	Howard Rochester
Decorated Cribbage Board	Terence George Eastman & Ann Patterson
256 Texts 1621–1956 (donated under the Australian Government Cultural Gifts Program)	Robert Eastment
Ticket – Isle of the Dead Tour	Terry Kingston
Fire Rack Dogs	Barry Piesley
Artwork, Collage – <i>Port Arthur as Theatre</i>	Dr Ian Henderson
Artwork, Acrylic – <i>The Strangeness of Port Arthur Washed Up on a Beach in Horton</i>	Dr Ian Henderson

COLLABORATIONS AND PARTNERSHIPS

Our important engagements with the tertiary education sector continued through on-site programs or internships with Tsukuba, Deakin and Canberra universities. In partnership with the University of Tasmania's new Masters in Tourism, Environment and Cultural Heritage we hosted a site-based workshop in March, *Critical and Contested Issues in Cultural Heritage*.

Engagement with the Australian Convict Sites Steering Committee (ACSSC) and our Tasmanian convict site partners continued with representation on the Maria Island Rediscovered Steering Committee, advice on historical plantings to Woolmers Estate and a presentation on our sustainable tourism and carrying capacity work to Australian World Heritage site managers. Our participation in the ACSSC led to a joint major interpretive program that included videos of each site, and the World Heritage property as a whole.

Oakwood Constable's Cottage is associated with the 1860s convict farming and logging landscape around the shores of Long Bay. At the request of Heritage Tasmania and the owner, we provided archaeological monitoring, structural recording, vegetation clearing and tree-felling assistance for the cottage due to the threat of damage associated with the clean-up and possible development of the property.

We hosted New Caledonia's, Emmanuelle Eriale, the Directrice of the Site Historique de l'Île Nou to further collaboration opportunities. The site's Visitor Centre approaches opening and they are exploring possibilities for World Heritage listing of the French convict sites.

INFRASTRUCTURE WORKS

SECURITY AUDIT

A finalised security audit report received during the year was informed by an extensive staff consultation process. The recommendations

relating to Work Health and Safety (WHS) have subsequently been reviewed and prioritised by our WHS Consultative Committee, with actions to be scheduled over the next year.

PONTOON REPAIRS

After a storm swell dislodged two of three piles supporting our cruise ship pontoon, extensive repairs were completed with the assistance of specialist contractors and engineers.

FIRE SUPPRESSION NETWORK UPGRADES

Gandy & Roberts hydraulic engineers modelled the performance of our fire suppression system, confirming the system will meet firefighting requirements. A new section of the system was completed through Rose Cottage Garden increasing firefighting capability at the end of Champ Street and importantly providing greater protection for the Commandant's House.

WATER & WASTEWATER

Following a dry summer and high visitation to the area, the Port Arthur water supply was reduced to approximately 40% capacity. An agreement was progressed with a local landowner to supply PAHSMA with water, however with reduced demand and extensive rainfall in April the water supply was replenished. Extensive work was carried out on the filtration system, including upgrades to coagulation and disinfection stages.

We pursued negotiations with TasWater to progress a transfer of our water and wastewater treatment infrastructure. Our understanding is that this will first require the completion of a feasibility study, and while TasWater have offered to assist to progress this study, the anticipated cost in excess of \$200K is not currently affordable without additional government support. As the transfer has medium to long-term implications for PAHSMA's operations it remains a priority to pursue.

BOARD ADVISORY COMMITTEES

We have continued to work closely with our Conservation Advisory Committee, and our two Community Advisory Committees, one at Port Arthur and the other for the Cascades Female Factory.

We particularly thank our conservation committee for their input into the Heritage Impact Assessment for the Cascades Female Factory History & Interpretation Centre, and the support for this project from the Cascades Community Advisory Committee.

Of note during the year was the endorsement by the Port Arthur committee of revised guidelines for free of charge access for Tasman municipality Residents & Ratepayers. We acknowledge all members of our committees including their chairs: Helen Lardner, Barry Jennings and Dr Dianne Snowden AM.



The Cascades Female Factory Historic Site welcomed 26 788 visitors during the period 1 July 2019 until 20 March 2020, with the Site being closed at that time in response to COVID-19 impacts within Tasmania. Prior to closure, the Site was on track to achieve similar visitation to the prior year. A concerted focus to market to and attract school groups was proving beneficial with an increase in the July to March period of 29.7% compared to the previous year. Due to the closure, the annual Open Day traditionally scheduled for May 2020 did not occur.

Volunteers continue to positively contribute to the customer experience at the Site.

HISTORY & INTERPRETATION CENTRE

The Cascades Female Factory History & Interpretation Centre project has progressed through final design, stakeholder consultation, Heritage Impact Assessment and Hobart City Council development and Heritage Tasmania approvals processes. We await Commonwealth approval under the *Environment Protection and Biodiversity Conservation Act*. With a State Government grant of \$3M contributed we are pursuing the opportunity for a Federal Government grant for the remaining funds.

HER STORY

It is with regret that the *Her Story* dramatic historical play concluded on 30 June 2020 as the actors and owners of the product retired. Having been performed since January 2012, *Her Story* was viewed by over 30 000 visitors and received overwhelmingly positive reviews. We acknowledge the contribution of Judith and Chris Cornish over the past 9 years during which they performed and captivated audiences daily at the Cascades Female Factory.

THE PROUD & THE PUNISHED

A new product introduced this year in our Yard 1 is a one-woman 40-minute dramatised production, *The Proud & The Punished*. The tale of tragedy and triumph is centred on Sarah Mason, a petty criminal who rails against the system of punishment and redemption inside the prison walls at the Cascades Female Factory.

Sarah's story is a compilation of historical accounts of women who experienced incredible hardships, assignment, pregnancy and punishment. This journey shares with visitors the strength of character and explains that many women at the female factory were able to rise above the hardship.



The Proud & The Punished Image: Alastair Bett

CASCADES FEMALE FACTORY HISTORIC SITE

FESTIVAL OF VOICES

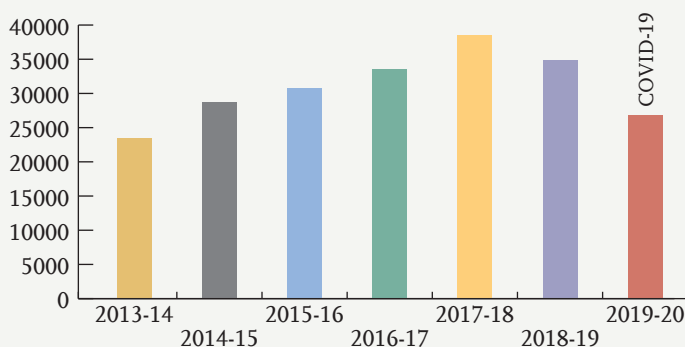
In July 2019, The Velvetones, a vocal jazz quartet, performed in a pop-up concert at the Cascades Female Factory as a collaboration with the Festival of Voices. Attracting a large audience, the free on-site performance highlighted the suitability of our Yard 1 to host performances, showcasing the good acoustics resonating from our stone walls.

FROM THE SHADOWS

PAHSMA is a founding supporter of *From the Shadows*, a not-for-profit organisation, raising funds for the installation of four statues by world-renowned sculptor, Rowan Gillespie. The statues, to be located at the Cascades Female Factory and the Orphan Schools in New Town, will connect these significant heritage sites with the *Footsteps towards Freedom* statues on the Hobart waterfront by the same artist.

PAHSMA is represented on the project team by Jennifer Fitzpatrick. PAHSMA invested funds and in-kind support for two female statues to be installed at the Cascades Female Factory to showcase the stories of convict women. *From the Shadows* achieved its fundraising goal this year and the completed statues are awaiting installation and unveiling.

CASCADES FEMALE FACTORY VISITORS



STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020		2020	2019
	Notes	\$'000s	\$'000s
<i>Continuing operations</i>			
REVENUE			
Fees, tours and merchandise income	2(a)	13 655	17 552
Grant income	2(b)	3 927	3 827
Interest income	2(c)	45	86
Other income	2(d)	450	291
TOTAL REVENUE		18 077	21 756
EXPENSES			
Employee expenses	2(e)	(11 097)	(11 515)
Cost of goods sold		(2 281)	(2 878)
Contractors		(694)	(2 352)
Depreciation	4.3(b)	(1 637)	(1 728)
Amortisation		(854)	....
Loan interest expense		(40)	(202)
Lease interest expense		(157)	....
Net superannuation interest expense		(210)	(385)
Materials		(158)	(408)
Marketing		(170)	(234)
Communications		(49)	(48)
Property services		(483)	(604)
Interpretation		(31)	(74)
Information technology		(386)	(293)
Visitors information		(76)	(139)
Assets derecognised		(84)	....
Other operating expenses		(1 245)	(1 115)
TOTAL EXPENDITURE		(19 652)	(21 975)
PROFIT/(LOSS) FOR THE YEAR		(1 575)	(219)
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Items that will not be reclassified subsequently to profit or loss			
Net actuarial gains/(losses) of superannuation defined benefit plans	5.5(a)	(53)	(85)
Changes in asset revaluation reserve	7.1	....	....
COMPREHENSIVE RESULT		(1 628)	(304)

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

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020		2020	2019
	Notes	\$'000s	\$'000s
ASSETS			
<i>Current assets</i>			
Cash and deposits	11.1	3 178	3 616
Receivables	4.1	196	291
Inventories	4.2	666	732
Prepayments, accruals and other assets		140	167
<i>Non-current assets</i>			
Property, plant and equipment and infrastructure	4.3	49 378	50 347
Right-of-Use assets	4.4	3 840	....
TOTAL ASSETS		57 398	55 153
LIABILITIES			
<i>Current liabilities</i>			
Payables		284	1 241
Provisions	5.1	2 770	2 425
Unearned revenue	5.2	24	51
TASCORP loan	5.3	2 900	3 974
Lease liabilities	5.4	598	....
<i>Non-current liabilities</i>			
Provisions	5.1	7 963	8 171
TASCORP loan	5.3	3 000	1 026
Lease liabilities	5.4	3 252	....
TOTAL LIABILITIES		20 791	16 888
NET ASSETS		36 607	38 265
EQUITY			
Reserves	7.1	12 412	12 412
Accumulated surpluses		24 195	25 853
TOTAL EQUITY		36 607	38 265

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

		2020	2019
	Notes	\$'000s	\$'000s
		Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		13 109	17 423
Grants from government		3 927	3 827
Interest received		45	88
GST receipts		1 034	1 218
Payments to suppliers and employees		(16 907)	(19 492)
Interest paid		(198)	(202)
GST payments		(736)	(753)
NET CASH FROM OPERATING ACTIVITIES	11.2	274	2 109
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment and infrastructure		(264)	(602)
Payments for work in progress		(493)	(699)
Proceeds from the sale of assets		18	73
NET CASH (USED BY) INVESTING ACTIVITIES		(739)	(1 228)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liabilities		(874)	....
Proceeds from TASCORP		900	....
NET CASH (USED BY) FINANCING ACTIVITIES		26	....
NET INCREASE/(DECREASE) IN CASH HELD		(438)	881
Cash 1 July		3 616	2 735
CASH 30 JUNE	11.1	3 178	3 616

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020		Reserves	Accumulated surpluses	Total equity
	Notes	\$'000s	\$'000s	\$'000s
BALANCE AS AT 1 JULY 2019		12 412	25 853	38 265
Profit/(loss) for the year		....	(1 575)	(1 575)
Other comprehensive income:				
Changes in asset revaluation reserve	7.1	....	....	....
Net actuarial gains/(losses) of superannuation defined benefit plans	5.5(a)	....	(53)	(53)
BALANCE AS AT 30 JUNE 2020		12 412	24 225	36 637
Change in Accounting Policy	1.4, 5.4	....	(30)	(30)
RESTATED TOTAL EQUITY BALANCE AS AT 30 JUNE 2020		12 412	24 195	36 607
BALANCE AS AT 1 JULY 2018		12 412	26 157	38 569
Profit/(loss) for the year		....	(219)	(219)
Other comprehensive income:				
Changes in asset revaluation reserve	7.1	....	....	....
Net actuarial gains/(losses) of superannuation defined benefit plans	5.5(a)	....	(85)	(85)
BALANCE AS AT 30 JUNE 2019		12 412	25 853	38 265

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2020**

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NOTE 1 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 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 28 September 2020.

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).

As part of Government's response to the COVID-19 pandemic, the Treasurer has ensured that all Government businesses have access to sufficient funds, refer to Note 13.7. As a result, 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 new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. These include:

AASB 16 Leases (effective from 1 January 2019)

This note explains the impact of the adoption of AASB 16 Leases on the Authorities' financial statements and discloses the new accounting policies that have been applied from 1 July 2019 in Note 5.4 below.

The Authority has adopted AASB 16 retrospectively from 1 July 2019, and has not restated comparatives for the 2019 reporting period. The application of this Standard recognised right-of-use assets as at 1 July 2019 with a value of \$7.542M, lease liability of \$7.570M, and an adjustment to opening retained earnings of \$0.028M. The reduction in projected site visitors arising from COVID-19 impacts has given rise to a significant impairment in the right-of-use asset and an associated reduction in lease liability of \$2.848M during the year.

The weighted average incremental borrowing rate applied to the lease liabilities on 30 June 2020 was 2.58%.

NOTE 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.

	2020	2019
	\$'000s	\$'000s
(a) Fees, Tours and Merchandise Income		
Entrance fees and tour income	8 770	11 368
Ghost tours	558	735
Food and merchandising sales	3 989	5 010
Cascades Female Factory tours and commercial operations	335	430
Education and training programs	3	9
	13 655	17 552

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.

	2020	2019
	\$'000s	\$'000s
(b) Grant Income		
State grant – Cascades Female Factory	400	389
Australian Government grant – Port Arthur	41	42
State grant – Port Arthur	3 486	3 396
	3 927	3 827

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 \$3,486,300 to the Authority during 2019-20 and \$3,395,689 during 2018-19 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 2019-20 in accordance with the *Port Arthur Historic Site Management Act 1987* and the Authority's Statutory Management Plan 2008.

- Conservation Funding \$3,486,300

The State Government provided monetary grant funding of \$399,699 to the Authority during 2019-20 and \$389,311 for 2018-19 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 in 2019-20 in accordance with the *Port Arthur Historic Site Management Act 1987* and the Authority's Statutory Management Plan 2008.

- Operational funding \$399,699

	2020	2019
	\$'000s	\$'000s
(c) Interest Income		
Interest	45	86

Interest

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

	2020	2019
	\$'000s	\$'000s
(d) Other Income		
Rent, service and licence fees	257	272
Gain on sale of assets	13	19
Fair Value Gain on Asset Revaluation	....	....
Other	180	....
	450	291

Other Income

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

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.

	2020	2019
	\$'000s	\$'000s
(e) Employee Expenses		
Employee expenses	10 912	10 802
Payroll tax	19	542
Worker's compensation	166	171
	11 097	11 515

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.

Payroll tax was waived by the State Government during the year.

NOTE 3 SEGMENT INFORMATION

2020	Port Arthur Historic Site	Cascades Female Factory Historic Site	Total
	Conservation	Tourism	
	\$'000s	\$'000s	\$'000s
REVENUE			
Grant	3 486	41	400
Sales	1	13 320	334
Interest Revenue	....	45	....
Other Income	30	366	53
	3 517	13 772	787
EXPENDITURE			
Conservation expenses	2 874	....	38
Infrastructure expenses	1 539	....	146
Interest expense	....	224	....
Depreciation	800	818	19
Amortisation	....	826	....
Operating expenses	265	11 320	835
	5 478	13 188	1 038
RESULT 30 JUNE 2020	(1 961)	584	(251)
NET ASSETS			
TOTAL ASSETS DEPLOYED	33 479	21 625	2 294
TOTAL LIABILITIES INCURRED	(6 127)	(13 929)	(735)
NET ASSETS DEPLOYED	27 352	7 696	1 559

2019	Port Arthur Historic Site	Cascades Female Factory Historic Site	Total
	Conservation	Tourism	
	\$'000s	\$'000s	\$'000s
REVENUE			
Grant	3 396	42	3 827
Sales	....	17 121	17 552
Interest Revenue	....	86	86
Other Income	40	243	291
	3 436	17 492	21 756
EXPENDITURE			
Conservation expenses	3 922	....	3 938
Infrastructure expenses	....	408	1 019
Interest expense	....	202	202
Depreciation	706	1 004	1 728
Operating expenses	....	15 309	15 172
	4 628	16 924	22 059
RESULT 30 JUNE 2019	(1 192)	567	(304)
NET ASSETS			
TOTAL ASSETS DEPLOYED	27 821	25 157	55 154
TOTAL LIABILITIES INCURRED	(5 823)	(10 623)	(16 889)
NET ASSETS DEPLOYED	21 998	14 534	38 265

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
 - e. Grant funding from the Commonwealth Government for market development
- (ii) Conservation:
 - a. Grant funding from the State Government for the continual conservation of the Sites
 - b. Publication and research fees
 - c. Donations

Geographical Information – the Authority operates solely within Australia.

NOTE 4 ASSETS

4.1 RECEIVABLES

	2020	2019
	\$'000s	\$'000s
Receivables	287	137
Less provision for impairment	(169)	....
Other receivables	67	117
Insurance claim – worker's compensation	11	37
TOTAL	196	291

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

4.2 INVENTORIES

	2020	2019
	\$'000s	\$'000s
Port Arthur gift shop stock	538	584
Food and beverage stock	84	104
Cascades Female Factory gift shop stock	37	32
Brooke Street stock	....	1
Fuel stock	7	11
TOTAL	666	732

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.
- PAHSMA elected to not undertake an asset revaluation or apply indexation in 2019-20. It is expected that PAHSMA will undertake an independent revaluation of Buildings during the 2020-21 financial year.

	2020	2019
	\$'000s	\$'000s
LAND		
At fair value	8 173	8 173
TOTAL	8 173	8 173
BUILDINGS		
At cost	....	....
At fair value	15 339	15 073
Less: Accumulated depreciation	(891)	(505)
TOTAL	14 448	14 568
HERITAGE		
Buildings	10 484	10 484
Artefacts and exhibition equipment	3 736	3 736
TOTAL	14 220	14 220
PLANT, EQUIPMENT AND VEHICLES		
At cost	4 635	4 380
Less: Accumulated depreciation	(2 434)	(1 764)
TOTAL	2 201	2 616
INFRASTRUCTURE		
At fair value	18 818	18 786
Less: Accumulated depreciation	(9 635)	(9 092)
TOTAL	9 183	9 694
CAPITAL WORKS IN PROGRESS	1 153	1 076
TOTAL PROPERTY, PLANT, EQUIPMENT AND INFRASTRUCTURE	49 378	50 347

(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.

2020	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	8 173	14 568	14 220	2 616	9 694	1 076	50 347
Additions	....	....	....	264	....	493	757
Disposals	....	....	....	(5)	....	....	(5)
Transfers	....	266	....	34	32	(332)	....
Asset de-recognition	....	....	....	....	....	(84)	(84)
Newly identified assets	....	....	....	....	....	....	....
Revaluation increments (decrements)	....	....	....	....	....	....	....
Depreciation	....	(386)	....	(708)	(543)	....	(1 637)
CARRYING VALUE AT 30 JUNE	8 173	14 448	14 220	2 201	9 183	1 153	49 378

2019	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	8 173	14 840	14 220	2 935	10 283	377	50 828
Additions	....	....	....	357	10	935	1 302
Disposals	....	....	....	(57)	....	....	(57)
Transfers	....	112	....	124	....	(235)	....
Asset de-recognition	....	....	....	....	....	....	....
Newly identified assets	....	....	....	....	....	....	....
Revaluation increments (decrements)	....	....	....	....	....	....	....
Depreciation	....	(384)	....	(742)	(599)	....	(1 728)
CARRYING VALUE AT 30 JUNE	8 173	14 568	14 220	2 616	9 694	1 076	50 347

(c) Fair value measurement hierarchy for assets as at 30 June 2020

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 2020.

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 the 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.

2020	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using:	
		Level 2	Level 3
	\$'000s	\$'000s	\$'000s
Land at fair value	8 173	8 173	....
Buildings at fair value	14 447	4 244	10 203
Infrastructure at fair value	9 183	....	9 183
Heritage Assets			
Buildings	10 484	....	10 484
Artefacts and exhibition equipment	3 736	....	3 736
Total Heritage Assets	14 220	....	14 220

2019	Carrying amount as at 30 June 2019	Fair value measurement at end of reporting period using:	
		Level 2	Level 3
	\$'000s	\$'000s	\$'000s
Land at fair value	8 173	8 173	....
Buildings at fair value	14 568	4 104	10 464
Infrastructure at fair value	9 694	....	9 694
Heritage Assets			
Buildings	10 484	....	10 484
Artefacts and exhibition equipment	3 736	....	3 736
Total Heritage Assets	14 220	....	14 220

(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.

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, equipment and infrastructure

(i) Valuation basis

The new Visitor Centre has been recorded at fair value.

Land, buildings, infrastructure and other longlived 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 AASB 116 and AASB 13. 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.

4.4 RIGHT-OF-USE ASSETS

(a) Carrying amount

	2020	2019
	\$'000s	\$'000s
Right of Use Assets		
Equipment	135	....
Vessels and Vehicles	3 705	....
TOTAL	3 840	....

NOTE 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

	2020	2019
	\$'000s	\$'000s
Accrued wages and salaries	403	203
Annual leave	806	770
Long service leave	946	1 066
On-costs for leave	213	137
Superannuation	8 365	8 420
TOTAL	10 733	10 596
Current	2 770	2 425
Non-current	7 963	8 171
TOTAL	10 733	10 596

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

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

	2020	2019
	\$'000s	\$'000s
Gift voucher clearing	7	....
Prepaid Ticket Sales	17	51
TOTAL	24	51

5.3 TASCORP LOAN

	2020	2019
	\$'000s	\$'000s
Current Liability – TASCORP Loan	2 900	3 974
Non-Current Liability – TASCORP Loan	3 000	1 026
TOTAL	5 900	5 000

Due to the impacts of COVID-19 and first time application of AASB 16, the Interest Coverage Ratio covenant set by TASCORP was breached. The TASCORP Board has waived remedies available to it for this breach for the 2019-20 financial year.

5.4 LEASE LIABILITIES

	2020	2019
	\$'000s	\$'000s
Current Liability – Lease Liability	598	....
Non-Current Liability – Lease Liability	3 252	....
TOTAL	3 850	....
Maturity Analysis – contractual undiscounted cashflows		
Less than one year	692	....
One to five years	2 549	....
More than five years	983	....
Total Undiscounted Cash flows	4 224	....

5.4(a) The Authority's leasing activities and how these are accounted for

The Authority leases various equipment, vessels and vehicles. Rental contracts are typically made for fixed periods of 36 months to 15 years, but may have extension options as described below. Contracts may contain both lease and non-lease components.

The Authority allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Authority under residual value guarantees
- the exercise price of a purchase option if the Authority is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Authority exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use

asset in a similar economic environment with similar terms, security and conditions.

The incremental borrowing rate (IBR) is determined in accordance the applicable TASCORP indicative lending rate including the relevant administration margin, as an incremental borrowing rate.

The Authority is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Authority is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months

or less. Low-value assets comprise IT equipment and small items of office furniture.

5.4(b) Variable lease payments

The lease of a vessel contains variable payment terms that are linked to visitors undertaking a harbour cruise. Variable lease payments that depend on increased harbour cruise passenger numbers are recognised in the profit or loss in the period in which the condition that triggers those payments occurs. The impacts of visitation to Port Arthur arising from COVID-19 and the closure of the site on 21 March 2020, gave rise to a force majeure event for this vessel lease which remained in place until 3 July 2020.

During the period of force majeure and prior to the end of the financial year, the Authority and the ferry operator revised the basis for lease payments up until the next review date at the end of February 2021. The agreed calculations of future lease payments were derived from projected visitor numbers outlined in the 2020-21 Corporate Plan.

5.4(c) Extension and termination options

Extension and termination options are included in the vessel lease. These are used to maximise operational flexibility in terms of managing the assets used in the Authority's operations.

5.5 SUPERANNUATION

5.5(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	30 June 2020	30 June 2019
	\$'000	\$'000
Net defined benefit liability/(asset) at start of year	8 420	8 067
(+) Defined benefit cost recognised in profit and loss	397	450
(+) Defined benefit cost (remeasurements) recognised in OCI	53	85
(-) Employer Contributions	(505)	(182)
Net defined benefit liability/ (asset) at end of year	8 365	8 420

5.5(b) Estimate of Defined Benefit Cost for year ending 30 June 2021

The estimate of Port Arthur's defined benefit cost for the year ended 30 June 2021 is summarised below:

Financial year ending	30 June 2021
	\$'000
Current Service Cost	127
Net Interest	255
Past service cost/curtailments^	....
Gain/loss on settlements^	....
Estimated defined benefit cost	382

^ 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.

5.5(c) Estimate of Net Defined Benefit Liability/Asset for year ending 30 June 2021

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 2020 is shown below. It has been calculated assuming that actual experience matches the assumptions made.

Financial year ending	30 June 2021
	\$'000
Net defined benefit liability/ (asset) at start of year	8 365
(+) Estimated defined benefit cost recognised in profit and loss	382
(+) Estimated defined benefit cost (remeasurements) recognised in OCI^	....
(-) Estimated employer contributions	(463)
Estimated net defined benefit liability/(asset) at end of year	8 284

^ amount not known until end of year

5.5(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.

5.5(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.

5.5(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.

5.5(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.

5.5(h) Description of significant events

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

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

As at	2020	2019
	\$'000	\$'000
Defined Benefit Obligation	9 589	9 730
(-) Fair value of plan assets	(1 224)	(1 310)
Deficit/ (surplus)	8 365	8 420
(+) Adjustment for effect of asset ceiling	....	....
Net defined benefit liability/ (asset)	8 365	8 420
Current net liability	463	503
Non-current net liability	7 902	7 917
	8 365	8 420

5.5(j) Reconciliation of the Fair Value of Scheme Assets

Financial Year Ending	2020	2019
	\$'000	\$'000
Fair value of plan assets at beginning of the year	1 310	1 389
(+) Interest income	42	59
(+) Actual return on plan assets less interest income	(75)	(163)
(+) Employer contributions	505	182
(+) Contributions by plan participants	49	48
(-) Benefits paid	607	204
(-) Taxes, premiums & expenses paid	....	1
Fair value of plan assets at end of the year	1 224	1 310

5.5(k) Reconciliation of the Defined Benefit Obligation

Financial Year Ending	2020	2019
	\$'000	\$'000
Present value of defined benefit obligations at beginning of the year	9 730	9 456
(+) Current service cost	133	117
(+) Interest cost	306	392
(+) Contributions by plan participants	49	48
(+) Actuarial (gains)/ losses arising from changes in demographic assumptions	(43)	....
(+) Actuarial (gains)/ losses arising from changes in financial assumptions	(82)	969
(+) Actuarial (gains)/ losses arising from liability experience	103	(1 047)
(-) Benefits paid	607	204
(-) Taxes, premium & expenses paid		1
Present value of defined benefit obligations at end of the year	9 589	9 730

5.5(l) Reconciliation of the Effect of the Asset Ceiling

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

5.5(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
As at 30 June 2020^				
	\$'000	\$'000	\$'000	\$'000
Asset Category				
Cash Deposits	....	....	....	....
Australian Equities	196	....	196	....
International Equities	250	....	250	....
Infrastructure	158	43	....	115
Diversified Fixed Interest	308	....	308	....
Direct Property	220	....	220	....
Alternative Investment	92	....	92	....
TOTAL	1 224	43	1 066	115

^Estimated based on assets allocated to Port Arthur as at 30 June 2020 and asset allocation of the RBF Scheme as at 30 June 2019.

5.5(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.

5.5(o) Significant Actuarial Assumptions at the Reporting Date

Financial year ending	30 June 2020	30 June 2019
Assumptions to Determine Defined Benefits Cost		
Discount rate (active members)	3.25% pa	4.30% pa
Discount rate (pensioners)	3.25% pa	4.30% 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

Financial year ending	30 June 2020	30 June 2019
Assumptions to Determine Defined Benefit Obligation		
Discount rate (active members)	3.15% pa	3.25% pa
Discount rate (pensioners)	3.15% pa	3.25% 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	2.25% pa	2.50% pa

5.5(p) Sensitivity Analysis

The defined benefit obligation as at 30 June 2020 under several scenarios is presented below.

Scenarios A and B relate to discount rate sensitivity. Scenarios C and D relate to expected pension increase rate sensitivity.

	Base Case	Scenario A	Scenario B	Scenario C	Scenario D
		-1% pa discount rate	+1% pa discount rate	-1% pa pension increase rate	+1% pa pension increase rate
Discount rate	3.10% pa	2.65% pa	3.65% pa	3.15% pa	3.15% pa
Pension increase	2.25% pa	2.25% pa	2.25% pa	1.75% pa	2.75% pa
Defined benefit obligation (A\$'000)	9 589	10 102	9 123	9 250	9 962

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

5.5(q) Asset-Liability Matching Strategies

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

5.5(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.

5.5(s) Expected Contributions

Financial Year Ending 30 June 2020	
	\$'000
Expected employer contributions	463

5.5(t) Maturity Profile of Defined Benefit Obligation

The weighted average duration of the defined benefit obligation for Port Arthur is 10.5 years.

NOTE 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.

	2020	2019
	\$'000	\$'000
Visitor Centre Redevelopment Commitment	547	266

NOTE 7 RESERVES

7.1 ASSET REVALUATION RESERVE

2020	Land	Buildings	Infra-structure	Heritage Assets	Total
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Asset revaluation reserve					
Balance at the beginning of financial year	3 293	3 520	4 626	973	12 412
Revaluation increments/ (decrements)	....	....	....	....	....
Balance at end of financial year	3 293	3 520	4 626	973	12 412

2019					
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Asset revaluation reserve					
Balance at the beginning of financial year	3 293	3 520	4 626	973	12 412
Revaluation increments/ (decrements)	....	....	....	....	....
Balance at end of financial year	3 293	3 520	4 626	973	12 412

NOTE 8 AUDITOR'S REMUNERATION

	2020	2019
	\$'000s	\$'000s
Amounts paid or payable to the external auditors for the audit of the accounts	40	37
	40	37

NOTE 9 FOREGONE REVENUE

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

	2020	2019
	\$'000s	\$'000s
Potential ticket sales	1 911	2 628
Discount given	(237)	(397)
Net ticket sales	1 674	2 231

NOTE 10 RELATED PARTY DISCLOSURES

NOTE 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.

2020 DIRECTOR REMUNERATION

Name	Position	Period	Director Fees	Committee Fees	Super-annuation ²	Other Benefits	Total
2020			\$'000	\$'000	\$'000	\$'000	\$'000

NON-EXECUTIVE DIRECTORS

Grant O'Brien	Chairperson	23/12/19–30/6/20	17	....	2	....	19
Sharon Sullivan	Chairperson	1/7/19–22/12/19	16	....	2	....	18
Kristal Buckley	Director	Full year	14	....	1	....	15
Roseanne Heyward	Director	Full year	14	....	1	....	15
Michael Field	Director	Full year	14	....	1	....	15
Judith Franks	Director	1/7/19–4/12/19	6	....	1	....	7
Peter McKay	Director	Full year	14	....	1	....	15

EXECUTIVE DIRECTOR

Stephen Large	CEO ¹	Full year	....	....	....	....	....
TOTAL			95	....	9	....	104

2019 DIRECTOR REMUNERATION

Name	Position	Period	Director Fees	Committee Fees	Super-annuation ²	Other Benefits	Total
2019			\$'000	\$'000	\$'000	\$'000	\$'000
NON-EXECUTIVE DIRECTORS							
Sharon Sullivan	Chairperson	Full year	32	....	6	....	38
Kristal Buckley	Director	Full year	14	....	1	....	15
Suzanne Clark	Director	01/07/18–24/08/18	2	....	1	....	3
Roseanne Heyward	Director	26/02/19–30/06/19	5	....	1	....	6
Michael Field	Director	Full year	14	....	1	....	15
Judith Franks	Director	Full year	14	....	1	....	15
Peter McKay	Director	Full year	14	....	1	....	15
EXECUTIVE DIRECTOR							
Stephen Large	CEO ¹	Full year	....	....	....	....	....
TOTAL			95	....	12	....	107

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

2 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.

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 year:

2020 EXECUTIVE REMUNERATION

	Period	Base Salary ¹	Short-Term Incentive Payments ²	Super-annuation ³	Vehicles ⁴	Other Monetary Benefits ⁵	Other Non-Monetary Benefits ⁶	Total Remuneration	Termination Benefits ⁷	Other Long-Term Benefits ⁸	Total
2020		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EXECUTIVE REMUNERATION											
Stephen Large Chief Executive Officer	Full year	207	....	20	9	....	15	244	....	2	246
Jane Harrington Director Conservation & Infrastructure	Full year	173	....	16	3	....	....	194	....	12	206
Anne McVilly Director Tourism Operations	Full year	161	....	15	....	....	....	176	....	2	178
Jennifer Fitzpatrick Marketing & Communications Manager	Full year	116	....	11	....	....	....	127	....	(8)	119
Carol Armstrong Human Resources Manager	Full year	116	....	11	....	....	....	127	....	10	137
TOTAL		773	....	73	12	....	15	868	....	18	886

2019 EXECUTIVE REMUNERATION

	Period	Base Salary ¹	Short-Term Incentive Payments ²	Superannuation ³	Vehicles ⁴	Other Monetary Benefits ⁵	Other Non-Monetary Benefits ⁶	Total Remuneration	Termination Benefits ⁷	Other Long-Term Benefits ⁸	Total
2019		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
EXECUTIVE REMUNERATION											
Stephen Large Chief Executive Officer	Full year	202	....	19	7	....	10	238	....	11	250
Jane Harrington Director Conservation & Infrastructure	Full year	167	....	16	5	....	....	188	....	7	195
Anne McVilly Director Tourism Operations	Full year	156	....	15	....	....	....	171	....	18	189
Jennifer Fitzpatrick Marketing & Communications Manager	Full year	111	....	11	....	....	....	122	....	1	122
Nicole Roberts Chief Financial Officer	01/07/18– 10/04/19	93	....	9	....	....	....	102	....	2	104
Carol Armstrong Human Resources Manager	Full year	112	....	11	....	....	....	123	....	12	135
TOTAL		841	....	80	12	....	10	943	....	51	994

- 1 Base 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 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.
- 4 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).
- 5 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.
- 6 Other non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services and so on).

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

10.3 RELATED PARTY DISCLOSURES

Peter McKay (Director) is provided water and wastewater services by the Authority on the same commercial terms and conditions as other residents and businesses who connect to these services.

The spouse of Stephen Large (Chief Executive Officer) is an employee of the Authority.

The partner of Jennifer Fitzpatrick (Marketing & Communications Manager) provides the Authority with commercial photographic services.

All related party transactions have been entered into on an arm's length basis with full disclosure and declarations.

There were no applicable related party transactions between any State Government Ministers and the Authority during the year.

NOTE 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.

	2020	2019
	\$'000s	\$'000s
Cash	284	546
Automatic teller machine	3	77
Deposits at call	2 891	2 993
TOTAL	3 178	3 616

11.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2020	2019
	\$'000s	\$'000s
Net result from Profit/(Loss) for the year	(1 628)	(304)
Depreciation and amortisation	2 491	1 728
Loss/(gain) on sale of property, equipment and vehicles	(13)	(18)
Fair value gain on asset revaluation	....	....
Asset devalued	84	....
Non cash movement in superannuation	24	272
Decrease (increase) in receivables	45	90
Decrease(increase) in prepayments, accruals and deposit paid	26	(33)
Decrease (increase) in inventories	66	(162)
Increase (decrease) in employee benefits	192	1
Increase (decrease) in creditors	(993)	526
Increase (decrease) in unearned revenue	(20)	9
Net cash from (used by) operating activities	274	2 109

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	Cash Received	Cash Repayments	
	2019							2020
	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s	\$'000s
Borrowings	5 000	....	....	....	....	900	....	5 900
Leases	....	....	7 570	(2 846)	....	....	(874)	3 850
TOTAL	5 000	....	7 570	(2 846)	....	900	(874)	9 750

NOTE 12 FINANCIAL INSTRUMENTS

12.1 RISK EXPOSURES

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:

	2020	2019
	\$'000s	\$'000s
Receivables		
Current	13	27
30 days	4	38
60 days	2	14
91+ days	96	....
TOTAL	115	78

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
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

(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
2020				
Financial assets	31	(31)	31	(31)
Financial liabilities	(97)	97	(97)	97
Net sensitivity	(66)	66	(66)	66
2019				
Financial assets	35	(35)	35	(35)
Financial liabilities	(30)	30	(30)	30
Net sensitivity	5	(5)	5	(5)

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2019.

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
2020		\$'000s	\$'000s	\$'000s	\$'000s
Financial assets					
Cash	1.03	258	2 891	28	3 178
Receivables and accruals	....	....	....	336	336
TOTAL		258	2 891	364	3 514
Financial liabilities					
Creditors and accruals	....	....	....	284	284
Leases	2.55	3 850	....	....	3 850
TASCORP loan	1.91	5 900	....	....	5 900
TOTAL		9 750	....	284	10 034
2019		\$'000s	\$'000s	\$'000s	\$'000s
Financial assets					
Cash	2.47	482	2 993	140	3 616
Receivables and accruals	....	....	....	458	458
TOTAL		482	2 993	598	4 074
Financial liabilities					
Creditors and accruals	....	....	....	1 243	1 243
TASCORP loan	2.15	5 000	....	....	5 000
TOTAL		5 000	....	1 243	6 243

NOTE 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 5.5
- 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 thousand dollars, 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.

13.7 EVENTS OCCURRING AFTER BALANCE DATE

As part of the Government's response to the COVID-19 pandemic, the Treasurer has ensured that all Government businesses have access to sufficient funds. On 15 June 2020, the Treasurer provided explicit support to the Tasmanian Public Finance Corporation for PAHSMA's maximum borrowing limit of \$8 million. This supported borrowing limit was subsequently increased to \$12.5M on 14 August 2020 in response to the ongoing impacts of the pandemic.

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

21 September 2020

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 the Port Arthur Historic Site Management Authority for the financial year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

Ric De Santi
Deputy Auditor-General
Delegate of the Auditor-General

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INDEPENDENT AUDITOR'S REPORT



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 2020, 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 is in accordance with the *Government Business Enterprises Act 1995*, including:

- (a) giving a true and fair view of the Authority's financial position as at 30 June 2020 and of its financial performance and its cash flows for the year then ended
- (b) complying with 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 (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

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

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I confirm that the independence declaration provided to the directors of the Authority on 21 September 2020 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.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and 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

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related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusion is based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



Ric De Santi
Deputy Auditor-General
Delegate of the Auditor-General

Tasmanian Audit Office

1 October 2020
Hobart

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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 30 June 2020 and the financial position at the 30 June 2020 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:

- a) the financial records of the Authority for the year ended 30 June 2020 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 30 June 2020 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 30 June 2020 give a true and fair view.

Signed in accordance with a resolution of the directors:



MICHAEL FIELD

Director
28 September 2020



ROSEANNE HEYWARD

Director
28 September 2020

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
28 September 2020



ROSEANNE HEYWARD

Director
28 September 2020

DECLARATIONS

DECLARATIONS

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
21 August 2020

PUBLIC INTEREST DISCLOSURES

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

Number and types of disclosures made to PAHSMA during the year and the number determined to be a public interest disclosure	Nil
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Number of disclosures determined by the relevant public body to be public interest disclosures that it investigated during the year	Nil
---	-----

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	Nil
---	-----

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

Chief Executive Officer
21 August 2020



THANK YOU TO OUR STAKEHOLDERS

- PAHSMA Portfolio Minister, the Hon. Elise Archer MP
- Tasmania's Treasurer and Premier, the Hon. Peter Gutwein MP
- our professional and committed employees and volunteers
- the PAHSMA Board for their ongoing support and guidance
- the PAHSMA Executive Leadership Team
- our Work Health and Safety Consultative Committee
- the Port Arthur and the Cascades Female Factory Community Advisory Committee members and their respective Chairs, Barry Jennings and Dr Dianne Snowden AM
- PAHSMA Conservation Advisory Committee members, chaired by Helen Lardner
- our Three Capes Track partners at Parks & Wildlife and Pennicott Wilderness Journeys
- the Tasmanian and Australian Governments for the continued support to our conservation program
- the Mayor, Kelly Spaulding, General Manager, Councillors and employees of the Tasman Council
- the Tasman District School staff and community
- the Female Convict Research Group
- the teams at Tourism Australia, the Australian Cruise Association, Tourism Tasmania, Destination Southern Tasmania, Heritage Tasmania and the Tourism Industry Council of Tasmania
- representatives of the Hobart City Council
- Peter, John & Michael Roche and the Navigators team
- the *Tasman Gazette* staff
- the Tasman Business and Tourism Association
- the University of Tasmania
- the University of New England
- Deakin University
- our many suppliers, contractors and trade partners
- and other local groups and committees on various projects, events and activities.



PORT ARTHUR HISTORIC SITE MANAGEMENT AUTHORITY

