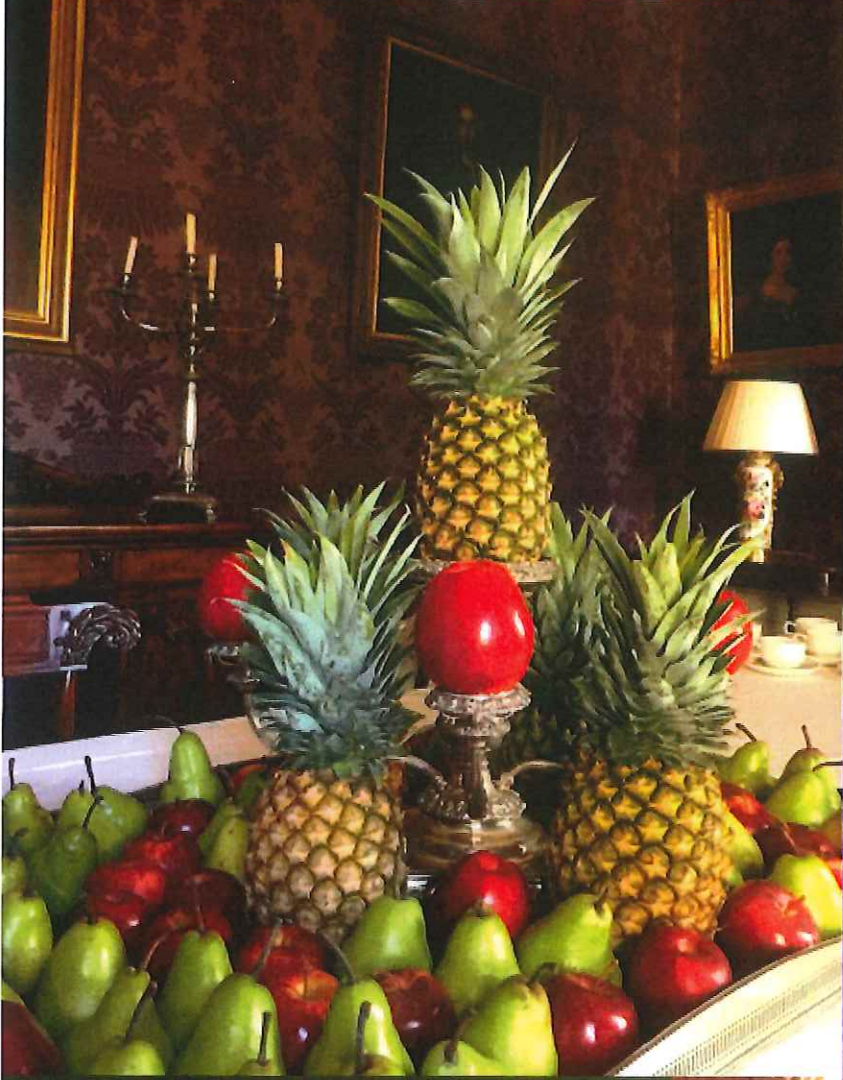
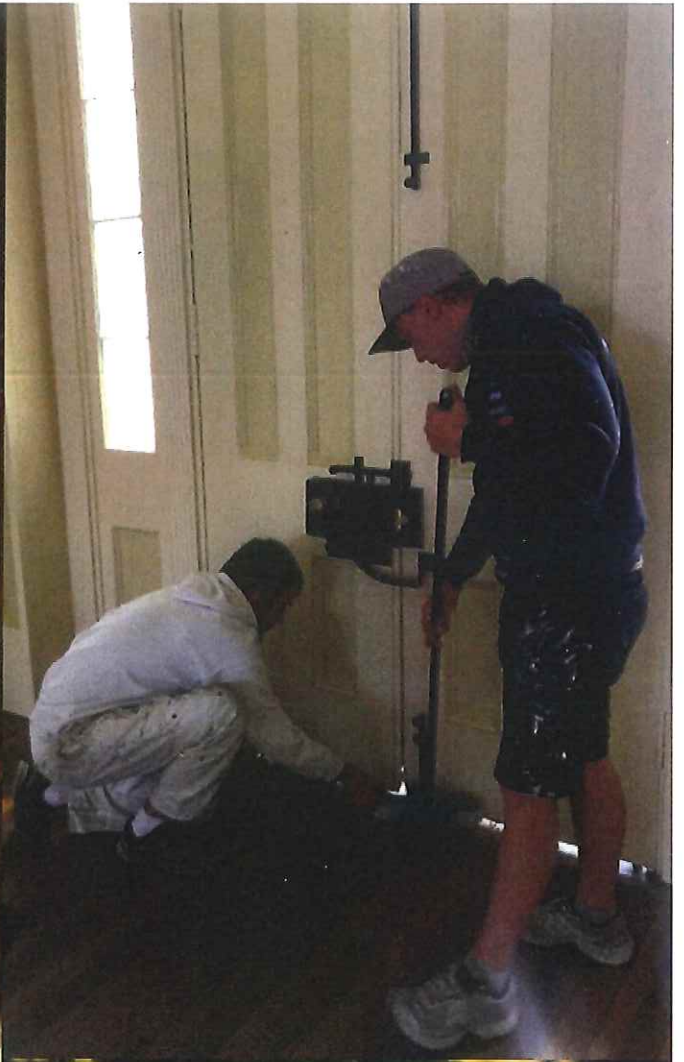




**NATIONAL TRUST
OF AUSTRALIA**
(Tasmania)





2017/2018 ANNUAL REPORT

NATIONAL TRUST OF AUSTRALIA (TASMANIA) BOARD

Mr Nicholas Heyward | Board Chair

Mr Warwick Oakman | Board Deputy Chair

Ms Beth Mathison

Mr Hamish Maxwell-Stewart

Mr Philip Mussared | Audit and Risk Committee Chair

Ms Louise Wilson

Mr Matthew Smithies | Managing Director

BOARD CHAIR REPORT

I am pleased to present my first Report as Chair of the National Trust Tasmania, which covers an exciting and productive year for the Trust.

Earlier this year the National Trust Tasmania Board engaged Mr Greg Hudson, who facilitated the development of the 2018-2021 Strategic Plan. The Board have been considering initiatives which will ensure the viability and relevance of the National Trust into the future and we look forward to rolling out those plans. As you would be aware, funding is an important necessity for the ongoing livelihood of the Trust. We have recently signed off on a Grant Deed with the State Government which will provide \$936,975 over 3 years. We are most grateful for their ongoing support which gives us confidence to plan for the future.

We continue to liaise with partners and stakeholders to ensure the Trust stays at the forefront of the heritage movement.

We have been more than impressed by the progressive manner in which other organisations have managed their sites, including adaptive reuse initiatives at the World Heritage Site, Woolmers where an outstanding Convention Centre has been built, and the excellent modifications at the historic Shene Distillery by Anne and David Kernke. We congratulate them on their vision in this area.

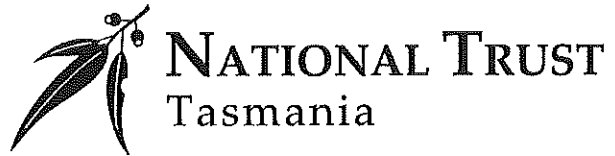
The Trust is committed to ensuring that Tasmania's magnificent built heritage remains for future generations. We are following closely plans for the sale and adaptive reuse of the Treasury and associated Government Offices in Hobart, for Anglican Churches across the state, and for Cambria Estate on the East Coast. We are also observing construction underway at the C.H. Smith site in Launceston and the Midlands Highway reconstruction through St. Peters Pass north of Oatlands, amongst other proposed developments. The Trust also manages external conservation appeals for a number of important Tasmanian heritage properties.

The Trust has been focusing on the presentation of Pandemonium at the Penitentiary Chapel Historic Site, which is a fine example of a contemporary interpretation of our convict past. This world class project was developed by Roar Film who we have recently re-engaged for future collaboration. I do hope that you will go along to visit this amazing production if you haven't already done so.

No Annual Report for the National Trust can be written without mention of our remarkable volunteers. The National Trust is sincerely grateful to our volunteer family who provide consistent support to us and ensure the ongoing sustainability of our sites. National Trust Management and Staff extend their sincere thanks to our hardworking volunteers for their wonderful efforts on behalf of the Trust.

Similarly, our National Trust members ensure the viability of the National Trust by supporting us every year, not only by contributing their membership fees, but by visiting our properties and sharing stories of their visit with friends and family, ensuring the continuing flow of new visitors through our properties.

I'm sure you have all seen a copy of our Trust Magazine, which is a fantastic product to highlight to our members the many wonderful properties we have around Australia. You may have noticed that Tasmania has featured in several major articles in the Trust and it's wonderful to see our properties highlighted in this way. The magazine has provided wonderful exposure, confirming that our properties in Tasmania can compare most favourably with other Trusts around Australia.



Another area where Tasmania is more than punching above its weight is in the managing of the National Trust Partnership Program. This is a national project, funded by the Federal Government, and Tasmania was delighted to be approached to manage this program. Projects included the Heritage Festival, Cultural Tourism and the Trust Magazine and involved Tasmania overseeing the completion of these projects and ensuring reporting and financial transactions were finalised on time to the satisfaction of the Federal Government. Tasmania has a small team which consistently provides amazing outputs with limited resources.

None of this would have been possible without the hard work of my colleagues on the Board and the National Trust Tasmania Managing Director and staff.

In closing, I am confident in assuring our members that National Trust Tasmania is, and will continue to be, a relevant and important voice for the future of our heritage.

Nicholas Heyward
Chair
National Trust of Australia (Tasmania)

AUDIT AND RISK COMMITTEE CHAIR REPORT

As the new Chair of National Trust Tasmania's Audit and Risk Committee (ARC), I am pleased to present the Audit and Risk Committee Report in respect of 2017-18. During 2017-18, the ARC addressed a number of issues including:

- Developing terms of reference for consideration and approval by the Board;
- Improving the dialogue with our External Auditor, the Tasmanian Audit Office, to ensure we understood those matters that were of concern to the Auditor-General;
- Developing a Risk Management Framework;
- Ensuring appropriate attention to matters that had been identified in previous audits by the Tasmanian Audit Office; and
- Monitoring the potential exposure of National Trust Tasmania to the failure of the retail venture by the Australian Council of National Trusts.

The Terms of Reference for the ARC, approved by the Board in April 2018, provide that the ARC will assist the Board in fulfilling its oversight and governance responsibilities and obligations. In particular, the ARC monitors financial reporting and the preparation of the financial statements, risk management, internal assurance activities, reporting, external audit and remedial action in respect of audit issues. I am grateful to Warwick Oakman and Louise Wilson for their contributions as members of the ARC.

Early in its term, the ARC was advised of three matters of concern to the Tasmanian Audit Office – reliance on Excel spreadsheets to maintain inventories, excessive accrual of leave by State office staff and failure to recognise all the assets of the Trust in its accounts. The third matter saw a qualified audit report issued in respect of the 2016-17 financial statements with the Auditor-General reporting to Parliament that:

“The Trust possesses certain heritage collections referred to in Note 1(l) of the financial report, but not all of these assets have been recognised in the financial report. Due to the nature of the assets, it is not possible to quantify the financial effects of the Trust's failure to comply with Australian Accounting Standard AASB 116 Property, Plant and Equipment.”

During 2017-18, action was taken to transfer all inventories to the Xero Accounting System, plans were developed to ensure staff annual and long service leave balances are reduced to acceptable levels by 30 June 2018 and a project commenced to ensure all Trust assets are recorded and valued.

In relation to recording and valuing the Trust's assets, we are challenged with addressing long standing deficiencies in the way over 40,000 items in our collection are recorded and valued. During 2017-18, we began collaborating with the Australian Museums to share the results of work they are undertaking to develop a national approach to valuing collections. Our plan is to implement an overarching collection policy that will incorporate the property collections into a single collection database, and include information such as location, value, and provenance. By so doing, we are creating a system which is more transparent and accountable and which will address the qualification reported by the Auditor-General in his 2016-17 report to the Parliament. It will, of course, also greatly improve the security of our collection and assist in ensuring appropriate insurance arrangements are in place.

During 2017-18, we have taken the first steps in creating such a system by centralising the collection data we have and making it accessible from a single location on our internal intranet. This project is expected to take three years but it will see the significance and financial valuation of many of our most important items, as well as create a fully searchable integrated object catalogue.

The new Audit and Risk Committee found that the Trust had an immature risk management framework. During 2017-18, the ARC developed a Risk Management Framework and a Material Risks Register which were subsequently approved by the Board.

As noted above, the ARC has ensured appropriate attention to matters that had been identified in previous audits by the Tasmanian Audit Office. The Tasmanian Audit Office recently completed its annual audit of National Trust Tasmania's internal systems and the 2017-18 financial statements. Following the audit, the Auditor-General met with the Audit and Risk Committee to discuss his findings, and we were advised that the audit went well.

The Auditors were particularly impressed with the migration by State Office to the Xero Accounting System, which now allows for easy access by authorised users to our financial records and supporting documents, while providing complete transparency. Overall, the recent audit confirmed that the Trust is moving in a positive direction in relation to receiving a 100% report card from the Tasmanian Audit Office.

The Trust's financial position has improved from the previous year, with a modest increase in net assets. Income from donations, bequests and sponsorship was our largest revenue line, closely followed by our annual grant from the State Government. We are very grateful to Trust members who consider the Trust in their will. Donations and bequests provide an important source of income to support the preservation of our heritage sites. They are greatly appreciated. We are also very grateful to the State Government for its continued financial support and we are pleased to announce that a new three year Grant Deed has been finalised.

Disappointingly, a significant amount of time was required by both Board members and management in monitoring the fall-out from the failure of the retail venture initiated by the Australian Council of National Trusts. Our concern was two-fold – that National Trust Tasmania might be compelled to provide financial support to the ACNT and that we might suffer brand and reputation damage as one of the three retail locations was at Evandale in Tasmania.

The Board of National Trust Tasmania concluded that the failure of the retail venture reflected a fundamental failure of governance by the ACNT. In addition to pressing for full disclosure of the financial affairs of the ACNT, we also insisted that continuing membership of the ACNT by Tasmania was conditional on the ACNT undertaking an independent review of the reasons for, and lessons learnt from, the failure of the retail venture. As the ACNT declined to meet this condition, in June 2018 National Trust Tasmania gave 12 months' notice of our intention to withdraw from the ACNT on 30 June 2019.

During 2017-18, the Audit and Risk Committee also focused on ensuring our internal systems are streamlined and secure. These systems Xero, NationalBuilder and Rezdy and we are constantly testing them to provide assurance that we are compliant in all areas and the systems are working at an optimum level.

Looking ahead, the ARC is reviewing our approach to accepting cash transactions, investigating options for the investment of our cash balances and initiating internal audit projects.

Philip Mussared
Chair
Audit and Risk Committee

MANAGING DIRECTOR'S REPORT

This year has seen the Trust stand in good stead. While we have weathered some setbacks, our accomplishments have triumphed, most notably a significant collaboration with Tasmania's Aboriginal Community through our Heritage Festival Program. This was a huge success for us, with a significant rise in participating events. Our theme, My Culture My Story, struck a harmonious chord with communities across the state.

This year we have initiated a push forward into highlighting our conservation priorities. The commencement of the Asset Management Plan Project, along with the engagement of engineers and conservation specialists who recognise that restoration and conservation for such sites, needs to be carried out with sensitivity to their original material and design. These professionals are using their specialised maintenance techniques to ensure the authenticity and integrity of each individual site.

This project has provided a baseline overview of our sites and identified significant areas of concern, allowing a platform for future maintenance and conservation schedules to be prioritised. This will provide an informed overview for the request and allocation of funding. The importance of the Asset Management Plan Project has never been greater, with the emphasis on the integration of adaptive reuse and interpretation of sites. Through this process we will be taking the steps to future-proof the Trust.

Together with a focus on our built heritage we have given great consideration to our Collection. The National Trust Object Collection makes up a significant portion of the National Trust's overall assets. We are implementing a Collection Coordination Strategy that will see all of the National Trust property collections valued and catalogued in a single system, creating more accountability and help to create future financial strategies for insurance and policy management.

We have a great deal of respect for and a responsibility to our volunteers. Our aim is to provide an environment that is positive and socially engaging. Statutory and legislative obligations have prompted a progressive move forward in volunteer management by way of the implementation of our Volunteer Agreement. This Agreement outlines the roles and responsibilities of both the Trust and our volunteers. Included in this document are our Code of Conduct, Smoking Policy, WPH&S, Equal Opportunity, Discrimination and Harassment Policy, to name a few. The agreement, fully endorsed by Volunteering Tasmania, was rolled out state wide in August and has been widely accepted by our volunteers.

One of the highlights of the year was the launch of the Heritage Festival held at Clarendon Estate. Invited guests, media, staff and volunteers of the Trust gathered on the portico as the Governor of Tasmania arrived by horse and carriage to officially open the event, which culminated in what can only be described as our most significant step toward forging solid relationships with the Tasmanian Aboriginal community. A traditional smoking ceremony and Welcome to Country speech performed by Dave Mangenner gough from Tasmanian Aboriginal Cultural Services captivated the entire audience.

Among the many significant events during the Festival was the standout 'Destination Mars'. Held in the spectacular grounds of Clarendon Estate, we explored the night sky with Aboriginal Elder, Patsy Cameron; Astronomer, Michael Booth; and Mars One Candidate, Josh Richards.

Another standout event was 'The Convict Monologues at the Penitentiary Chapel Historical Site', with the Tasmanian Theatre Company delivering a series of monologues in collaboration with the TSO.

Preparation is well underway for the 2019 Heritage Festival. This year's theme is 'This Place Matters' and under that banner we envisage that the Festival will morph into an exciting expanded program that brings communities together to preserve and conserve the places intrinsic to their community.

A ground-breaking step will see a Heritage Information Centre based at the State Office in the heart of Launceston. It will incorporate a central booking office and provide visitors with a personalised itinerary promoting the heritage that our State is renowned for. The Heritage Information Centre will be the setting off point for our newest venture, Guided Historical Walking Tours. An exciting itinerary of tours includes:

- 'A Spiritual Awakening', taking in the architectural beauty of churches around the city centre and finishing with a restorative dram of a very different spiritual nature at the Grumpy Piper.
- 'Down by River Side' reveals the old industry around our river and concludes at City Park.
- Finally, 'Beautiful, Brutal and Just Damn Ugly' looks at the fabulous architecture in the CBD, contrasting the old colonial with the newer art deco and brutalism. Some beautiful, some brutal, some possibly ugly, but all outstanding examples of their genre.

We would like to acknowledge our dedicated volunteer workforce, who are an integral part of our organisation and a part of the National Trust family. We are humbled by the commitment of volunteers and are sincerely thankful for their time and dedication. It is with sadness that we advise of the passing of Carmel Logan, Juliette Hoerner, Libby Donnelly and Lynette Matthew, valued and respected National Trust volunteers. They are greatly missed.

We would also like to extend our thanks and gratitude to our retiring volunteers Pam Attwood, Marie Blake, Claudette Huw, Sue Overton, Denise Baden and David Archer.

The success of our year is attributed to the dedication and involvement from every member of our small team; comradery at its best. We are confident it is going to be an exciting and innovative twelve months ahead.

Matthew Smithies
Managing Director
National Trust of Australia (Tasmania)