

AUDIT COMMITTEE ANNUAL REPORT

The 2013/2014 financial year was particularly difficult for the National Trust in Tasmania. Early in the year, detailed cash flow forecasts indicated that the Trust was facing an almost terminal issue of liquidity. While this may have been resolved by the sale of Oak Lodge, the Board accepted a conditional grant of \$200,000 from the Government which required that action be delayed. This welcome support gave the Trust the much needed financial breathing space to put its reconstruction strategy in place. The improved liquidity has enabled the Trust to plan ahead with more confidence in a necessarily different direction as outlined in the Chair's report.

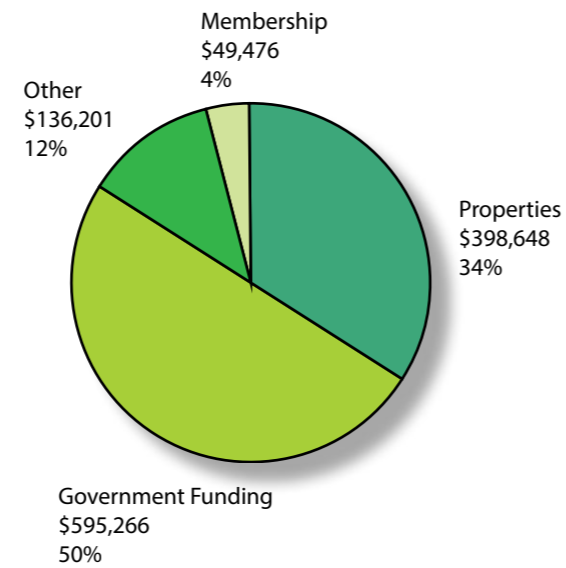
As a consequence of changed needs, there has been a complete review of reporting systems and controls covering operations, maintenance projects, grant acquittals, sponsorship arrangements and the oversight of various Trust funds administered by the State Office. Implementation of this systems review is assisting our property managers and various committees to get timelier and more relevant management information. It has helped in consolidation of all these wide ranging activities and provided more confidence in financial forecasts. This in turn has provided a basis for reviewing our banking and funding arrangements.

The support of the State Audit Office is always welcomed to ensure a forensic review of our changing operations to mitigate risk. With these changes and following good governance principles, the Board resolved to change its accountants. Ruddicks Chartered Accountants, replace Camerons who have served the Trust diligently over many years and we record our thanks to them.

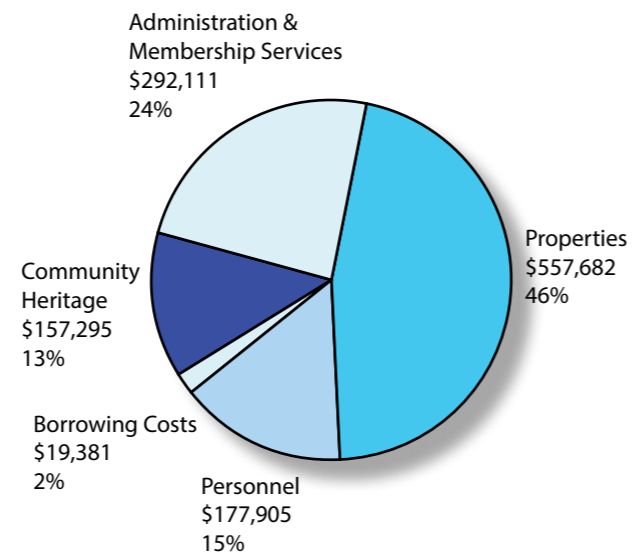
NATIONAL TRUST BOARD MEMBERS

Mr. Dario Tomat (Board Chair)
Dr. Marion Myhill (Board Deputy Chair)
Mr. Ian Cordiner
Ms. Jo Archer
Ms. Amandar Roberts
Mr. Phillip Tyrell
Mr. Matthew Smithies (Acting Managing Director)

OPERATING REVENUE 2013-2014



OPERATING EXPENDITURE 2013-2014



ANNUAL REPORT

2013 - 2014



State Office: Franklin House, 413 Hobart Road, Launceston 7250
Phone: 03 6344 6233
Fax: 03 6344 4033
Email: Admin@nationaltrusttas.org.au
Website: www.nationaltrust.org.au

CHAIRMAN'S REPORT

Your Board has had a challenging year in steering the National Trust through a period of significant change. In October 2013, Chris Tassell, who was Managing Director since the re-constitution of the National Trust, resigned, having provided a year of notice. Chris's contribution was recognised at the last AGM when a Life Membership was conferred on him. The financial situation at the time of him leaving was precarious, so the Board decided not to immediately refill the position, appointing Matthew Smithies in an Acting capacity until it became clearer if the organisation could continue. During the past twelve months as staff in paid roles have left the organisation replacements were not made with paid staff. The Board would like to thank Linda Clark and Jennie Chapman for their contributions. Hilary Keeley has moved from manager of Franklin House to a role that now includes duties in the State Office organising the Tasmanian Heritage Festival and other key events.

Further support from the State Government helped to stabilise the cash situation of the National Trust but the Board is acutely aware, and is working hard, to address the business operating model. The Board and senior management have worked hard to develop and maintain a transparent and open relationship with DPIPW, Heritage Tasmania and the Minister's office.

Our organisation's interaction with the Australian Council of National Trusts – now trading as National Trusts of Australia continued during the year.

Throughout the period the staff and volunteers at the National Trust have worked extremely hard to sustain the organisation and to provide support to the Acting Managing Director and the Board. It is a great credit to these individuals that we have managed to make some positive gains during the period. The Board would like to thank them all sincerely for their support without which we could not operate.

During the year we lost several stalwarts of the Trust in particular we remember our Patron the Governor, the Hon Peter Underwood; Pam Bartlett; Bruce Ellis and George Brown.

Sustainability:

A key element of the Board's business strategy is to ensure the Trust has a sustainable business, particularly in relation to community engagement and management of heritage. Your Board understands that our management and performance of our heritage properties are critical to our future business success. Our properties have to be relevant to the community not just another collection of house museums

New Initiatives

Several significant new approaches were achieved during the year.

Ros Palmer made a generous donation, both a fine furniture collection for Clarendon and support and contribution to the decoration of the property. Ros' continued interest in and contribution to the National Trust particularly at Clarendon but more generally was recognised by a Life Membership being awarded.

Several new events were provided for the Heritage Festival. Hilary Keeley organised a range of National Trust events and provided support to other participating organisations. Events such as "A conversation with Joseph Chromy" hosted by Hilary Burden, "Chicks with Grit and a Token Bloke", "Crossing Bass Strait", and the vintage car show to Clarendon were memorable.

The Board commissioned a study into enhancement of the Penitentiary Chapel Historic Site to make this a must visit place for both locals and tourists. An exciting concept has been developed in consultation with Roar Film and will be developed further with the PCHS team.

The Board is grateful for the continued support of our initiatives through the Tasmanian Community Fund and the support from Arts Tasmania and in particular Steve Kyne's generosity with his time and advice.

The on-going financial support and interest that parliamentarians show for the Trust is very heartening. The State Government provides a sizeable recurrent grant while the Australian Government support is provided in a tied manner to projects through the National Trust Partnership Program. Tasmania has benefited with support for the development of educational programs, web site and hosted a very



successful collections management workshop for other National Trust organisations.

The Tasmanian Heritage Festival themed "Journeys" recognised and showcased a range of personal experiences from Bishop Nixon's voyages to more recent arrivals' contributions to Tasmania's heritage.

Outlook:

The Board is working on broadening the appeal of membership of the Trust by adopting new communication technologies, developing virtual internet-based property visits and having a structured series of events that attract the community to the properties. These initiatives will contribute to positioning your Trust for a brighter future.

The more secure financial position of the National Trust means that the Board is able to confidently seek an appointment to the Managing Director's position. We would like to acknowledge Matthew Smithies for the contribution he has been making in an Acting role.

In closing I would like to acknowledge the contribution of our retiring Board member Ian Cordiner to the Trust Board. We are fortunate that Ian will continue in a mentoring and support role to the Board and senior management.

Finally, I wish to acknowledge the efforts of my fellow Directors. This last year has been a challenging one, but they have worked hard on crafting a future for the National Trust. On behalf of the members, I thank them.

Mr. Dario Tomat
Board Chair

ACTING MANAGING DIRECTORS REPORT

The past year has been a challenging one for the National Trust as we embarked on a rigorous process of operational rationalisation. Facing the hard realisation that the future of the Trust was in jeopardy provided the catalyst for us to review and evaluate every aspect of the organisation and to put into place a range of measures to check its health regularly.

With new priority given to good governance, transparency, product development and excellence in visitor and member

services, we are moving into an exciting period of growth redefining and clarifying the important role the Trust plays in our state.

By stabilising the National Trust and with the continued indispensable support of our volunteers we are emerging as an organisation that can confidently plan for a positive and exciting future.

National Trust Tasmania Chair, Dario Tomat, has provided strong support to the National Trust team over the past year through this period of change and his absolute determination that the National Trust survive and succeed has been infectious. This vision shared by the Board has reinvigorated the Trust and promoted responsible contemporary heritage management practice and a dedication to developing relevant and engaging heritage experiences.

For me there have been many sleepless nights thinking through what to do in the best interest of the Trust, however these sleepless nights have been far outweighed by the numerous highlights indicating that the National Trust is extremely well supported and that within the community there is a strong view that the National Trust has an important and ongoing role to play in the State. This support is a key motivator for encouraging our volunteers and staff to continue the important work they do.

Throughout this period of change numerous reforms have taken place with the main ones being:

- Financial management system has been completely overhauled with an emphasis on accuracy, transparency and efficiency.
- Working closely with Ruddicks Accounting and the Tasmanian Audit Office team to redefine reporting systems and identify areas of risk.
- An emphasis placed on enhancing visitor experiences through upgraded presentation and interpretation at each property.
- Moving towards individual sustainable business models being developed for each property.
- Visitor satisfaction and feedback mechanisms under development.
- A commitment to ongoing product development, research and marketing as key disciplines within strategic planning and business modelling.
- After careful consideration, closure of the object conservation unit. Over the past 5 years considerable conservation work had been carried out on collections resulting in all objects being stabilised and not requiring immediate conservation work. Through a newly introduced assessment plan, collections are

evaluated on a six monthly basis where objects requiring urgent conservation work are identified and this work appropriately outsourced. This is a model used by the National Trust movement internationally.

- A full assessment undertaken of all properties within the portfolio identifying outstanding property maintenance and building conservation work to be carried out.
- Greater collaboration and partnering with other organisations such as MONA, UTAS, Hobart Baroque, TMAG, TSO, QVMAG and numerous community and professional associations.

Punching above our weight

- In May of this year as part of our Federal Government funding arrangement the National Trust Tasmania developed and delivered a Collection & Property Management framework which is currently being rolled out throughout all National Trusts in Australia. This body of work clearly indicates the expertise of the National Trust in Tasmania.
- As outlined in the Chairman's report, the Tasmanian Heritage Festival grows from strength to strength and clearly indicates the important role the National Trust plays in promoting and coordinating collaboration between heritage based organisations, educational institutions and private enterprise to highlight our State's significant heritage.

The Tasmanian Heritage Festival continues to be the second largest heritage festival in Australia attracting both local and national media coverage.

Without our volunteers and Members we do not exist

Over the past year the support and encouragement provided by our volunteers and members as we reform the National Trust and actively move towards developing a self sustaining model has been amazing. To be stopped in the street and told 'you are all doing a great job at the Trust' on a regular basis is humbling, encouraging and above all clearly demonstrates that the Trust does matter and that heritage counts!

I would like to close by acknowledging the outstanding contribution to the National Trust of Sue Hansen over the past 26 years. Sue is retiring in December and will be very much missed by the numerous people she was in contact with in fulfilling her role as State Office Administration Officer.

Mr Matthew Smithies
Acting Managing Director

