



2018 – 2019 ANNUAL REPORT National Trust Tasmania





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NATIONAL TRUST 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

CHAIR REPORT

I am pleased to present the National Trust Tasmania Annual Report for 2018-19. The Trust is midway through the implementation of its three year Strategic Plan in all areas of operations, resulting in a number of developments including: the development and implementation of a robust collection management system, a comprehensive audit of the Trust's built heritage assets clearly identifying maintenance and conservation works, the introduction of a Volunteer Agreement and the outsourcing of accounts management.

Members continue to be the lifeblood of the National Trust Tasmania. Our Membership management system, NationBuilder has recently undergone a major update and this will provide a mechanism for the Board and Management Team to better communicate with all Members. The Board would like to grow the number of Members to both improve the financial viability of the organisation and to allow the Trust to speak on behalf of these Tasmanians. The theme of this year's Heritage Festival was "This Place Matters" and this will form the basis of a new program which will be rolled out during the coming year, allowing Members and the wider community to connect with heritage sites in their local area. Through discussion with members and a survey, it was made very clear to me as Chair that our Members want to see the National Trust taking a more active role in advocacy.

National Trust Tasmania's Volunteer work force is over 400 personnel making it the largest employer of Volunteers in the state, who have collectively contributed in excess of \$1.5M in time over the past year. The implementation of formal Agreements for all Volunteers was commenced during the year. While this has not been without a few hitches it ensures that the relationship between all Volunteers and the Trust is clear and legally compliant.

Over the past year a major piece of work has been carried out to gain a clear understanding of the nature of maintenance and conservation works required on the National Trust Tasmania's built assets and to develop a Strategic Asset Management Framework. The aim is to develop detailed ongoing Asset Management Plans for each property. Before such a scheme can be implemented the backlog of outstanding maintenance must be dealt with. A large proportion of the work required is urgent and the total cost has been estimated at \$3.5M. This is \$3.5M the Trust does not have so the Board and Management have embarked on an ongoing campaign with the aim being to secure this much needed funding.

In June 2019, the State Government provided a one-off capital grant of \$350K towards the maintenance works and the Board is grateful for this contribution which will be used for urgent work at Clarendon.

The State Government provides an annual operating grant of \$310K to the National Trust, without which the National Trust simply could not operate. With a total annual operating budget of only \$900K spread across all properties and collections, the National Trust Tasmania is clearly financially stretched. Having said that, I would like to extend my thanks to all Volunteers and the management team who all go to extraordinary lengths to keep our doors open. I must also acknowledge the hard work of the Board Audit and Risk Committee, which is detailed in the following report.

During the year the National Trust Tasmania withdrew from the National Trust Australia umbrella organisation. When the Australian Government provided funding to the Australian Council of National Trusts (ACNT), membership of the ACNT was obviously vital, but when this funding ceased membership became an unnecessary impost.

I am pleased to advise that the Membership Application made to International National Trusts Organisation (INTO) was successful. This is a major achievement providing National Trust Tasmania with an individual voice in the international arena rather than falling under the auspices of a broad Australian representation. Membership of INTO provides enhanced reciprocal benefits to all Tasmanian Members. Through arrangement with INTO, National Trust Tasmania Members continue to receive free access to National Trust sites throughout Australia as well as internationally.

I would like to thank all Members for their ongoing support and I look forward over the coming year to meeting many more of you at the planned National Trust events. I would like to thank Board Members, Committee Members and the Management Team for their support, dedication and commitment over the past year. A very special thank you to each and every National Trust Volunteer; we simply couldn't do what we do without you!

I would like to single out Warwick Oakman, who retires after a maximum two terms on the Board, for his wonderful contribution also thank Beth Mathison for two years' service on the Board. I would also like to welcome Wayne Bailey-Walford as our Volunteer Coordinator.

Nicholas Heyward
Board Chair

AUDIT AND RISK COMMITTEE CHAIR REPORT

I am pleased to present the Audit and Risk Committee (ARC) Report in respect of 2018-19.

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.

During 2018-19, the ARC focussed on a number of issues, including:

- Preparation of the draft 2018-19 budget;
- Monitoring the accrued leave balances of National Trust Tasmania (NTT) staff;
- Monitoring compliance with credit card policy;
- Ensuring that all obligations arising from the *Australian Charities and Not-for-Profit Regulation 2013* were fulfilled;
- Progressing the recording and valuation of the NTT collection;
- Monitoring financial reporting;
- Banking and investment arrangements;
- Recording volunteer hours and valuing the contribution made by volunteers;
- Internal arrangements to maintain cyber security; and
- Financial implications of withdrawal from the ACNT with effect 30 June 2019.

The ARC continues to ensure appropriate attention to matters that had been identified in previous audits by the Tasmanian Audit Office. The Tasmanian Audit Office has not yet completed its annual audit of National Trust Tasmania's internal systems and the 2018-19 financial statements but following the completion of the audit, the ARC will meet with the Auditor-General to discuss his findings.

The Trust's financial position has deteriorated from the previous year, with a significant reduction in our cash reserves and increasing evidence of deterioration in the state of our properties. This will be discussed by the ARC and the Board in reviewing the draft 2019-20 Budget which, at the time of writing this report, has not been approved by the Board. The generous provision of a capital grant of \$350,000 by the State Government in June 2019 has provided short term relief but as the grant is drawn down to fund urgent capital works, the pressure on our cash reserves will increase.

During 2018-19, the Audit and Risk Committee continued to monitor our internal systems. These systems are Xero, NationBuilder 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. The ARC members have access to the Xero accounting system and can monitor transactions and balances in real time.

Looking ahead, the ARC will continue to encourage a migration from cash transactions at our properties, finalise the consideration of options for the investment of our cash balances and initiate internal audit projects.

Philip Mussared
Audit and Risk Committee Chair

MANAGING DIRECTOR'S REPORT

The past year has been a challenging and exciting period for the National Trust Tasmania as we continued the process of operational restructure and organisational reform to achieve the objectives of the Strategic Plan. Implementing and embracing change for any organisation is an unsettling process. For the Trust, this is particularly poignant as so many of our volunteers have supported the organisation with the generosity of their time and dedication over many decades. Throughout this period of change numerous reforms have taken place as outlined in the Chair's Report. Other activities included:

- Implementation of a standardised Volunteer Agreement adhering to current volunteering legislation and providing a best practice framework aligning with the Australian Volunteering Standard.
- Three long term financial liabilities have been resolved over the past year reducing risk to the organisation. Ten years ago the then Board of the National Trust took out a loan of \$100K – for the past decade interest only has been paid on this loan. In the past year this loan has been fully paid off. The operations of the National Trust over the previous 14 years has relied on a \$200K overdraft. This overdraft facility has been fully paid off. Over the past decade, accrued employee annual leave and long service provisions had reached a concerning collective sum. Over the past twelve months, these provisions have been dramatically reduced with this liability now at an acceptable level.
- Over the past year a major piece of work has been carried out to gain a clear understanding of the nature of maintenance and conservation works required on the National Trust Tasmania's built assets and the estimated cost for this work was completed. The project involved coordinating engineers, hydrologists, electricians, plumbers, experts in specific areas of conservation and roofing specialists to name just a few. A large proportion of the work required is urgent and has been estimated to cost \$3.5M.
- The reconfiguration of the visitor experience at the Penitentiary Chapel with a greater emphasis placed on the world class "Pandemonium" experience.
- The reinterpretation of Clarendon Estate's main building by Curator, Barb Milson, in alignment with the interpretation plan provided by well-respected expert, James Broadbent.
- Upgrade planning for the Old Umbrella Shop in Launceston, with work now well underway. In consultation with Heritage Tasmania, the exterior has been repainted and new signage installed. A room previously unavailable to the public will open in November 2019 as a permanent home to display the Shott Collection of souvenirs and umbrellas. Many of the extensive Shott collection objects have been held in storage for decades and were not available for public viewing.

- A purpose-developed collection management system has been designed and implemented through the Volunteer services of Stephen Coombs. The system integrates collection data onto a single system providing the Trust in Tasmania, for the first time, an overarching understanding of the extent, significance and market value of the collection. With just over 48,000 objects now identified in the collection, the system provides a framework to coordinate significance assessments, condition reporting and research activities in a professional manner achieving heritage best practice.
- Through new arrangements with Tourism Brochure Exchange and Tourist Information Centres throughout the state, National Trust Memberships and bookings to National Trust events and activities will be sold on board the Spirit of Tasmania and throughout the Tourist Information Network.

On behalf of the National Trust's small management team, I would like to acknowledge the support and encouragement of the National Trust Board as we collectively continue the pathway of securing the National Trust's position as a financially viable organisation and reach for best practice standards in heritage management. There are way too many organisations and professionals to mention individually who have so generously provided their support and expertise over the past year; thank you all!

On behalf of the management team, I would like to thank the extraordinary contribution of every Volunteer. The robust conversations sometimes had within our organisation are a healthy indication of the passion we all have for heritage and the success of the National Trust.

It is with great sadness that I acknowledge the death of Mr Terry Childs. For many of us at the Trust Terry was our 'wise one', our 'go to person' to pass ideas by, seek advice on how to best manage a situation or to seek a few words of encouragement. Terry is greatly missed by many at the National Trust.

Matthew Smithies
Managing Director