Port Arthur Historic Site Management Authority

Annual Report 2015-16

Annual Report 2015-16

OUR VISION

To conserve, manage and promote the Port Arthur, Coal Mines and Cascades Female Factory Historic Sites as cultural tourism places of international significance.

OUR STATEMENT OF PURPOSE

To manage the Port Arthur, Coal Mines and Cascades Female Factory Historic Sites by:

- *Conserving the cultural values of the sites*
- *Creating a unique, enjoyable and interactive visitor experience*
- *Ensuring our financial viability*
- *Valuing our staff*
- *Considering our community*

Directors' Statement

To the Honourable Matthew Groom MP, Minister for Environment, Parks and Heritage, in compliance with requirements of the *Government Business Enterprises Act 1995*.

In accordance with section 55 of the *Government Business Enterprises Act 1995*, we hereby submit for your information and presentation to Parliament, the report of the Port Arthur Historic Site Management Authority for the year ended 30 June 2016. 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
8 August 2016

SUZANNE CLARK
Director
8 August 2016

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

Contents

Chair's Review	4
CEO's Report	6
The Board	10
Governance	12
Executive Group	13
The Year at a Glance	14
Statement of Corporate Intent	18
Contribution to the State Economy	20
Tourism Operations	22
Marketing	26
Conservation & Infrastructure	28
Cascades Female Factory Historic Site	36
Supporting Our People	38
Financial Report – *30 June 2016*	40
Auditor's Independence Declaration	73
Independent Audit Report	74
Declarations	76

Chair's Review

This year was very busy, with a series of anniversaries, record-breaking visitor numbers, and numerous other challenges and achievements.

In April 2016, Port Arthur marked the 20th Anniversary of the 1996 Massacre, involving substantial challenging and resource-intensive work. Approximately 1,000 people attended the Commemoration Service, which was broadcast nationally on ABC television. We extend deep appreciation and sympathy to all those who continue to be affected by the tragedy on a daily basis, and we hope that the memorial service was fitting and comforting for them. It is a great credit to the Working Group consisting of Stephen Large, Sue Clark, Maria Stacey, Vicki Skeggs, Roseanne Heyward, Ed Gauden and Carol Armstrong, with extensive input from those affected, that the event was so successful in meeting people's needs and wishes. Thanks to them and all PAHSMA staff for their meticulous and professional efforts in the lead up to the Anniversary and on the day itself.

December 2015 saw the 150th Anniversary of the Port Arthur Boxing Day Woodchop. The event featured over 70 competitors in the signature event and a new range of children's and family sports. The annual Woodchop continues to be a great example of our strong ongoing bond with the local community.

The successful partnership between PAHSMA and Navigators reached a milestone with the 30th Anniversary of Roche Bros/ Navigators operating at the Port Arthur Historic Site. Our longstanding collaboration with Navigators reflects our shared commitment to deliver exceptional visitor experiences.

Key PAHSMA projects include substantial conservation work at the Coal Mines to halt damaging erosion by stabilising the main shaft.

PAHSMA continues to play a significant role in Tasmania's vibrant tourism sector. The Three Capes Track opened in December 2015 and has now surpassed 8,000 bookings, bringing additional visitors to the Port Arthur Historic Site, where the walk begins and ends. PAHSMA has established an MOU with the Parks and Wildlife Service to ensure consistent high quality service for our shared visitors.

The increase in tourist numbers poses a new challenge for us – our Port Arthur Visitor Centre is groaning at the seams and we are in danger of this diminishing the visitor experience, quality of our work and impacting on our staff's working environment. As detailed by our CEO in his report, after extensive advice and consideration of options we are taking immediate steps to rectify this.

On the horizon, we welcome the Federal Group's announcement of a luxury hotel resort, which will add a new dimension of visitor experiences to the local area. This world class development on the doorstep of the Port Arthur Historic Site promises to become an exciting catalyst for new business ventures on the Tasman Peninsula. We also welcome the State Government's commitment to developing a management model and strategy for Maria Island. PAHSMA is a major stakeholder in any outcomes for Maria Island because the Island houses Darlington Probation Station, the only publicly owned World Heritage Convict Site in Tasmania outside PAHSMA's sphere of responsibility. While any additional management responsibilities for PAHSMA would bring significant challenges and resource implications, we are working constructively with other stakeholders on future opportunities to enhance the valuable relationship between heritage and tourism on Maria Island.

Our engagement with China continues to thrive. Five staff from the Dunhuang Academy visited Port Arthur in May 2016 and once again PAHSMA gained valuable insights into Chinese travellers' needs and expectations. Our Marketing team participated in the Tourism Tasmania Greater China and South East Asia Mission in September 2015, further advancing the Historic Sites' visibility as must-see destinations.

PAHSMA continues its role as a key partner in Tasmania's Heritage Tourism sector. We provided a major submission to the Legislative Council Select Committee Report on Built Heritage Tourism and were pleased to see much of PAHSMA's strategic analysis echoed in the Report's recommendations. PAHSMA has initiated an Excellence Committee to consolidate our leadership capacity in conservation, heritage and tourism. Chaired by Kristal Buckley AM, the Excellence Committee supports and enhances our efforts to develop and promote best practice in these areas.

The year has been challenging and rewarding for PAHSMA as further highlighted in our CEO's report. On behalf of PAHSMA and the Board, I extend appreciation and gratitude to our Minister, the Hon. Matthew Groom MP, the Premier, the Hon. Will Hodgman MP, and to the Tasmanian and Australian governments generally for supporting PAHSMA's achievements in conservation and our contributions to the Regional and State economy through our tourism operations.

The good humour and unstinting dedication of PAHSMA's CEO, Stephen Large, have been invaluable in this anniversary year. As always, I wish to express my profound appreciation to my fellow directors, our Community Advisory Committees, the PAHSMA Conservation Advisory Committee (PACAC), the PAHSMA Executive, staff and volunteers. Together, we can reflect with pride on another year of challenge and achievement in conservation and tourism.

PROFESSOR SHARON SULLIVAN AO

CEO'S REPORT

The 2015-16 reporting period has been another outstanding year for PAHSMA with some significant outcomes achieved during this time.

Following the highly successful restabilisation of the iconic Penitentiary building last year substantial interpretative work has taken place including a major archaeology project, the largest ever undertaken by PAHSMA.

The Port Arthur Historic Site has experienced record day time visitor numbers with 308 612 people coming to the site which was a 13% increase on the previous year, which was also a record for PAHSMA. Not to be outdone visitor numbers to the Cascades Female Factory Historic Site also produced a best ever result with 30 725 visiting the site over the reporting period. Our Ghost Tour numbers at Port Arthur were also 4% above last year and the strongest result for five years.

Handling this many visitors and providing people with the high level experience we wish them to have has at times presented challenges for staff and with expectations of further tourism growth, the Port Arthur Historic Site clearly needs a larger and more responsive Visitor Centre. Significant work has been undertaken in the last year preparing a masterplan for a redevelopment project with a number of options being considered as a part of this process. The final option adopted by the Board is an ambitious solution but a project that will provide a much better building for both visitors and staff.

Whilst challenging financially, the Authority has the capacity, with borrowings, to fund the project. Our aim is to complete the redevelopment by December 2017 and whilst there will be some inconvenience for visitors in the next calendar year we will endeavour to keep any disruption to a minimum.

Whilst welcoming the growth experienced at both Port Arthur and the Cascades Female Factory, the combination with a large number of projects either completed or ongoing has placed some significant pressure on PAHSMA staff and I am most grateful for their efforts and contribution in what has been a very busy period.

The long awaited Federal Group's announcement in April confirming the new luxury development at Port Arthur was welcome news and PAHSMA believes the project will have a significant positive effect in the Tasman Region given this market sector is currently missing on the Tasman Peninsula.

The Federal project does however present some challenges for the area. When the Port Arthur Motor Inn is demolished there will be a loss of 40 accommodation rooms, the local pub and one of the only two hotels in the area that can accommodate coaches. Recognising this potential situation the Tasman Council and PAHSMA have partnered in securing a grant from the Department of State Growth to facilitate a consultancy that has developed the Tasman Peninsula 3-4 Star Accommodation Investment Feasibility and Business Case, completed by Hobart firm Creating Preferred Futures. We anticipate this document will assist in attracting a new development of 45-60 rooms in the vicinity of the Port Arthur Historic Site.

The 20th Anniversary of the Port Arthur Massacre occurred on 28 April 2016. Following a number of requests from those closely affected by the shootings it was decided to hold a service at the Port Arthur Historic Site. Over a period of 14 months, a small Working Group spent time organising the event, which attracted significant media interest.

The Service followed a similar format to the 10th Anniversary and included speeches from the Governor, Her Excellency Professor the Hon. Kate Warner, Prime Minister the Hon. Malcolm Turnbull MP, and PAHSMA Chair Professor Sharon Sullivan AO; poems read by Premier the Hon. Will Hodgman MP and PAHSMA staff member Maria Stacey; and a number of musical items performed by acclaimed opera singer Amelia Farrugia, PAHSMA employee Dr Cait Vertigan, Ali Hart from the Tasman District School, James McAlpine and the Collegiate Choir.

PAHSMA received many compliments on the Service and the overwhelming view from those who attended was that it was the right decision to commemorate what was regarded as a significant Anniversary. Whilst there were so many people to thank I must make mention of Carol Armstrong whose coordination role, contribution and attention to detail was enormous and very much appreciated.

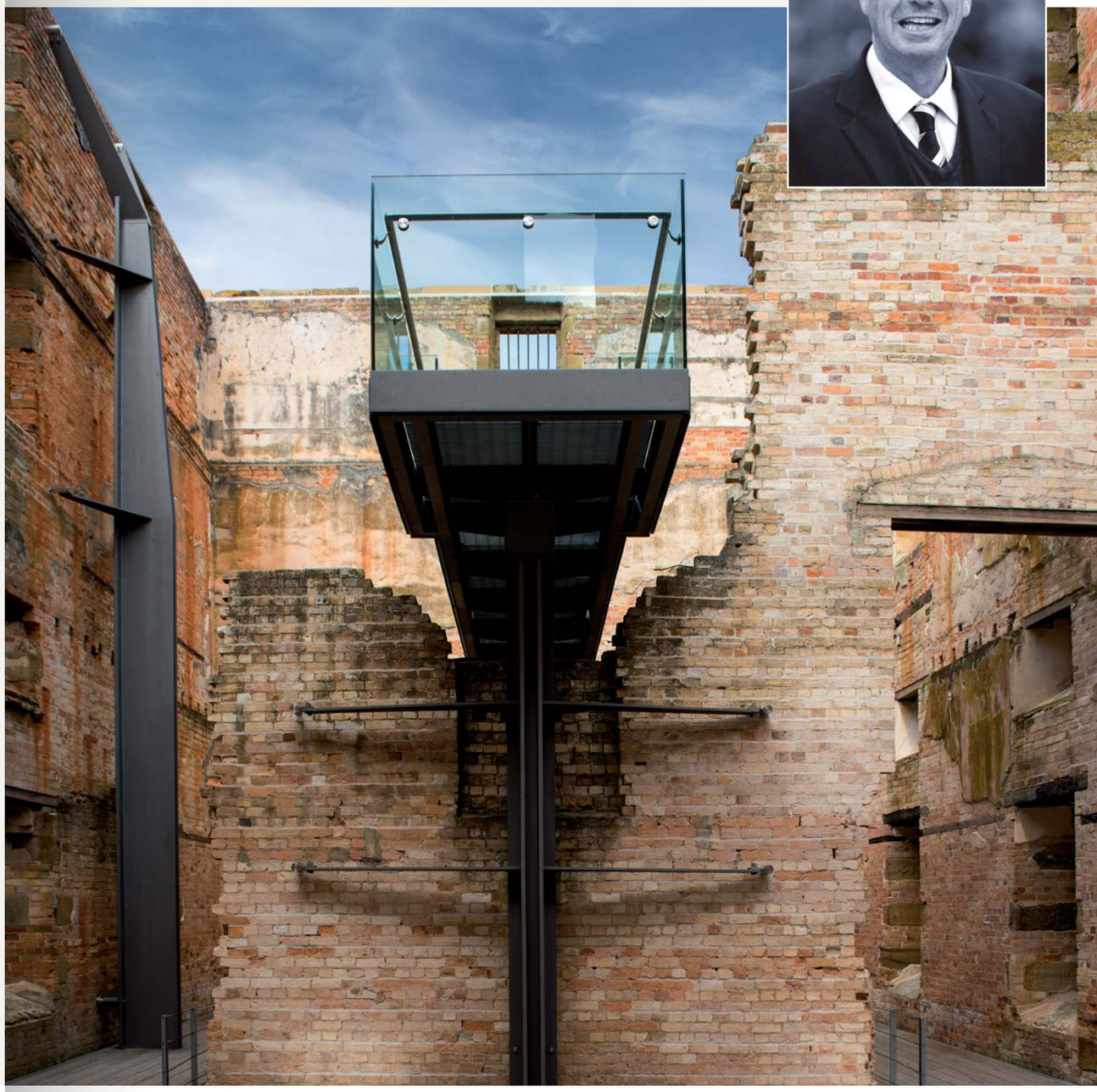
During the year PAHSMA was again fortunate to win two categories at the Tasmanian Tourism Awards. The Penitentiary Restabilisation Project was also recognised in multiple awards, including an international award from UNESCO.

The Authority maintains a policy that gives Tasmanian businesses every opportunity to undertake PAHSMA's work at all three Sites whenever the services are competitive in terms of quality and price. The Penitentiary, Coal Mines Shaft restabilisation, Visitor Centre redevelopment and many other projects have ensured many local and Tasmanian businesses have been contracted over the reporting period.

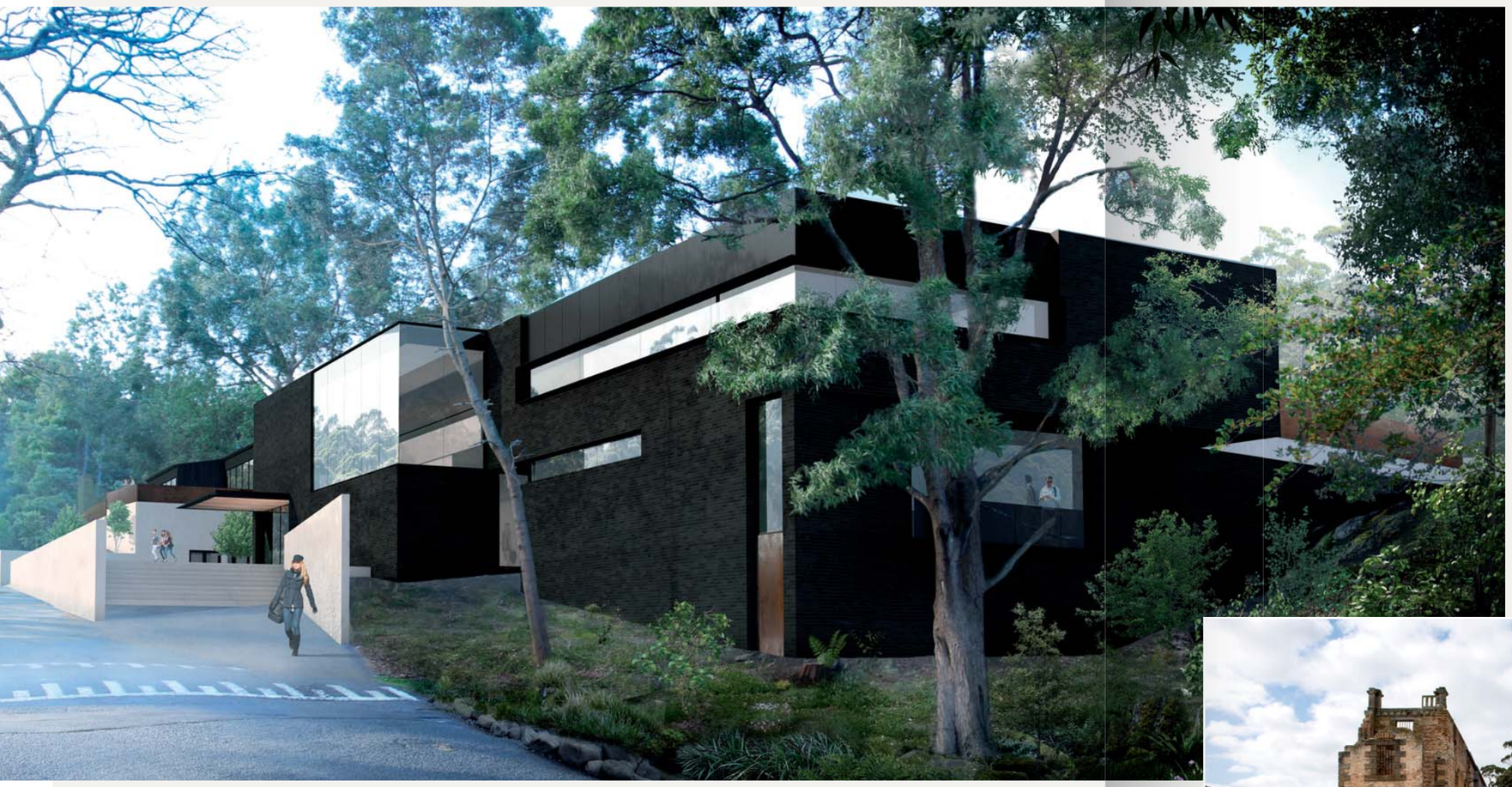
After nine years as PAHSMA's Marketing Manager, Andrew Ross left the Authority to pursue another challenging opportunity within the tourism sector. Andrew made a significant contribution in his time with PAHSMA and we wish him well in the new position.

PAHSMA's two Community Advisory Committees, one focusing on the Port Arthur and Coal Mines Historic Sites and the other Hobart-based group at the Cascades Female Factory, continue to make a strong contribution for which we are very grateful. We thank the respective Chairs Roseanne Heyward and Dr Dianne Snowden and members for their interest and achievements.

PAHSMA's commitment to the local community has continued and Authority staff have worked closely with the Tasman District School, Tasman Council, Female Convict Research Group and many other local groups and committees on various projects, events and activities.



Penitentiary Precinct Conservation Project



Port Arthur Visitor Centre Redevelopment Image: Rosevear Stephenson with **JAWS**ARCHITECTS

The Authority has many stakeholders, some of whom I need to acknowledge and thank for the substantial contribution made to the Authority in the reporting period:

- PAHSMA Portfolio Minister the Hon. Matthew Groom MP
- Professor Sharon Sullivan AO and fellow PAHSMA Board members for their continued contribution, support and guidance
- our committed and professional staff
- the Tasmanian and Australian Governments for the continued support to our conservation program
- the Mayor, Councillors, General Manager and staff of the Tasman Council
- the local community and staff of the Tasman District School
- the team at Tourism Tasmania, Parks and Wildlife Service and Destination Southern Tasmania
- Peter, John & Michael Roche and the Navigators team
- our volunteers at all three sites
- Chair Roger Self and the Port Arthur and Tasman Tourism Association Committee
- Gaye Wright and the Tasman Gazette staff
- the PAHSMA Executive members for their ongoing commitment in what has been another busy and productive period.

The year ahead presents a number of challenges including ensuring the Port Arthur Visitor Centre redevelopment runs to schedule and within budget, whilst also catering for another busy year tourism wise. The Maria Island project and ascertaining the level of management responsibility PAHSMA may have in the future needs careful consideration, together with endeavouring to raise the necessary funding to develop a high quality History and Interpretation Centre at the Cascades Female Factory Site, which remains a critical project.

In closing the year has been a good one for PAHSMA and we look forward to continued success and growth in the years ahead.

STEPHEN LARGE
Chief Executive Officer

Penitentiary Precinct Conservation Project

The Board

PROFESSOR SHARON SULLIVAN AO

BA (Hons) MA (Hons) Dip Ed, University of New England, Honorary Doctorate, James Cook University.

Professor Sharon Sullivan AO has been a member of the Board since 1999 and was appointed Chair in December 2012. Sharon was formerly the Australian Government representative on the World Heritage Committee. She is a former Executive Director of the Australian Heritage Commission and a past member of the Australian Heritage Council. Sharon has worked and published extensively on cultural heritage management in Australia, Cambodia, China, the Pacific, Africa and the USA. She has worked as a cultural heritage consultant for the Australian Government, the World Bank, the World Monuments Fund, the Getty Conservation Institute and the Government of the People's Republic of China. She is an Adjunct Professor at three Australian universities, a Fellow of the Academy of the Humanities and has been awarded an Honorary Doctorate from James Cook University, a lifetime achievement award by the National Trust and the Rhys Jones Medal for her outstanding contribution to Australian Archaeology. In 2005 Sharon was appointed an Officer in the Order of Australia for her service to cultural heritage conservation.

STEPHEN LARGE

F Fin GAICD

Stephen Large has been the Chief Executive Officer of the Port Arthur Historic Site Management Authority since 1 July 2000. Prior to this, for a period of 11 years, Stephen was employed by the Tasmanian State Government as the North West Regional Manager of the Department of State Development. He is a Fellow of the Financial Services Institute of Australasia and a Graduate Member of the Australian Institute of Company Directors. Stephen is a member of the Audit and Governance Committee. Stephen is also the Secretary of the Rotary Club of Tasman Peninsula.

JUDE FRANKS

Jude Franks was appointed to Board of the Port Arthur Historic Site Management Authority in December 2009 and has served on many committees including the Excellence Committee, Product Development Committee, the Cascade Female Factory Community Advisory Committee, and on many recruitment panels for PAHSMA. Jude has extensive experience gained over many years in all areas of the tourism industry at both senior executive level and in the capacity of consultant, Board Director, or as a member of project teams. For several decades she has operated her own consulting practice, Jude Franks Consulting, Tourism, Marketing & Management Consultants, with project involvement in areas of tourism management, marketing, eco and nature-based tourism, heritage and cultural tourism, strategic marketing, and product and experience development. She has been involved in several corporate strategic planning, facilitation, communication and country branding projects in Australia and South East Asia. Jude has previously been a Director of many other Boards including Tasmania's South Regional Tourism Association, Ecotourism Australia, Tasmanian Convention Bureau and Woolmers Estate, and is currently a director of RACT, RACT Destinations, RACT Travel, Mt Wellington Cablecar Pty Ltd, and the Cartela Steamship Restoration Trust. Jude is passionate about the tourism industry in Tasmania and 'making a difference'. She is a proud Tasmanian who lives in Hobart.

Professor Sharon Sullivan AO

Stephen Large

Jude Franks

Michael Field AC

HON. MICHAEL FIELD AC

BA, LLD (HON)

Michael Field 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 and Governance Committee. Michael enjoys kayaking, fishing and gardening and lives on the Tasman Peninsula.

SUZANNE CLARK

Sue Clark was appointed to the PAHSMA Board in December 2005. A former school teacher and long term Tasman Peninsula resident, Sue with her husband Don, established a successful heritage tourism business on the Tasman Peninsula on their heritage-listed property, the Cascades Probation Station. Sue has a significant interest in heritage, reflected in the number of conservation and preservation projects completed at 'Cascades'. Managing the tourism side of the business over 20 years has developed her business skills. Sue is a member of the Audit and Governance Committee, and continues as the Board observer of the Port Arthur Community Advisory Committee.

HON. PETER MCKAY

Peter McKay was appointed to the Board in September 2013. He has successfully combined business investments with an extensive political career in the Tasmanian Legislative Council. He is the current owner-operator of Uplands Stables, a 21ha intensive farming property at Richmond in the south of the State. Enterprises include vegetable seed production, vineyard and cropping. Peter is currently a Director of Workforce Health Assessors Pty Ltd (WHA Pty Ltd) and is a fundamental part of the development team in the WHA Group. He is a principal in Workforce Health Assessors, operating national and internationally, delivering employment medicals, fluvacs, and health and wellbeing programs. He is a Director of Common Ground which provides accommodation for Homeless and low income tenants. Peter is a member of the Navigators and Roche Brothers management team, and a Director of the new Brooke Street Pier, in Sullivans Cove, Hobart. Peter also operates Holiday Rentals at Stewarts Bay, Port Arthur and Cambridge.

KRISTAL BUCKLEY AM

Kristal Buckley was appointed to the PAHSMA Board in September 2013. She has extensive experience in cultural heritage management in Australia and internationally, including World Heritage. She has a long-standing professional connection to Port Arthur, and first worked at the Site in the 1980s with the Port Arthur Conservation and Development Project, and more recently chaired the Port Arthur Conservation Advisory Committee. She is currently a Lecturer in Cultural Heritage with the Cultural Heritage Centre for Asia and the Pacific at Deakin University, Melbourne. Kristal served as an international Vice-President of the International Council on Monuments and Sites (ICOMOS) 2005-14, and now works as an ICOMOS World Heritage Advisor.

Suzanne Clark

Peter McKay

Kristal Buckley AM

Governance

SHAREHOLDER GOVERNANCE ARRANGEMENTS

PAHSMA operates in accordance with the State Government's governance arrangements for government businesses. The Government has provided clear oversight arrangements through the development of the '*Principles for Strengthening the Oversight and Governance of Government Businesses*'.

Overseas travel

PAHSMA Sales & Marketing Co-ordinator, Kate McCarthy travelled to Beijing, Shanghai, Guangzhou, Hong Kong, Singapore and Kuala Lumpur. The 2015 Asia Sales Mission provided the opportunity for PAHSMA to capitalise on our significant investment in these fast growing markets by establishing new, and further building upon existing relationships, increasing awareness and securing more business from key Asian markets.

In June 2016, Dr Jane Harrington travelled to Taiwan, to participate in the Taiwan 'Kinmen Island' heritage project. With the exception of one night's accommodation, all costs were met by the project which is sponsored by the Bureau of Cultural Heritage and the China University of Technology.

RISK MANAGEMENT

PAHSMA has Risk Registers and Emergency Management Plans covering our three Sites. The plans ensure the organisation has systems and procedures in place to mitigate risks associated with PAHSMA's vulnerabilities and to enhance the capability to withstand the challenges presented in the event of an emergency. The Plans document strategies that aim to provide safe and effective operations for all levels of emergency situations.

PAHSMA has implemented a Business Continuity Committee that implemented a Business Continuity Plan in the 2014-15 Financial Year, which is reviewed every 6 months.

TABLE 1: BOARD MEETINGS ATTENDED BY DIRECTORS FOR 2015-16

NAME	MEETINGS HELD	ATTENDED
Sharon Sullivan	6	6
Michael Field	6	6
Suzanne Clark	6	6
Jude Franks	6	6
Stephen Large	6	6
Kristal Buckley	6	6
Peter McKay	6	6

Executive Group

Left to right:
Nicky Roberts, Anne McVilly,
Carol Armstrong, Stephen Large,
Jane Harrington, Kate McCarthy

FINANCE & ADMINISTRATION

Nicky Roberts

Finance and Administration Services has responsibility for financial and budget management, reporting, treasury and investment, IT services, Contract management, Insurance and risk management, and development of the Annual Report and Corporate Plan.

TOURISM OPERATIONS

Anne McVilly

The Tourism Operations area manages Visitor Services operations, product development and commercial operations (include ticketing, retail, food and beverage services), guiding for day and night visitors, cruise ships, and the Brooke Street Pier operation. Anne McVilly sits on the Management Committee of the Australian Cruise Association, the peak cruise marketing body for the Australian and Pacific regions.

HUMAN RESOURCES

Carol Armstrong

Human Resources has responsibility for pay and conditions, Workplace Health and Safety, workplace relations, recruitment, selection and induction, learning and development, injury management and employee support.

MARKETING

Andrew Ross / Kate McCarthy

The Marketing area is responsible for consumer marketing, travel trade promotions, corporate communications, sales and public relations.

CONSERVATION & INFRASTRUCTURE

Jane Harrington

Conservation and Infrastructure has responsibility for archaeology, conservation and infrastructure projects and maintenance, heritage programs (including interpretation, education and collections), the Resource Centre, grounds and gardens and buildings and works.

The Year at a Glance

ACHIEVEMENTS

Conservation expenditure of $3.870M was applied to projects across the World Heritage convict sites managed by PAHSMA. While much of this is dedicated to day to day maintenance, some of the outstanding achievements are listed below, including projects in Infrastructure.

- Roll out of the Asset Management System combining financial, Information Technology and the maintenance of asset records
- success with two grant applications under the Commonwealth Protecting National Historic Sites Programme
- Stage 1 of the Penitentiary Ablutions Yard Archaeological Excavation
- New interpretation in the Penitentiary foyer
- Multiple awards for the Penitentiary Stabilisation Project
- Master planning and options analysis for the Visitor Centre Redevelopment
- Commandant's House maintenance works
- Cascades Female Factory Matron's Quarters Conservation Works & Interpretation
- Identified stabilisation options for the Coal Mines Main Shaft
- Second stage of the Renewal Strategy for the WW1 Soldier's Memorial Avenue
- Completed our first Green Army programme
- Rollout of new interpretative and way-finding signage
- 'A Convict in the Family' exhibition
- 150th Anniversary of the Port Arthur Woodchop and Sports Carnival
- Collections Audit Stage One
- Digitisation of historic and research records
- Winter School in Archaeology in partnership with UNE
- Collaborative partnership with the University of Tasmania in Geography and Spatial Sciences
- New Fuel storage system
- Car park upgrade
- Champ Street drainage
- New roofs for Jetty Cottage and the Kiln Shed
- Administration building front office refurbishment.

VISITOR NUMBERS

- In 2015-16 at the Port Arthur Historic Site we welcomed 308 612 day visitors (13.2% increase on previous year and 11.8% above target); 35 568 evening visitors (4.2% increase on previous year and 11.2% above target)
- Numbers at the Cascades Female Factory were 30 725 (7.19% increase on previous year and 2.42% above target)
- Sales of all optional tours were also up on last year, with numbers as follows:
  - Visitors undertaking tours to Isle of the Dead increased by 12%
  - Visitors undertaking tours to Point Puer Boys Prison increased by 22%
  - Cascades Female Factory Heritage Tours increased by 29% to previous year.

YIELD

- Each visitor's total spend at PAHS was $44.99, which was marginally down on last year's figure of $45.58.

CHINA READY PROGRAM DEVELOPMENT

- In 2015-16 Port Arthur Historic Site had up to 10 Mandarin speaking staff working in all areas of tourism. The site delivered Introductory Tours in Mandarin to accommodate the large numbers of non-English speaking Chinese visitors
- The www.portarthur.cn website is continually being developed and works to provide direct booking opportunities.
- A social media curator has been appointed to manage the Chinese social-media site Weibo.

CRUISE SHIPS

- 10 ships visited Port Arthur in the 2015-16 season, with 21,208 passengers; a further 22 ships are expected to dock at the site in 2016-17
- Port Arthur also welcomed the luxury expedition ship, Coral Expeditions, as part of its inaugural Tasmanian cruise experience.
- Tours conducted by PAHSMA conservation staff to Coal Mines Historic Site, other areas of the Tasman Peninsula and Behind the Scenes Tours were extremely popular among passengers
- PAHSMA hosted several Cruise Lines Executives showcasing the site's heritage, visitor experiences and tourism infrastructure
- The Cascades Female Factory welcomed many independent passengers from the 33 ships that visited Hobart in 2015-16 and will work with cruise lines to promote the site as part of their Shore Excursion Programs.

PORT ARTHUR TALKS PROGRAM

- Each year Port Arthur hosts a series of talks on topics ranging from history and conservation to environmental issues, research results, study tours and more. We celebrated our 100th talk this year with a record number of attendees.

SUSTAINABILITY

- Continual monitoring of power usage per visitor on site
- The Healthy at Work program is successfully delivered, ensuring an emphasis on personal well-being in the workplace
- Increased use of local produce in our cafes and restaurant, resulting in higher quality of food, improved local relationships, and a reduction in food miles.

Dr Barry Jones and Prof Sharon Sullivan on the occasion of the 100th Port Arthur Talk

TABLE 2: TALKS PROGRAM 2015-16

TALK	SPEAKER	TALK SUBJECT	DATE	No's
No 94	**Peter Romey** Architect and cultural heritage consultant. Former Director, Conservation & Infrastructure at PAHSMA	*Learning to manage the downside of heritage: case study of George Town, Penang*	14 Jul 2015	22
No 95	**The Waugh Sisters** Felicity Langley, Alison Shoobridge, Christine Dobner and Kate Sainsbury	*Memories of the Tasman Peninsula*	10 Sep 2015	73
No 96	**Peter Middleton** Community Development Coordinator, Tasmania Fire Service	*Bushfire on the Tasman Peninsula: past and present*	14 Oct 2015	18
No 97	**Dr Alicia Marchant** Research Associate in History, University of Tasmania	*Fear and the historical past: emotion, temporality and the Ghost Tours of Port Arthur*	25 Nov 2015	22
No 98	**Mine Konakci** Documentary photographer	*A convict in the family?*	18 Feb 2016	31
No 99	**Dr Lys Ford & Barry Jennings** Tasman Peninsula residents	*Nubeena's 'Avenue of Honour': the George Street Memorial Avenue*	14 Apr 2016	28
No 100	**Prof Sharon Sullivan & Dr Barry Jones** PAHSMA Board Chair Prof Sharon Sullivan & Dr Barry Jones, PAHSMA Board Chair for 12 years until 2012	*The life and times of Port Arthur: from convict station to tourism icon and World Heritage (celebrating the 100th Port Arthur talk).*	15 Jun 2016	77

Above church image: Tourism Tasmania & Poon Wai Nang

The guides are excellent and the interactive nature of many of the exhibits are a wonderful way to gain a more in depth knowledge of the people who lived here... Both intriguing and sad this site is a national treasure for good reason. — ***Trip Advisor Review***

SUPPORTING THE LOCAL COMMUNITY

PAHSMA appreciates and benefits from the support of the local communities that are among our key stakeholders. Policies and events are in place to ensure community members are included and celebrated by the sites, including:

- Free entry to local ratepayers
- Exhibitions for local artists
- Boxing Day Woodchop
- Carols by Candlelight
- Annual memorial cricket match
- Donation of timber from Memorial Avenue trees for community use
- VET and return to work programs
- Supporting the Tasman Garlic Festival
- Community Advisory Committees at Port Arthur and Cascades Female Factory
- Cascades Female Factory Bonnet Event and Open Day.

AWARDS

PAHSMA received the following awards in the 2015-16 financial year:

Tasmanian Tourism Awards
Award Winner in the Major Tourist Attractions category.
Award Winner in the Cultural Tourism category.

Qantas Australian Tourism Awards
Silver Award Winner in the Major Tourist Attractions category.
Silver Award Winner in the Heritage and Cultural Tourism category.

AWARDS TO PAHSMA PARTNERS

During the year the Penitentiary Precinct Project was honoured with multiple awards:

- The Professional Excellence Award from the Australian Institute of Building was awarded to Julian Proud, Project Manager for Hansen Yuncken
- HPA Projects (in partnership with PAHSMA) was awarded the 2015 UNESCO Asia-Pacific Award for Cultural Heritage Conservation
- Hansen Yuncken received the Master Builders Australia award for 'Excellence in Commercial Heritage Listed or Period Building Restoration/ Renovation Open Value'
- At the Annual Australian Institute of Quantity Surveyor's Awards the project received the Project of the Year Award and an Engineering Excellence Award, and was a finalist in the Innovation Category
- The project was announced as a finalist in the 2016 Property Council of Australia Innovation and Excellence Awards.

OFFICIAL VISITORS

A number of notable individuals have visited the site on official business duties in the reporting year:

TABLE 3: OFFICIAL VISITORS 2015-16

DATE	DIGNITARY
7 July 2015	Delegates from the Australia and Pacific Presiding Officers Conference
9 July 2015	HE Mrs Nineta Barbulescu, Ambassador of Romania
23 July 2015	HE Mr Hassan Hanafy Mahmoud El-Laithy, Ambassador of Egypt
4 August 2015	HE Mr Thanh Nghi Luong, Ambassador of Vietnam
8 September 2015	HE Jean-Luc Bodson, Ambassador of Belgium
27 October 2015	HE Ms Unni Klovstad, Ambassador of Norway
17 November 2015	Dr Ma Peihua, Vice-Chairman of the CPPCC, HE Mr Ma Zhaoxu, Ambassador of the People's Republic of China, Consul-General Song Yumin and party
1 December 2015	HE Mr Paulo Cunha Alves, Ambassador of Portugal and his wife, Filomena Alves

Statement of Corporate Intent

Port Arthur Historic Site Management Authority (PAHSMA) operates under the *Government Business Enterprises Act 1995* (GBE Act) and the *Port Arthur Historic Site Management Authority Act 1987*. The GBE Act sets out a requirement for PAHSMA to write a Statement of Corporate Intent each year, which is included in both the Corporate Plan (a document which details our strategy to the Tasmanian Government) and the Annual Report. The Statement of Corporate Intent provides a summary of our strategic management approach and determines the key performance measures for each year in agreement with PAHSMA's Shareholder Ministers, the Hon. Matthew Groom MP, Minister for Environment, Parks and Heritage, and the Hon. Peter Gutwein MP in his capacity as Treasurer.

OUR BUSINESS

Since its creation in 1987, PAHSMA has been responsible for preserving and maintaining one of Australia's most important heritage sites and major tourism destinations, the Port Arthur Historic Site. Since then, management of the Coal Mines Historic Site at Saltwater River (2004) and the Cascades Female Factory Historic Site in South Hobart (2010) have been added to PAHSMA's portfolio of responsibility.

The main functions of the Authority, which are defined in Section 7 of the *Port Arthur Historic Site Management Authority Act 1987*, include to:

- Ensure the preservation and maintenance of the historic site[s] as an example of a major convict settlement and penal institution of the 19th Century;
- Co-ordinate archaeological activities on the site[s];
- Promote an understanding of the historical and archaeological importance of the site[s];
- Promote the site[s] as tourist destinations;
- Use its best endeavours to secure financial assistance by way of grants, sponsorship and other means; and
- Provide adequate facilities for the use of visitors.

OUR OPERATIONS

PAHSMA manages three of the eleven sites that make up the Australian Convict Sites World Heritage properties. Promoting those sites as tourism destinations presents a unique juxtaposition to the conservation and maintenance of those sites for future generations.

Management of the careful balance between these two strands of PAHSMA's operations is determined by the *Port Arthur Historic Sites Statutory Management Plan 2008* (SMP). The SMP establishes the cultural significance of the Sites and sets out the broad strategic policies required to conserve that significance. The SMP adopts as its basic tenet that 'there is nothing more important about the future management of the Port Arthur Historic Sites than the obligation to achieve their long term conservation'. This tenet applies to the Cascades Female Factory, even though this site was added to the PAHSMA Management portfolio after the SMP was adopted.

Conservation grant funding is provided each year by the Tasmanian Government and applied to works across the three sites. Funds derived from the tourism operations of the Authority are also applied to conservation and infrastructure works each year.

OUR OPERATING ENVIRONMENT

As a Government Business Enterprise (GBE), PAHSMA must balance its responsibilities as a public agency, major employer in the Tasman community and custodian of National and World Heritage listed places with the realities of operating in a competitive commercial market.

Key factors influencing PAHSMA's operating environment include:

- The Port Arthur Historic Site is situated in a remote location and area. As this site is the centre of operations, this remoteness presents ongoing challenges in recruiting, retaining and accommodating staff. The location also creates challenges in administering the three sites now under the Authority's control, with the Cascades Female Factory Historic Site situated 100km from PAHSMA's administrative centre.
- PAHSMA is obliged to protect the heritage values of the sites under its care 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 meet these substantial requirements. This creates an ongoing reliance on external funding.
- Tourism markets are constantly changing to reflect new opportunities, emerging technologies, changing lifestyles and social norms. In order to be commercially successful in this environment, PAHSMA needs to develop agility and skill in reading and responding to these influences.
- The Authority understands and respects the special connection that members of the Tasman and Tasmanian community share with the Port Arthur, Coal Mines and Cascade Female Factory sites and their respective post-convict histories.

OUR STRATEGIC DIRECTION

Three key directions continue to drive the operations of the Authority

1. **Taking the lead in excellence and innovation.**
   To become an industry leader in heritage management and cultural tourism alongside other World Heritage listed sites.
2. **Building a sustainable organisation.**
   Identify opportunities to build a strong and inclusive corporate culture, to invest in the health, safety and well-being of PAHSMA staff and to strengthen governance frameworks and financial outcomes.
3. **Meeting challenges and pursuing opportunities.**
   Addressing the implications of an expanding visitor load on infrastructure capacity; opportunities for leadership and partnership in the heritage tourism sector; potential for increased engagement with other sites such as Darlington Probation Station on Maria Island; and the ongoing management of multiple and diverse sites.

PERFORMANCE AGREEMENT

A Performance Agreement is included in the Statement of Corporate Intent in accordance with guidelines issued by the Government to improve transparency and accountability for GBEs. It formally commits PAHSMA to strive to achieve the targets set out in the Agreement. The key performance indicators for the 2015-16 financial year included in the Performance Agreement provide a strong measure of progress against our strategic objectives. Financial performance indicators are based on detailed four-year financial forecasts.

TABLE 4: KEY PERFORMANCE INDICATORS

KPIS		
FINANCIAL INDICATORS 2015-16	**TARGET**	**ACTUAL**
Gross earnings ($m)	17.21	19.7
Operating profit ($m)	(0.31)	1.72
Commercial Revenue ($'000)	13 551	15,200
Yield per visitor	42.92	44.9
Commercial Expenses ($'000)	11 128	12,616
Conservation Expenses (all sites)($'000)	4 072	3,870
NON-FINANCIAL INDICATORS 2015-16	**TARGET**	**ACTUAL**
Day Entry visitors	281 700	308,612
Ghost tour participants	32 000	35,568
Female Factory visitors	30 000	30,723
Customer satisfaction levels	90%	92%
% of annual conservation projects completed within budget, scope and on time	90%	85%
Penitentiary Precinct Interpretation Project: % of project completed at 30 June	30%	40%
Coal Mines Main Shaft Stabilisation Project: % of project completed at 30 June	65%	60%

Contribution to the State Economy

PAHSMA is the State's only tourism and heritage Government Business Enterprise, and is committed to making a positive difference in Tasmania. Through the ongoing promotion of the three historic convict sites, and because of the experiences we offer, PAHSMA attracts visitors to the state and to the Tasman Peninsula. This has measurable and substantial economic benefits at the regional and State level. From an environmental and community perspective PAHSMA's commitment to conserve and present these sites guarantees they will remain for future generations.

In 2015-16 PAHSMA's operations:

- directly employed 159 staff providing work and ongoing training and development in a region which has unemployment rates that exceed the State average;
- engaged many local contractors to supply services; and
- used local produce in the Visitor Centre and in the food and beverage outlets where possible.

As an 'iconic' tourist attraction, the Port Arthur Historic Site is frequently used to market Tasmania as a tourism destination nationally and internationally, and contributes substantially to the value added to the state economy by the tourism sector.

There is enormous potential for growth in the tourism sector as a consequence of increased visitation from Asia. Much work has been done in appropriately promoting our attractions to this growing market, both by PAHSMA and in partnership with Tourism Tasmania. Equally preparations have been made, and continue to be improved, to ensure the sites are able to provide the best visitor experience for this growing group of travellers.

FINANCIAL RESULT

In 2015-16 PAHSMA's operating profit was $1 718M. Compared to 2014-15, PAHSMA has recorded increases in entrance fees and tour income; Ghost Tours; food and merchandising sales; Cascades Female Factory commercial operations; rent, service and licence fees; and sundry income.

Visitor numbers have increased across all areas compared to 2014-15, with Port Arthur Historic Site visitor numbers increasing by 13.2%, Ghost Tour visitor numbers increasing by 4.2%, and the Cascade Female Factory visitor numbers increasing by 7.19%.
The increase in visitors to our sites and to Tasmania generally is expected to continue into 2016-17.

Increase in revenue has occurred with entrance and tour income, ghost tours, food and merchandising sales and revenue generated from the Cascades Female Factory. Revenue has increased for the site entry by 11.7%, catering by 14.3% and retail by 6.3% compared to 2014-15 financial year.

As a consequence of better than expected visitor numbers expenditure increases have generally been due to a direct increase in sales and being able to meet these demands.

PAHSMA has been investing in new technology to create efficiencies. During 2015-16 PAHSMA rolled out the Technology One Asset Management System which integrates the accounting system with asset management. This has enabled PAHSMA to combine three separate asset databases into a single entity. PAHSMA has also implemented a ticketing and booking system which has created enormous efficiencies for Visitor Services and reduced the response time for selling tickets. We will continue to review processes and systems to maximise return, and expect the ticketing and retail system will integrate into the accounting system during the 2016-17 financial year.

The upturn in visitors to our sites and to Tasmania generally is expected to continue into 2016-17.

BUSINESS GROWTH

PAHSMA partners with the Australian Cruise Association and Tourism Tasmania to facilitate greater business from the cruise ship sector. This rapidly growing sector has great potential for Tasmania and Port Arthur with 58 ships visiting Tasmania in 2015-16 with 96 expected in 2016-17 and 129 in 2017-18.

Port Arthur Historic Site offers an extensive China Ready program to ensure its services and experiences meet the needs of this growing demographic, including tours in Mandarin and printed visitor guides and signage in simplified Chinese. The China Union Pay facility at Port Arthur and Cascades Female Factory Historic Sites accommodate the needs of travellers from Asia who are limited to this card payment system when travelling overseas. As the share of visitors from China and Hong Kong has recently overtaken visitors from the UK and USA, the use of this payment method will continue to increase yield per visitor.

TABLE 5: FINANCIAL RESULTS

YEAR ENDING 30 JUNE	2009 $'000	2010 $'000	2011 $'000	2012 $'000	2013 $'000	2014 $'000	2015 $'000	2016 $'000
Operating Profit/(Loss)	1 009	205	-160	-372	-231	2 364	211	1 718
Food and Beverage Revenue	2 174	2 134	2 177	2 053	2 139	2 544	2 680	3 056
Retail Revenue	1 499	1 335	1 290	1 129	1 040	1 283	1 490	1 615
Conservation Expenditure	2 422	3 055	3 701	3 804	3 424	5 170	7 810	3 870
Cash Flow from operating activities	2 176	780	1 002	401	728	5 129	(-844)	2 429
Net Assets	14 883	14 232	14 768	16 463	17 827	28 974	30 098	32 021
VISITATION								
Day entry visitors	261 356	247 186	239 095	215 255	214 008	253 166	272 653	308 612
Ghost Tour visitors	47 122	39 898	38 483	33 623	29 753	33 749	34 097	35 568
Cascades Female Factory visitors						23 506	28 663	30 725

CHART 1: VISITORS TO THE SITE

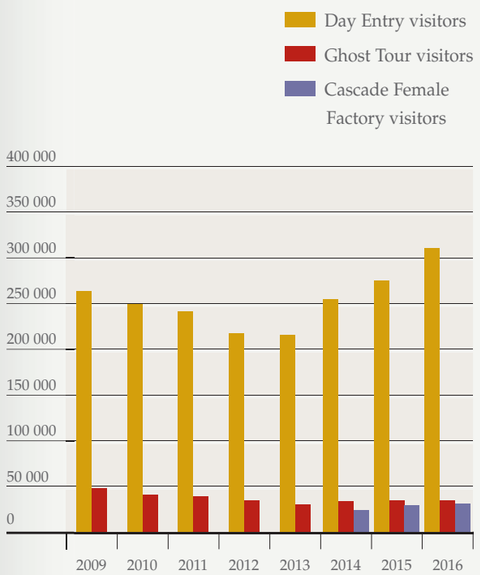
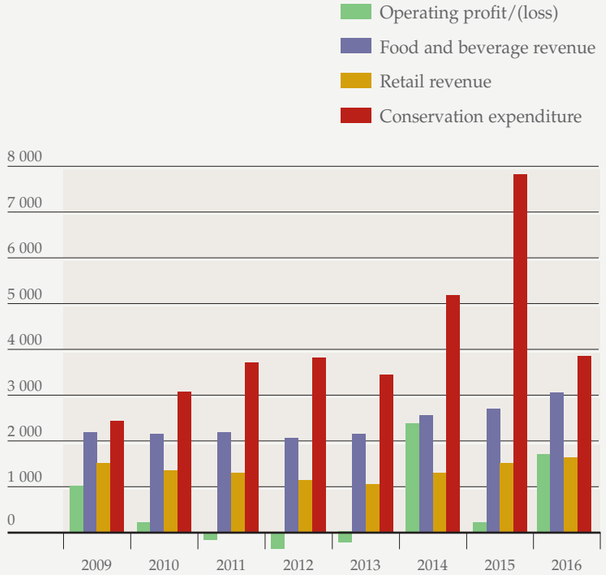


CHART 2: KEY PERFORMANCE INDICATORS '000s



Tourism Operations

Tasmania continues to be on track to meet the Tasmanian Government Tourism 21 targets of 1.5 million visitors by 2020 with a total of 1.18 million (1 176 100) people visiting Tasmania on scheduled air and sea services during the year ending March 2016 (this does not include cruise ship visitors). Visitors spent a total of 10.36 million nights in Tasmania, at an average length of stay per visitor of 8.8 nights; spending $2.014 billion on accommodation, attractions, tours, transport and other goods and services during this period. This represents an average spend of $1 712 per visitor.

Out of the total number of visitors, an estimated 547 100 people visited Tasmania for a holiday, 318 600 came to visit friends or relatives, 200 100 were travelling for business reasons, and 43 400 visited Tasmania to attend a conference or convention. Of these numbers, a staggering 72% of all visitors during this period had previously visited Tasmania.

According to the Tasmanian Visitor Survey, 465 325 people visited historic sites and attractions (10.9% increase on the previous year); and the Port Arthur Historic Site remains the fourth most visited attraction behind Salamanca Market, Mona and Mt Wellington. The site continues to attract over 50% of all holiday visitors to Tasmania.

During 2015-16, Port Arthur welcomed 308 612 day visitors (a 13.19% increase on the previous year) and 35 568 evening visitors (a 4.3% increase on the previous year).

It is pleasing to observe growth in winter visitor numbers, which was no doubt assisted by several winter events in Hobart, including Dark MOFO, the Festival of Voices and AFL football games.

The site also experienced substantial growth in business events and on-site weddings.

A huge congratulations and thanks must be passed on to all Tourism Operations staff for their dedication and diligence, especially over the peak summer period where we welcomed 4 833 visitors on our largest day on record.

CHINA READY

With over 22 000 Chinese visitors in 2015-16, the continued development of our China Ready Program has been a top priority for PAHSMA. Once again we partnered with the University of Tasmania and the Australian Hotels Association to hire Mandarin speaking staff across all areas of Tourism Operations. These include offering a meet and greet service, and guided tours daily, as well as Mandarin-speaking Ticketing and Food & Beverage assistants to improve our service, and the overall experience for Mandarin-speaking visitors.

This year PAHSMA welcomed five tourism staff from the World Heritage listed Dunhuang Academy in China as part of our ongoing exchange with this World Heritage Site. The visit provided PAHSMA with invaluable insights into Chinese travel and service expectations, which will prove important in our ability to progress in this growing aspect of our tourism operations.

TOURISM INDUSTRY

PAHSMA is a committee member and holds three individual memberships of the local tourism association, the Port Arthur and Tasman Tourism Association (PATTA). This year our region enjoyed significant growth in overnight stays, welcoming 86 809 overnight visitors in the 12 months to March 2016, an increase of 4.8% on last year.

PAHSMA is a Gold Member and holds a position on the Board of the southern regional tourism association, Destination Southern Tasmania.

PAHSMA actively participated in the development of a Destination Action Plan for the region and will actively work with the tourism community to undertake actions from the plan over the next three years.

WIFI

Port Arthur was selected as one of the 50 sites for the State Government's free WiFi project, which will bring the site in line with similar world-class tourism sites. Free WiFi will enable visitors to more easily share their holiday photos and experiences whilst on site.

THREE CAPES EXPERIENCE

PAHSMA is extremely proud to be a partner of Tasmania Parks and Wildlife Service in the delivery of this world-class walking experience, along with Pennicott Wilderness Journeys.

As well as providing a two-year entry pass to encourage walkers to return to the area, Port Arthur Historic Site is the starting and end point for the walk, providing check-in and luggage storage services, as well as an information and booking service for those walkers enquiring about transport and accommodation in the region. Early research undertaken by the Parks and Wildlife Service indicates that in the first six months of operation 42% of walkers stayed at least one additional night in the Tasman region.

BROOKE STREET PIER

The PAHSMA Information and Booking outlet in the Brooke St Pier development on Hobart's waterfront continues to provide valuable information to tourists about all sites, the Three Capes Walk and for all experiences available on the Tasman Peninsula.

NEW TICKETING SYSTEM

PAHSMA installed a new reservation and ticketing system in November 2015.

The system will improve efficiencies in service delivery, integrate with the global distribution systems used by many travel agents, and provide invaluable reporting and analysis of visitor data collected in the system. In 2016-17 it is planned to roll-out this system to the Cascades Female Factory, our retail and food and beverage outlets and to integrate with our Finance Systems.

Three Capes Experience – Early research undertaken by the Parks and Wildlife Service indicates that in the first six months of operation 42% of walkers stayed at least one additional night in the Tasman region.

Three Capes Track Image: Tasmania Parks & Wildlife Service

...the historical site really is a must see while visiting Tasmania. The history behind the site is overwhelming and the staff that that look after you while you are there are so passionate and so engaged with the site that you have to appreciate the history. — ***Trip Advisor Review***

Turin Productions summer on-site theatre

VISITOR SATISFACTION

In February 2016 PAHSMA engaged Myriad Research to undertake a quantitative visitor research program. The research outcomes from this study will better inform PAHSMA's planning and decision making. The primary findings were:

- The majority of respondents visited the Site because of their 'general historic interest'
- 92% are likely to recommend the Site to others as a place to visit
- Visitors used a range of information sources to inform their trip to the Port Arthur Historic Site with the most important being word of mouth (31%) and the website (29% of the survey sample).

CRUISE SHIPS

The cruise ship market represents an area of large growth for Tasmania and indeed for PAHSMA. Port Arthur continues to be a popular stopover port for many ships travelling to Hobart. This year we welcomed 10 ships with a total of 21 208 passengers and crew and with the majority of passengers alighting via the special pontoon constructed in 2013.

PAHSMA is a key stakeholder in the cruise sector via dual roles—as an emerging cruise ship destination and as a popular shore excursion program both at Port Arthur and the Cascades Female Factory for ships visiting Hobart.

This year Port Arthur offered several exclusive tours and experiences such as Behind the Scenes tours with our conservation staff, tours to the Coal Mines Historic Site, Day-time Ghost Tours and Homes Away from Homes tours. These were instrumental in developing seven new regional tours to attractions on the Tasman Peninsula.

A mini-market promoting Tasmanian art and craft and local food and beverages has also proved extremely popular with passengers. Up to 2 000 additional visitors in one day add pressure to our infrastructure and services, so additional pop up Food and Beverage and Retail outlets are activated within the Port Arthur Historic Site grounds when cruise ships are visiting.

Anne McVilly, Director of Tourism Operations, represents PAHSMA on the Management Committee of the Australian Cruise Association, the peak cruise marketing body for the Australian and Pacific region, and on the Tasmanian cruise ship working group, aiming to increase cruise ship visitation to Tasmania.

STAFF

This year PAHSMA welcomed many new staff to assist us to provide services to our ever growing number of visitors. Sadly, we also farewelled five permanent staff, Jess Troman, Jenni Tulip, Vicki Evans, Phil and Robyn Bradshaw. PAHSMA extends thanks and warm wishes for whatever life after Port Arthur holds for these valuable and respected employees.

PAHSMA's Food & Beverage Manager, Sarah Morse, returned from extensive leave; special thanks to Maria Stacey as Acting Food & Beverage Manager, and Lee Bessell as Acting Visitor Services Manager and to numerous other staff for their willingness to assist over this period.

SHIP	DATE	PASSENGERS
Golden Princess	5 January 2016	2 600
Diamond Princess	9 January 2016	2 700
Azamara Quest	20 January 2016	702
Carnival Spirit	27 January 2016	2 680
Pacific Jewel	30 January 2016	2 014
Carnival Spirit	31 January 2016	2 680
Golden Princess	7 February 2016	2 600
Europa	10 February 2016	408
Diamond Princess	21 March 2016	2 700
Carnival Legend	8 April 2016	2 124

Marketing

Once again our visitor statistics and financial reports demonstrate a year of exceptional achievement for PAHSMA. We have witnessed continued growth in the China and South East Asia markets as well as a modest comeback from the UK and the USA. Port Arthur visitor records were broken as cruise ships continue to dock in the deep harbours of the bay affording passengers the experience of accessing this World Heritage listed site from the sea. The success of the Three Capes Track has also contributed to growing visitor numbers as access to Port Arthur is included in their walking experience.

CHINESE VISITORS

Port Arthur Historic Site continues to be well and truly established as one of the 'must-see' attractions for Chinese visitors to Tasmania. This is built on careful work over several years in Asian trade and media channels and working closely with Tourism Tasmania's in-market representatives in the region. PAHSMA sent a marketing representative on the Tourism Tasmania led South East Asia & China Sales Mission. This mission sought to nurture existing relationships and to identify and develop new relationships with wholesalers and agents. Pleasingly, there was relatively high awareness of Port Arthur in established markets and keen interest expressed from emerging markets such as Beijing.

The engagement of a social media curator has provided a voice on Weibo, a popular Chinese social media platform. Additionally, Mandarin speaking guides have provided Chinese visitors with a card promoting our Weibo channel and many of these visitors have posted their own photos and reviews via this channel. Ticket sales via our Chinese consumer facing website have also continued to grow.

20TH ANNIVERSARY COMMEMORATION

April 28 2016 marked the 20th anniversary of the Port Arthur Massacre. During the lead up to the anniversary, the marketing department received a significant number of requests from both domestic and international media for filming, interviews and access to the anniversary commemoration ceremony. The sheer volume of interest meant that priority was given to enabling journalists to prepare current affair stories and facilitating the coverage of the service. There were in excess of 60 media present for the service and the ABC were a valued partner in providing extended coverage of the service for the national network. By and large the coverage leading up to, and on the day of the service, was handled with a decent measure of care and respect and a positive, forward-looking focus. It is difficult to calculate just how many stories were in the media however the coverage was vast at the local, national and international level.

THE FESTIVAL OF VOICES

PAHSMA partnered with the Festival of Voices to present Low Fidelity: an acoustic performance featuring Rob Snarski and Shane O'Mara during July 2015. Approximately 70 people enjoyed the performance in the ambient surrounds of the Asylum and anecdotal feedback suggested that the event was a welcome occasion during the winter season. Once again we partnered with the Falls Festival by offering a 50% discount to people visiting Port Arthur who had purchased tickets to the Festival. In excess of 100 festival attendees accessed the Site within seven days of the conclusion of the festival.

TOURISM AWARDS

Following the heady success of winning two national level tourism awards in 2014, Port Arthur Historic Site followed up with silver awards for the Major Tourist Attraction and the Cultural Tourism category at the 2015 Qantas Australian Tourism Awards held in Melbourne. It was wonderful to be in attendance as once again, Tasmanian tourism operators shone taking home copious awards.

DIGITAL AND SOCIAL MEDIA

The new mobile and tablet-friendly website has continued to be a work in progress. The website now hosts all three historic sites. Google continues to be the most consistent source of referrals to the website and Facebook the strongest performing social media referral.

The integration of a new ticketing and reservation system meant that consumers were unable to purchase tickets via the website for approximately three months. Despite this, web sales were reasonably strong. Overall ticketing yield was maintained as staff were able to make the sales by telephone.

Increased effort has been focussed on developing content for the Coal Mines Historic Site website and social channels. The Conservation Volunteers and Green Army programs provided stories focussed on both natural and historical values including native bird surveys, cultural awareness training and the long standing battle against the weeds threatening the integrity of the remaining ruins at the Coal Mines.

Facebook continued to be the preferred social media channel with in excess of 10 000 likers on the Port Arthur page which is a 33% increase on the previous year. There was also a 30% increase in our audience sharing our posts which confirms that our content is indeed relevant and compelling. The Cascades Female Factory has also experienced growth of followers with a 33% increase and a 50% increase in posts being shared.

Promotion of #PortArthurTassie has contributed to increased followers and sharing of images of Port Arthur Historic Site.

Our ratings continue to be very strong on TripAdvisor for both Port Arthur and the Cascades Female Factory. Port Arthur Historic Site received the Travellers' Choice 2016 TripAdvisor Award as well as being named number six in the most beloved top ten landmarks in Australia. Port Arthur Historic Site, the Cascades Female Factory, the Historic Ghost Tour and Felons Bistro were all awarded Certificates of Excellence.

Visitors are also beginning to leave more reviews on channels such as Facebook and Google. We maintain a 4.5 out of 5 average via both these channels.

Visitation and awareness of the Cascades Female Factory continues to grow and for the first time, visitor numbers exceeded 30 000 with a 7.1% increase on the previous year. The Heritage Tours, offered several times daily, have seen substantial growth while 'Her Story' ticket sales were slightly under which is likely due to a change in the long-standing performance time.

Increased promotion of the Cascades Female Factory has involved the production and screening of a television commercial for the intrastate market, inclusion in trade show presentations both nationally and internationally and an increased social media presence, most particularly on Facebook. The Female Factory has also been promoted in the Port Arrivals Guide for the cruise ship market and has benefitted from increased visitor numbers on cruise ship days.

CHART 3: MAJOR INTERNATIONAL MARKETS TRENDS

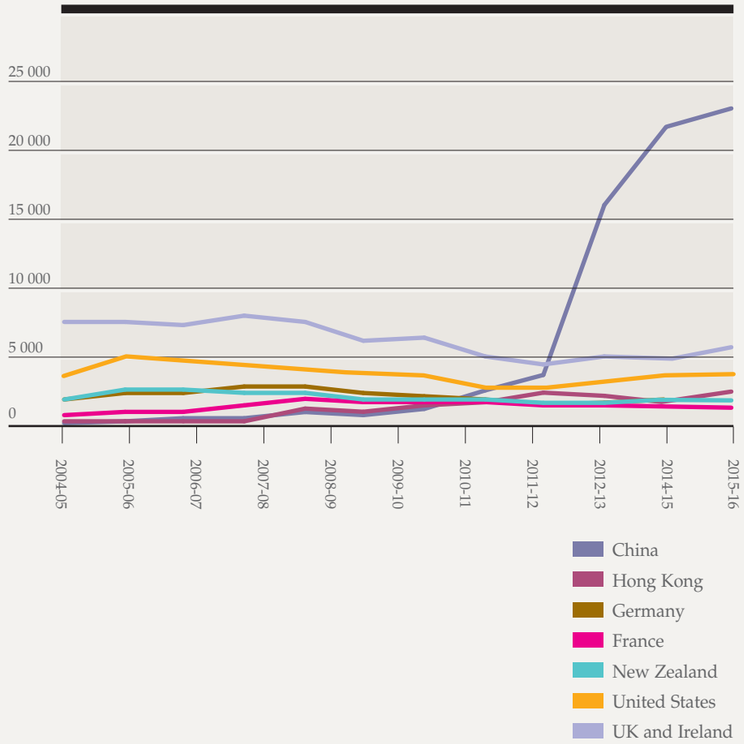
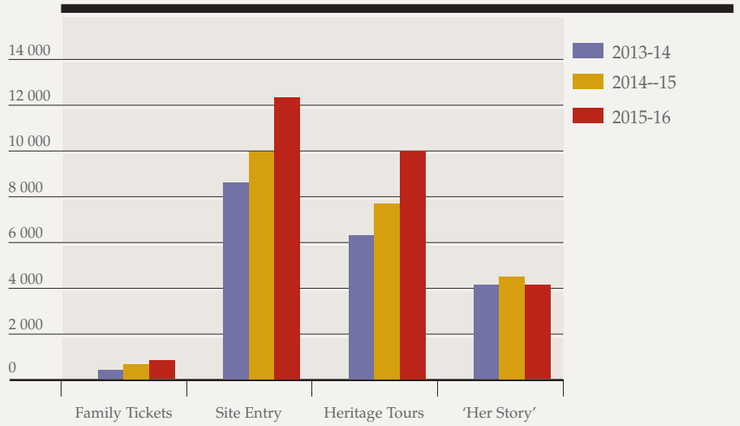


CHART 4: CASCADES FEMALE FACTORY VISITOR NUMBERS



Conservation & Infrastructure

The 2015-16 year for Conservation and Infrastructure continued the pattern of the previous year with a balance between large projects, capital works and the annual maintenance program. These works were carried out across the three sites in response to planned or reactive maintenance or planned business cases. A new Asset Management System will better manage the responsibility of Statutory and Regulatory maintenance while providing a 'user friendly' platform for maintenance staff and managers alike.

We were successful with two grant applications under the Commonwealth Protecting National Historic Sites Programme, receiving $58 160 towards an interpretative node at the Coal Mines, which will see the installation of signage at both the main car park and the entrance hut, and $80 000 towards our walkway project, which will commence at the Isle of the Dead and roll-out across the sites.

We were sad to say goodbye to our Heritage Horticulturalist, Naomi Jeffs, after some six years with PAHSMA. Naomi took our grounds and gardens to new heights in her time with us and showed a passion for our programmes that will be hard to match. A review of our disciplinary needs saw a redesign of the duties to include natural heritage management. PAHSMA welcomed Dr Caitlin Vertigan to this new role in January. The new position acquits some of the roles previously associated with the Heritage Horticulturist but will also be responsible for the development of the PAHSMA research plan and relationships, training and the planning and oversight of the new Green Army projects.

A redesign of another position saw the appointment of Nicky Corbett as a permanent staff member in the role of Conservation Project Officer with responsibilities including the administration of our Asset Management System.

PENITENTIARY PRECINCT

Following the substantial stabilisation project completed in January 2014, we progressed detailed planning for the Ablutions Yard Archaeological Excavation. Project Archaeologist Dr Richard Tuffin was appointed in 2015 and, with the arrival of a crew of professional archaeologists in January 2016, we commenced the largest archaeological research excavation undertaken at Port Arthur. An area of 500m^2 was excavated, focusing on the ablutions yard area to the south of the Penitentiary building. The programme revealed features relating to both the ablutions (1856-77) and pre-Penitentiary (before 1844) periods. The excavation has generated significant new information about the layouts of the ablutions yard and changes to it over time; this includes important understandings about the manner in which the exercise and ablutions areas of the yards were used for the control and surveillance of convicts, and how changing layouts represent changing attitudes to incarceration, reform and hygiene. In addition to the surprisingly well-preserved structural remains, the team recovered over 1 400 diagnostic artefacts: clay pipes, uniform buttons, building fittings and – most excitingly – lead, ceramic and copper gaming pieces or tokens, incontrovertible evidence of convict contraband and illicit activities.

The works proved a highlight for site visitors, with daily tours giving further insight into the excavation's progress. The excavation also received media attention, appearing in a number of print, radio and web stories.

At the end of the reporting year the first stage of the Penitentiary interpretation was installed in the building's foyer. The construction of the 'Superintendent's Office' has allowed large-scale signage to be subtly incorporated into the space. Showcasing some of J.W. Beattie's images of the building's interior, as well as the rules and regulations required within the space, the interpretation encourages visitors to briefly travel back in time to understand how this very significant building operated.

VISITOR CENTRE RE-DESIGN

During the year increasing attention to the limitations of the Port Arthur Visitor Centre led to the completion of a Masterplan for its re-design. This was prepared by HPA Projects, together with Hobart-based architects Rosevear Stephenson, appointed following a national, multi-staged procurement process. The master planning exercise saw the investigation of options for redevelopment of the existing facility, construction of a new facility elsewhere on site, or the supplementation of the existing facility with an additional structure. We are grateful for grant funding for this stage of the work provided through the Tasmanian government Tourism Funding Program.

In April the Board endorsed a large scale refurbishment of the existing facility, supplemented with an extension. Stage 2 of the design development commenced and is due for completion in August 2016. The project plan sees the commencement of works on site in January 2017 with completion in December 2017.

PROPOSED HISTORY AND INTERPRETATION CENTRE

With significant increases in visitor numbers at the Female Factory it is evident that a larger and more suitable structure will be required into the future. This also responds to the recommendation made by the UNESCO World Heritage Committee in 2010 that the current 'fudge factory' should be removed. The project progressed with the engagement of a fundraising organisation, Xponential, to test interest in philanthropic funding. It was complemented by a master planning exercise that included a community and stakeholder consultation programme. Considerable planning was progressed towards the implementation of an architectural design competition to be launched in 2017. We also acknowledge the grant funding for this stage of the work provided through the Tasmania State Government Tourism Funding Program.

Photogrammetry image showing the 1856 layout of the ablution area with its diagonal yard walls and central ablutions room of the Penitentiary

Interpretation signage rollout carried out at both the Port Arthur Historic Sites and Cascade Female Factory

COMMANDANT'S HOUSE

A new drainage system was installed at the Commandant's House to better manage subsurface drainage down the south western side. The system included picking up the runoff from the rainwater roofing goods and directing it through the new subsurface system. Works were also carried out on the roof gables and veranda. This work was part of a maintenance program that has ensured a high level of presentation and structural integrity.

CASCADES FEMALE FACTORY MATRON'S QUARTERS

Conservation continued on the Matron's Quarters with works in progress to the messenger door and arch. The door was removed and placed in the cold store of the Antarctic Division for low intervention fumigation prior to the commencement of conservation works. Based on extant fabric evidence, PAHSMA's conservation painters applied a copperas finish to the arch as a means of stabilising the surface of the stones to the archway.

COAL MINES MAIN SHAFT

The year saw considerable planning and recording work towards the urgent and essential stabilisation of the Main Shaft. New 3D laser scanning of the main shaft was completed by National Survey Solutions and the 3D photogrammetry modelling has been completed by Peter Morse. These new scans were used by our consultant engineers in the design of new stabilisation systems at the main shaft.

WWI MEMORIAL AVENUE

PAHSMA undertook the second stage of the Renewal Strategy for the Memorial Avenue at the Port Arthur Historic Site. This involved the removal and replanting of 20 of the remaining 24 macrocarpa trees. The trees for this stage of the project were acquired by PAHSMA in 2013 and have been on-grown at the site. The remaining four trees will be removed and planted in 2018 to coincide with the 100 year anniversary of the planting of the original avenue.

PLANNING REVIEWS AND WORKS APPLICATIONS

With the Tasmanian Government moving towards the adoption of a single planning scheme throughout the State, PAHSMA has been assessing the likely impact of these changes and has made specific and general recommendations apropos of their implications for the proper consideration of World Heritage-listed places, their buffer zones and the Outstanding Universal Value that they are designed to protect and conserve.

Following Tasmanian Heritage Council deliberations in November 2015, the delegation of powers under the *Historic Cultural Heritage Act* 1995 to Director Conservation and Infrastructure, Conservation Manager, and Archaeology Manager were confirmed by the Director, Heritage Tasmania, in December 2015. Under the delegations, PAHSMA now has the capability to assess Exemption Certificate applications in respect of appropriate works across its sites' portfolio.

GREEN ARMY

The Conservation Volunteers Australia program at the Coal Mines concluded in December 2015 and was succeeded by the new Commonwealth-funded Green Army programme, which is an example of one of the few historic cultural heritage conservation projects undertaken under this scheme. The first of four, six month projects was successfully concluded in early June 2016. The team undertook a diverse range of activities including assisting with the Penitentiary Precinct Conservation Project archaeological excavations, helping to design and complete a heritage features survey at Point Puer, contributing to ongoing maintenance at the Coal Mines, and assisting various projects occurring at our sites. The project has been of considerable value to both trainees and PAHSMA and has seen the advancement of a number of projects that might otherwise have not been possible.

INTERPRETATION SIGNAGE ROLLOUT

Following more than two years of planning, writing and image sourcing 69 interpretive panels were rolled out across Port Arthur in late 2015; we believe it to be the largest single rollout of signage in the site's heritage management history. In addition, 52 new interpretive panels were installed across the three yards of the Cascades Female Factory, developed from the content of the recent Pack of Thieves publication for the site. The A5-size panels form part of the self-guided experience and new children's activity booklet. The signs at the Female Factory were complemented by the installation of a series of 'site interpretation furniture', including four small Corten cribs installed in the two nurseries, a ladies parlour chair in the Sub-Matron's Cottage footings, a wash trough in the laundry, privy in the Crime Class yard and pulpit and pews in the chapel. These 'props' help to pique visitor interest in the open spaces of the yards, drawing them to points of interest and interpretive panels. They have also served as additional props for the 'Her Story' performance.

'A CONVICT IN THE FAMILY'

'A Convict in the Family', the first national travelling exhibition accepted by PAHSMA, opened on 4 November 2015 and ran to 28 February 2016. The photographic works presented the opportunity to link the PAHSMA sites in a way that explored the shared convict history and at the same time highlighted their differences. Thirty-one works were installed at the Asylum of the Port Arthur Historic Site and nine in the two northern (front) rooms of the Matron's Quarters at the Cascades Female Factory.

SUMMER EDUCATION PROGRAM 2016

The 2016 Port Arthur Summer Education Program chose to augment the 'A Convict in the Family' exhibition by focusing on the development of photography, highlighting the period-appropriate Victorian photographic style. The two-week program 'Say Cheese!' ran from 10-22 January and included a range of displays and activities developed around the theme of photography and its significance in relation to the Port Arthur Historic Site.

BOXING DAY WOODCHOP 2015

2015 was identified as the 150th Anniversary of the Port Arthur Woodchop and Sports Carnival, and considerable effort was put into making this an unforgettable event. The primary organisation was undertaken by the Port Arthur Sports Club and the PAHSMA Community Advisory Committee, with assistance from key PAHSMA staff. A commemorative booklet was produced with the assistance of a Commonwealth Your Community Heritage Grant through the Tasman Peninsula Historical Society, which was launched by the Member for Lyons, Eric Hutchinson. Unfortunately the day was not blessed with good weather and we regrettably had to cancel the children's races. Despite the rain the chops proceeded with some 60 plus participants and from the sports point of view was considered very successful. PAHSMA created a special Hayden Nichols Trophy, which was well received by both the Nichols family and the recipient of the trophy, Thomas Wooley.

PAHSMA also installed a temporary exhibition in the Visitors Centre showcasing tools of the trade and imagery representing 150 years of wood chopping activity on the Peninsula.

COLLECTIONS AUDIT

In line with the requirements of the Tasmanian Audit Office, PAHSMA has progressed a valuation assessment of those parts of the cultural collection holdings that constitute assets as defined in Australian Accounting Standard AASB 116 Property, Plant and Equipment. PAHSMA completed the first stage of this Audit for June 2016 with the Collection used for furnishing the house museums being assessed by external experts in accordance with the relevant finance standards.

RESOURCE CENTRE

The digitisation of a large number of resources was completed including: maps and plans, Port Arthur Conservation Project (PACP) and PAHSMA photo collections including prints, slides, proof sheets, negatives, aerial photos, historic photocards, archaeology drawings, and Ian Brand's original notes. Accessing the images is now much easier through the digital indexes and an inventory check of all maps and plans to identify those still to be scanned has also been completed.

RESEARCH, PROFESSIONAL & ACADEMIC COLLABORATIONS AND TRAINING

During the year PAHSMA continued to host the Executive Officer for the Australian Convict Sites Steering Committee (ACSSC). The committee was successful in receiving funding from the Commonwealth's Protecting National Historic Sites 2015-16 grants programme to design and manufacture signage for each of the sites to convey the World Heritage status of the Australian Convict Sites World Heritage property. Senior PAHSMA staff continued with participation in both the ACSSC and the Tasmanian World Heritage Convict Site Managers Group. The annual face-to-face meeting of the ACSSC was held at Port Arthur on 7 and 8 July.

Our Education Officer participated in the Museums Australia Education Workshop in Sydney during September 2015. The topics included onsite, offsite and online projects and promotions, publications and pre-service teachers. Following the workshop, visits were made to Hyde Park Barracks, the Rocks Precinct and Cockatoo Island to meet with fellow interpretation and education colleagues, and to observe different projects and programs.

In November 2015 Port Arthur became a learning destination for the Children's University Tasmania. This program is administered by the University of Tasmania and offers educational experiences for children aged between seven and fourteen years outside the normal classroom program and recognises their achievements through the award of formal certificates and graduations.

In 2016 PAHSMA provided support to Tasman District School Grade 5 students who were producing films to submit to the MyState student film festival. Working in groups, students were tasked with writing, performing and producing a short film featuring Port Arthur or the Coal Mines. The final films represent a diverse range of themes, and include an instructional film designed to welcome school students to the Coal Mines Historic Site and inform them on how they can help us to take care of the site.

PAHSMA continued an annual presentation at the Dunalley Science Fair; this year we set up a stall focusing on different technologies used in archaeology, including LiDar, GPS and 3D imaging. We complemented this with a well-received talk on the Penitentiary project.

For the second year running PAHSMA hosted an industry colleague via the Arts NSW Museums and Galleries Mentorship program. This year Zoe Whiting, from Maitland Gaol, spent two weeks immersed in PAHSMA interpretation, education, guiding and collections.

Over August and September PAHSMA hosted two students, Ivan Enev and Gayathri Hegde, who were undertaking the dual Masters Degree Program in World Heritage Studies (Brandenburg University of Technology) and Cultural Heritage (Deakin University). They undertook a detailed analysis of the recording history of the Master Shipwright's house. A recording protocol has been proposed for future projects which will inform the basis of building recordings in the future.

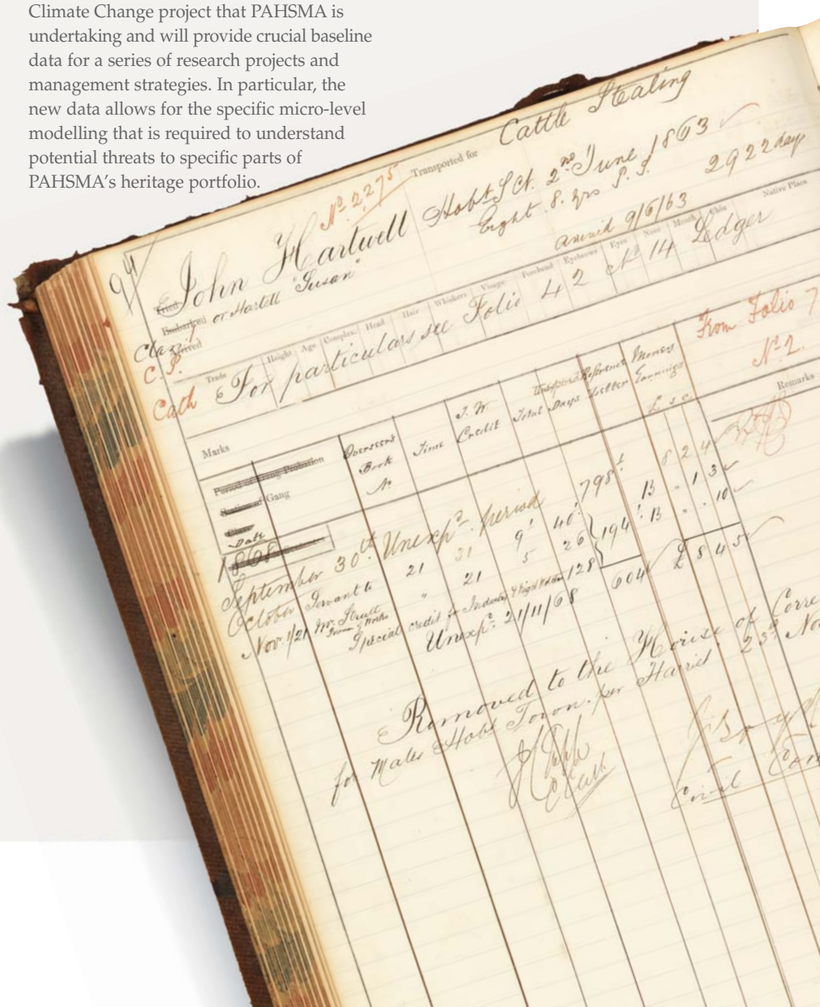
As part of an Australia-China Council and AusHeritage project, PAHSMA was approached to host two senior leaders from the heritage conservation sector in Taiwan: Gwo-Long Shy (Director General of the Taiwanese Bureau of Cultural Heritage) and Alex Na-Neng Yen (Associate Professor, Department of Architecture and Director of the Centre for Cultural Sites Rehabilitation and Development, China University of Technology). The purpose of their visit was to examine how World Heritage sites are managed in Australia and identify relevant approaches to adopt in Taiwan. This was followed by an invitation to send a staff member to Taiwan to participate in a World Heritage lecture programme that took place in June.

Dr Jane Harrington, Director Conservation and Infrastructure was invited to join Deakin's Cultural Heritage and Museum Studies Advisory Board as an industry representative, providing an opportunity to directly contribute the needs of employers such as PAHSMA into the course discussion.

The third winter school in archaeology was held at the Port Arthur Historic Site from 8-21 June 2016. Under the supervision of Dr Martin Gibbs and Jeanne Harris, ten students from the University of New England undertook intensive training in aspects of archaeological artefact processing and analysis. The students worked on collections from excavations conducted in 2003/4 in the Penitentiary Precinct and completed the cataloguing and analysis of the entire collection; this is a significant contribution to the current work on the Penitentiary ablutions area.

A new collaboration with the University of Tasmania Discipline of Geography and Spatial Sciences has been developed, identifying a range of projects at the Port Arthur and the Coal Mines sites that require the collection and analysis of spatial data. These projects will support under-graduate and postgraduate training in the increasingly complex world of surveying and photogrammetry.

Progress on adaptation planning for climate change was made with the completion of the first characterisation of the various kinds of coastal landforms at PAHSMA's sites and their vulnerability to inundation, erosion and severe weather events. The work was undertaken by Chris Sharples of the University of Tasmania who has been at the forefront of coastal mapping, especially for climate change planning, in Australia. It forms a part of the overall Coastal Heritage and Climate Change project that PAHSMA is undertaking and will provide crucial baseline data for a series of research projects and management strategies. In particular, the new data allows for the specific micro-level modelling that is required to understand potential threats to specific parts of PAHSMA's heritage portfolio.



PAHSMA hosted a multi-agency workshop on Heritage Imaging in August 2015. Drawing together representatives from Aboriginal Heritage Tasmania, Parks and Wildlife, Heritage Tasmania and private consultancies, the event reviewed approaches to the recording and monitoring of Tasmanian heritage assets using digital technologies. It identified potential areas for skills exchanges, co-operations in developing recording standards, and the potential for a more integrated approach to the acquisition and deployment of hardware. The relationships developed at this workshop have led to new data recording projects and interpretation initiatives such as the use of high definition photogrammetry for archaeological excavation recording and further development of 3D visualisation technologies for better understanding the landscapes of Point Puer.

These new collaborative ventures and the culmination of others have also seen the presentation of new data and knowledge in a range of forums. In October three papers were presented by PAHSMA staff and colleagues at the Australasian Institute for Maritime Archaeology/Australasian Society for Historical Archaeology conference in Geelong. At the June 2016 Digital Panopticon Conference in Hobart – hosted by the University of Tasmania and attended by specialists in convict studies from around the world – Dr Richard Tuffin and Dr David Roe, PAHSMA Archaeology Manager, with colleagues Dr Martin Gibbs (University of New England) and John Stephenson presented a paper on how new airborne laser scanning is changing the ways in which we document and understand large complex landscapes.

Dr Roe and Dr Jody Steele completed a review paper for the French journal *Histoire Pénitentiaire*. The paper – 'A penitentiary formed by nature': incarceration in isolation on the Tasman Peninsula – provides a historical overview of the development of the Peninsula's various architectures for the punishment and reform of convicts.

A presentation on life at Port Arthur as revealed by the records was given by Susan Hood, Resource Centre Manager, on 11 August at the TAHO for Family History Month. Susan also attended the Australian Society of Archivists conference held in Hobart 19-20 August.

Dr Harrington and Kristal Buckley, Deakin lecturer and PAHSMA Board member, presented a paper at the ICOMOS Scientific Council Symposium on Intangible Cultural Heritage (Risks to Identity: Loss of tradition and collective memory) in Japan at the end of October. Dr Harrington was a keynote speaker at a forum run by the Heritage Council of South Australia on 20 April in Adelaide on Heritage and Tourism.

In November PAHSMA Conservation Manager, Lucy Burke-Smith, presented a paper on the Penitentiary Precinct project at the 2015 Australia ICOMOS Annual Conference – 'Fabric'.

Archaeological research developed with and supported by PAHSMA has resulted in the successful completion of two theses. In 2016 Jennifer Jones of Simon Fraser University in Canada completed her PhD entitled Historical Archaeology of Tourism at Port Arthur, Tasmania, 1885-1960. Jane Rooke, an Archaeology Honours student at the University of New England worked on a collection of material from the Cascades Koonya Probation Station to produce Valuing Archaeological Collections: 'The things that we keep'.

Two members of the Works Crew attended the Longford Academy Heritage Building Conservation course. Both participants reported very positive feedback about the skills they learnt and course content. PAHSMA received funding for both participants from Tasmanian Building & Construction Industry Training Board. This exposure to heritage trades people and professionals is a great tool in assisting professional development of our staff, and also of showcasing the substantial skills and experience of our employees.

BOARD ADVISORY COMMITTEES

The PAHSMA Conservation Advisory Committee met several times, with a new membership makeup during the year. Chaired by Helen Lardner, the committee includes Dr Michael Pearson, Richard Mulvaney, John Hawker, Dr Dianne Snowden and Prof. Richard Mackay.

The Port Arthur Community Advisory Committee continued to meet every two months, with one meeting held at the Cascades Female Factory jointly with the CFF Community Advisory Committee. The Chair during the year was held by Roseanne Heyward, with members Tony McIntyre, Carol Dorgelo, Anne Courtney, Kate Sainsbury, Wally Lyne, Pam Fenerty, Ted Barrance, Imelda McShane, Barry Jennings and Sue Kadlecek.

The input from our advisory committees continues to be highly valued and we thank all our members for their efforts.

INFRASTRUCTURE WORKS

A new fuel storage system was installed above ground in the Port Arthur Historic Site Works Yard; this will better manage storage into the future while meeting EPA standards. Ongoing works to the fuel storage and management system included the removal of the original underground fuel storage system, installation of a bore monitoring hole adjacent to the removed tanks and some removal and remediation of contaminated soils.

PAHSMA has addressed the Department of State Health requirements for obtaining a water licence under the recently updated criteria, and applications for issue of the licence from Tasman Council have been lodged.

At the Port Arthur Historic Site a fibre optic cable system has been commissioned to provide enhanced communications to several buildings around the site, this is part of a progressive roll out for the facility.

Several infrastructure projects were completed this year by the Works department that have enhanced the use or experience for visitors and staff as well as increasing safety in the environment. The upgrade of Car Park 3 has increased the number of spaces while allowing for safer access for larger caravans and recreational vehicles. It also included a comprehensive subsurface drainage system to better manage the problematic water issues found in this area. The Outdoor eating area at the Visitors Centre received a much needed make-over; the re-design has introduced a greater level of screening of the loading bay from the eating area providing a more inviting space. A herb garden has been planted in an alcove along the fence and new gravel paths make clear the entry and exit of this area.

Maintenance of Champ Street roadside table drains involved the installation of rock-lined swale drains. This is a measure to limit erosion and degradation of the road formation and surfaces. Repairs have been made to areas of pavement failure on Garden Point Road. In response to safety concerns new speed humps were installed as traffic calming measures on Jetty Road. In January we also instigated temporary closures of Jetty Road on days when cruise ships were in the harbour. These measures have shown an improvement in visitor safety and responded to the concerns identified in the 2013 Safety Audit and the subsequent independent traffic assessment of Jetty Road.

The Works Yard building upgrade continued throughout the year. This has allowed for better use of sheds and spaces and has included a thorough clean-out of old and unused materials.

Two roof replacements were undertaken this year, carried out in accordance with the PAHSMA roofing policy. Jetty Cottage had a new roof, gutters and flashings installed as part of a greater conservation project; while the Kiln Shed in the Works Yard also had new roof, gutters and flashing.

Due to shortages of locations for staff and for secure storage the Administration Building front office area was refurbished during the year. This allowed for the creation of additional workstations, much improved storage, and overall a more sightly and productive work environment.

Last year we introduced Facility Management for the Cascade Female Factory. This has eliminated the need for the Works Crew to carry out maintenance at this site resulting in reduced travel time.

Cascades Female Factory Historic Site

The year 2015-16 was a very successful one for the Cascades Female Factory Historic Site, passing many milestones. For the first time our visitation exceeded 30 000 with 30 725 total visitors to the site representing an increase of 7.19% on the previous financial year's total. The overwhelming majority of our visitors were domestic tourists with 72% coming from the mainland. Of these, Victorians were the largest group closely followed by visitors from NSW and then Queensland. It was pleasing that the number of Tasmanian visitors increased during the financial year, representing just over 7% of the total number of visitors. The number of international tourists visiting Cascades Female Factory also increased in 2015-16 making up 14% of our total visitors.

We continued to offer a tour or performance every hour, seven days per week with extra tours run during the summer months. The Female Factory had 10 025 people elect to take a guided Heritage Tour, an increase of 28.9% on the previous year's total and an additional 12 397 visitors who preferred to self-guide around the site. The site closed only on Christmas Day.

Volunteers continued to make a major contribution during the year to the functioning of the site. Working alongside our paid employees, volunteers are involved in all operational aspects including tour guiding, retail functions, research, administration and crafts. Without their ongoing efforts and support, the site would not be what it is today. In addition to volunteers there were six permanent and two fixed term employees at the Cascades Female Factory Historic Site, consisting of both full time and part time workers.

CASCADES FEMALE FACTORY COMMUNITY ADVISORY COMMITTEE

The Cascades Community Advisory Committee continued to meet bi-monthly and to engage with PAHSMA management on issues of concern and interest to the local community. The CCAC members are Dr Dianne Snowden (Chair), Lindsay Brinsdon, Ros Escott, David Boon, Sandra Lo, Jo Lyncoln, Judith Wood, Phillip Hoysted, Colette McAlpine and Dr Christina Henri. We remain appreciative of the contribution this committee makes to the site and acknowledge the time, interest and support given by the members of the committee.

FREE ENTRY FOR LOCALS

In recognising the significance of our local community, entry to the Female Factory is free for all South Hobart residents, aiming to foster a positive relationship and encourage locals to adopt a sense of ownership for the heritage of the area. Through nurturing this connection, we find that local residents take pride in having a World Heritage Site on their doorstep, which in turn leads to a protective attitude towards conserving the Female Factory for future generations.

OPEN DAY

On 8 May 2016, Mother's Day, the Female Factory held an Open Day, primarily aimed at local residents. We delivered over 1 000 flyers to local homes and businesses in the area inviting them to attend and participate in the various activities that were organised. Attractions on the day included an abridged performance of the popular 'Her Story' (the play that is performed daily on site) a traditional Australian sausage sizzle, and stalls and demonstrations by the Spinners and Weavers Guild of Tasmania, the Female Convict Research Centre, Friends of the New Town Orphanage and the Tasmanian Chapter of the First Fleeters. Dr Christina Henri was also on site to discuss her award winning art project, 'Roses from the Heart', and a number of the bonnets were on display.

Various educational activities were organised for the children who attended. Peg-doll-making was a great success with our younger visitors and we trialled a new 'scavenger hunt' that involved following clues to find information and answer questions. On successful completion of the hunt, participants were rewarded with a badge and a stamp. The trialled 'hunt' proved to be so successful that the product has now been further developed ready to be rolled out during 2016 school holidays. Finally, the Matron made an appearance at the Female Factory. In authentic period dress she was a great hit with children and adults alike who lined up to be photographed with her.

The day was such a success that the Female Factory will make it an annual event. Partnering with the National Trust, as part of the Tasmanian Heritage Festival, offered us greater exposure to a wider audience. Holding the Open Day on Mother's Day highlights the poignant connection with the women at the Female Factory, many of whom were mothers themselves. With over 600 people attending it was a record breaking day.

HONORARY ARTIST IN RESIDENCE

Dr Christina Henri continues to be an advocate for the Cascades Female Factory Historic Site and was the Honorary Artist-in-Residence up until 31 December 2015.

In recognising the significance of our local community, entry to the Female Factory is free for all South Hobart residents, aiming to foster a positive relationship and encourage locals to adopt a sense of ownership for the heritage of the area.

Supporting Our People

The Human Resources Business Unit at PAHSMA consists of five staff members. The Unit provides advice, support and assistance in all aspects of industrial relations and people management. PAHSMA is a Government Business Enterprise and its employees are Tasmanian State Service employees so its employment practices are principally governed by the State Service Act 2000 and its related regulations and directions. PAHSMA employees participated in the annual People Matter Survey, which sought their views on working at PAHSMA and in the Tasmanian State Service. A response rate of 43% was recorded. PAHSMA reports on its performance to the State Service Management Office by completing the Annual Agency Survey and providing copies of its Work Health and Safety Plans.

On 30 June 2016 PAHSMA had 159 employees which comprises 48 full-time, 79 part-time and 32 casuals. This is a 9% increase from the previous year.

TABLE 6: FULL TIME EQUIVALENT STAFF NUMBERS

MONTH	PAID FTE'S	MONTH	PAID FTE'S
January 2016	156.30	June 2016	105.52
January 2015	131.35	June 2015	98.85
January 2014	119.00	June 2014	88.47

RECRUITMENT

PAHSMA utilises strategies to attract suitable employees to meet our business needs and obligations under the State Service Act 2000 and associated Employment Directions. PAHSMA continues to comply and co-operate with the Tasmanian State Service Managing Positions in the State Service guidelines used for managing vacancies and redeployments within the Service. PAHSMA is now using the Tasmanian Government's service wide e-recruitment module Page-Up to manage and process vacancies. Training in this module has been rolled out to users.

Recruitment activity during the reporting period has been significant for permanent and fixed term positions and seasonal employment to meet the needs of the peak tourist season. Apart from staff replacement through natural attrition additional staff have been appointed to take on extra roles and projects within the Conservation and Infrastructure Department. A specialist team has been deployed to undertake and manage an archaeological dig within the Penitentiary. An Executive Support Officer has been appointed within the Finance and Administration Department.

Attraction and recruitment of staff to work the peak summer tourism season continues to be a major part of the human resources function. With the increasing visitation to its sites, PAHSMA has had to meet the challenge of attracting more staff each year. This has been achieved from a limited local employment base in the Port Arthur region along with increased competition and demand from other tourism operations within the district. PAHSMA has also been meeting the challenge of recruiting staff with the necessary skills to communicate with the increasing numbers of Mandarin speaking visitors.

The table below shows a steady increase in paid Full Time Equivalent (FTE) staff over the last three years. Between the January 2015 and January 2016 peak periods, FTEs increased by 19%.

LEARNING AND DEVELOPMENT

The focus on learning and development at PAHSMA has improved due to extending the role of the Human Resources Officer – Learning and Development to a full time permanent position. PAHSMA continues to benefit from participation in the bi-monthly State Service Workforce Development Network.

PAHSMA provides both mandatory training to meet its legal and corporate obligations, and opportunities for professional development to individual staff members.

Mandatory training included corporate inductions for new staff and all staff information sessions both of which include topical items such as work health and safety, well-being, ethics and integrity, and bullying and harassment. Licences and accredited training were provided in first aid, elevated work platform, excavator operations and chemicals handling.

Professional development included four staff members undertaking Workplace Contact Officer Training through the Office of the Anti-Discrimination Commission, two employees undertaking a Compliance Authorisation course and three Conservation staff undertaking specialist heritage conservation skills training. Two Guiding staff have commenced their Certificate III in Tourism (Guiding) whilst two Food and Beverage staff work toward completing their Certificate III in Commercial Cookery. A trial of an online Chinese Language Course has also been undertaken that will complement PAHSMA's China Ready Accreditation.

PAHSMA continues to develop training packages to be delivered through online learning management systems (Moodle) and this method will be used to support face-to-face training. A manual handling training package has been developed for delivery using this method. The main benefit of using online systems is that staff can access training packages at any time and more than once if refreshers are needed.

COMMUNITY INVOLVEMENT

PAHSMA recognises that the local community is the main employment base for the Port Arthur Historic Site and that hospitality and tourism is a key industry in the region. PAHSMA provided opportunities for community members to access training and experience in hospitality and tourism. A 'Careers Day' was held for Tasman District School students, which resulted in three students undertaking work placements at the Port Arthur site giving them the opportunity to sample a career in hospitality and tourism.

PAHSMA hosted Vocational Education Training (VET) placements from five Tasmanian colleges and TasTAFE and a year 10 placement from Scotch Oakburn College, Launceston. The Port Arthur Historic Site hosted three Work for the Dole placements for jobseekers from the local community. The site also hosted an intern who travelled from France to gain work experience in tour guiding.

WORK HEALTH AND SAFETY

As a requirement of Employment Direction No 27, Work Health and Safety issued by the State Service Management Office, PAHSMA continues to work towards total work health and safety legislative compliance by 31 December 2016. The Work Health and Safety Management System is progressing in its development to meet this requirement.

Notable projects undertaken during the reporting period have been a revision of the Chemicals Registers so as to comply with newly introduced local procedures. The first aid room and kits have been checked and restocked with the view of making these easier to maintain. There has also been a focus on ensuring staff are aware of first aid and emergency procedures at the Port Arthur Historic Site. Workplace health, safety and wellbeing continue to be a major component of staff induction and whole of staff training days.

Work continues with ensuring that day to day activities meet our work health and safety obligations by undertaking workplace inspections, incident/accident investigations, risk assessments and the preparation of procedures for specific high risk tasks.

Incident and accident reports continue to be monitored closely with a view of reducing hazards and risks on PAHSMA sites. Trips and slips by visitors are the most reported incidents and continue to be a focus for reduction of occurrences.

The 2015 Workplace Health and Wellbeing program initiatives continue to be implemented. One notable achievement was the entry of a PAHSMA team in the 2015 Point to Pinnacle challenge; a gruelling 21.4 km uphill half-marathon from Wrest Point Casino to the summit of Mt Wellington. PAHSMA's team comprised 12 walkers and 5 runners which was a high participation rate in proportion to our staff numbers. To reduce the levels of prolonged sitting by some employees the site has purchased two sit/stand work stations which are being trialled by interested staff members.

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Notes	2016 $'000s	2015 $'000s
Continuing operations			
REVENUE			
Fees, Tours and Merchandise Income	2(a)	15 240	13 465
Grant Income	2(b)	3 751	6 381
Interest Income	2(c)	199	227
Other Income	2(d)	597	292
TOTAL REVENUE		**19 787**	**20 364**
EXPENSES			
Employee expenses	2(e)	(9 835)	(8 620)
Cost of goods sold		(2 758)	(2 269)
Contractors		(1 777)	(6 196)
Depreciation	4.3	(752)	(677)
Net Superannuation interest expense		(304)	(284)
Materials		(537)	(433)
Marketing		(178)	(211)
Communications		(63)	(62)
Property services		(409)	(359)
Interpretation		(88)	(61)
Information technology		(215)	(156)
Visitors Information		(93)	(63)
Other operating expenses		(1 062)	(760)
TOTAL EXPENDITURE		**(18 069)**	**(20 153)**
PROFIT/(LOSS) FOR THE YEAR		**1 718**	**211**
OTHER COMPREHENSIVE INCOME/(EXPENSE)			
Items that will not be reclassified subsequently to profit or loss			
Net actuarial gains/(losses) of superannuation defined benefit plans	5.2	(861)	675
Changes in asset revaluation reserve	7.1	1 066	237
COMPREHENSIVE RESULT		**1 923**	**1 123**

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 2016

	Notes	2016 $'000s	2015 $'000s
ASSETS			
Current assets			
Cash and deposits	11.1	8 047	6 353
Receivables	4.1	143	181
Inventories	4.2	550	467
Prepayments, accruals and other assets		106	63
Non-current assets			
Property, plant and equipment and infrastructure	4.3	33 616	32 248
TOTAL ASSETS		**42 462**	**39 312**
LIABILITIES			
Current liabilities			
Payables		522	725
Provisions	5.1	1 652	1 543
Unearned revenue	5.2	469	324
Non-current liabilities			
Provisions	5.1	7 797	6 623
TOTAL LIABILITIES		**10 441**	**9 215**
NET ASSETS		**32 021**	**30 098**
EQUITY			
Reserves	7.1	7 582	6 515
Accumulated surpluses		24 439	23 582
TOTAL EQUITY		**32 021**	**30 098**

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

STATEMENT OF CASH FLOWS

For the year ended 30 June 2016		2016	2015
		$'000s	$'000s
		Inflows (Outflows)	Inflows (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		15 137	13 305
Grants from Government		3 898	4 866
Interest received		197	221
GST receipts		899	993
Payments to suppliers and employees		(17 156)	(19 806)
GST payments		(546)	(424)
NET CASH FROM OPERATING ACTIVITIES	11.2	**2 429**	**(844)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant, equipment and infrastructure		(197)	(246)
Payments for work in progress		(574)	(742)
Proceeds from the sale of assets		35	80
NET CASH (USED BY) INVESTING ACTIVITIES		**(736)**	**(908)**
NET INCREASE/(DECREASE) IN CASH HELD		**1 693**	**(1 752)**
Cash 1 July		6 353	8 106
CASH 30 JUNE	11.1	**8 047**	**6 353**

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016		Reserves	Accumulated surpluses	Total equity
2016	Notes	$'000s	$'000s	$'000s
BALANCE AS AT 1 JULY 2015		**6 515**	**23 582**	**30 097**
Profit (loss) for the year		—	1 718	1 718
Other comprehensive income:				
Changes in asset revaluation reserve	7.1	1 066	—	1 066
Net actuarial gains/(losses) of superannuation defined benefit plans		—	(861)	(861)
BALANCE AS AT 30 JUNE 2016		**7 581**	**24 439**	**32 020**
2015				
RESTATED BALANCE AS AT 1 JULY 2014		**6 279**	**22 696**	**28 975**
Profit(loss) for the year		—	211	211
Other comprehensive income:				
Changes in asset revaluation reserve	7.1	237	—	237
Net actuarial gains/(losses) of superannuation defined benefit plans		—	675	675
BALANCE AS AT 30 JUNE 2015		**6 515**	**23 582**	**30 098**

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

NOTES

NOTES TO AND FORMING PART OF THE ACCOUNTS

Note		Page
1	**SIGNIFICANT ACCOUNTING POLICIES**	**46**
1.1	Objectives and function	46
1.2	Basis of Accounting	46
1.3	Functional and Presentation Currency	46
1.4	Changes in Accounting Policies	46
2	**REVENUE AND EXPENSES**	**48**
3	**SEGMENT INFORMATION**	**51**
4	**ASSETS**	**52**
4.1	Receivables	52
4.2	Inventories	52
4.3	Property, plant and equipment and Infrastructure	53
5	**LIABILITIES**	**58**
5.1	Provisions	58
5.2	Unearned Revenue	58
5.3	Superannuation	59
6	**COMMITMENTS AND CONTINGENCIES**	**62**
6.1	Contingent Assets and Liabilities	62
7	**RESERVES**	**63**
7.1	Asset revaluation reserve	63
8	**AUDITOR'S REMUNERATION**	**63**
9	**FOREGONE REVENUE**	**63**

Note		Page
10	**RELATED PARTY DISCLOSURES**	**64**
10.1	Director Remuneration	64
10.2	Executive Remuneration	66
11	**CASH FLOW RECONCILIATION**	**68**
11.1	Cash and deposits	68
11.2	Reconciliation of Net Result to Net Cash from Operating Activities	68
12	**FINANCIAL INSTRUMENTS**	**69**
12.1	Risk exposures	69
12.2	Financial Instrument composition and maturity analysis	71
13	**OTHER SIGNIFICANT ACCOUNTING POLICIES**	**72**
13.1	Judgements and Assumptions	72
13.2	Foreign Currency	72
13.3	Taxation	72
13.4	Comparatives	72
13.5	Rounding	72
13.6	Goods and Services Tax	72
14	**EVENTS OCCURRING AFTER BALANCE DATE**	**72**

For the year ended 30 June 2016

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*. 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.

1.2 Basis of Accounting

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- The *Government Business Enterprises Act 1995* and related Treasurer's Instructions; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 1.4.

The Financial Statements are compliant with Australian Accounting Standards including the Australian equivalents to International Financial Reporting Standards (AIFRS).

In complying with AIFRS the Authority is ensuring that the Financial Statements and accompanying notes are also compliant with International Financial Reporting Standards (IFRS).

The Financial Statements have been prepared on the basis that the Authority is a going concern.

1.3 Functional and Presentation Currency

These Financial Statements are presented in Australian dollars, which is the Authority's functional currency.

1.4 Changes in Accounting Policies

Impact of new and revised Accounting Standards

The Authority applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2015. The Authority has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature of these changes is disclosed below. The changes did not have a material impact on the Financial Statements.

2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments [Operative dates: Part A Conceptual Framework – 20 December 2013; Part B Materiality – 1 January 2014; Part C Financial Instruments – 1 January 2015] - The objective of this Standard is to make amendments to the Standards and Interpretations listed in the Appendix:

a) as a consequence of the issue of *Accounting Framework AASB CF 2013-1 Amendments to the Australian Conceptual Framework*, and editorial corrections, as set out in Part A of this Standard;
b) to delete references to *AASB 1031 Materiality* in other Australian Accounting Standards, and to make editorial corrections, as set out in Part B of this Standard; and
c) as a consequence of the issuance of *IFRS 9 Financial Instruments – Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39* by the IASB in November 2013, as set out in Part C of this Standard.

There was not any material financial impact.

Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

2010-7, 2014-7 and 2014-8 Amendments to Australian Accounting Standards arising from AASB 9 – The objective of these Standards is to make amendments to various standards as a consequence of the issuance of *AASB 9 Financial Instruments* in December 2010. It is anticipated there will not be any material financial impact.

AASB 15 Revenue from Contracts with Customers – The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, an uncertainty of revenue and cash flows arising from a contract with a customer. This Standard applies to annual reporting periods beginning on or after 1 January 2017. Where an entity applies the Standard to an earlier annual reporting period, it shall disclose that fact. The financial impact is yet to be determined.

2014-5 Amendments to Australian Accounting Standards arising from AASB 15 – The objective of this Standard is to make amendments to Australian Accounting Standards and Interpretations arising from the issuance of *AASB 15 Revenue from Contracts with Customers*. This Standard applies to annual reporting periods beginning on or after 1 January 2017, except that the amendments to *AASB 9 (December 2009)* and *AASB 9 (December 2010)* apply to annual reporting periods beginning on or after 1 January 2018. This Standard shall be applied when AASB 15 is applied. The financial impact is yet to be determined.

2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 – The objective of this Standard is to amend the mandatory effective date of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. The impact of this standard is to delay the implementation of AASB15 by one year.

2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107 – The objective of this Standard is to amend *AASB 107 Statement of Cash Flows* to require entities preparing statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non cash changes. This Standard applies to annual periods beginning on or after 1 January 2017. The impact is increased disclosure in relation to cash flows and non cash changes.

AABS 16 Leases – The objective of this Standard is to introduce a single lessee accounting model and require a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. This Standard applies to annual reporting periods beginning on or after 1 January 2019. The impact is enhanced disclosure in relation to leases. The financial impact is yet to be determined.

2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138] – The objective of this Standard is to make amendments to:

a) *AASB 116 Property, Plant and Equipment*; and
b) *AASB 138 Intangible Assets*;

as a consequence of the issuance of *International Financial Reporting Standard Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)* by the International Accounting Standards Board in May 2014. The financial impact is yet to be determined.

2014-8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and *AASB 9 (December 2010) [AASB 9 (2009 & 2010)]* – The objective of this Standard is to make amendments to:

a) *AASB 9 Financial Instruments* (December 2009); and
b) *AASB 9 Financial Instruments* (December 2010);

as a consequence of the issuance of *AASB 9 Financial Instruments* in December 2014. The financial impact is not material.

2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049] – The objective of this Standard is to make amendments to various standards (as noted) as a consequence of the issuance of *International Financial Reporting Standard Disclosure Initiative (Amendments to IAS 1)* by the International Accounting Standards Board in December 2014, and to make an editorial correction. It is anticipated that there will not be any material financial impact.

2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality – The objective of this Standard is to effect the withdrawal of *AASB 1031 Materiality* and to delete references to AASB 1031 in the Australian Accounting Standards, as set out in paragraph 13 of this Standard.

For the year ended 30 June 2016

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.

	2016	2015
	$ '000s	$'000s
a) Fees, Tours and Merchandise Income		
Entrance fees and tour income	9 442	8 242
Ghost tours	780	725
Food and merchandising sales	4 671	4 170
Cascades Female Factory tours and commercial operations	345	325
Education and training programs	2	3
	15 240	**13 465**

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.

	2016	2015
	$ '000s	$'000s
b) Grant Income		
State grant – Cascades Female Factory	394	375
Australian Government grant – Port Arthur	121	2 210
State grant – Port Arthur	3 236	3 795
	3 751	**6 381**

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 $3 011 000 to the Authority during 2015-16 and $2 910 000 during 2014-15 for conservation purposes across the Port Arthur and Coal Mines Historic Sites.

The funds were acquitted in accordance with the Port Arthur Historic Site Management Act 1987 and the Authority's Statutory Management Plan 2008.

The State Government provided monetary grant funding of $375 000 to the Authority during 2015-16 and 2014-15 in support of operations at the Cascades Female Factory Historic Site, plus funding of $19 250 from the Tasmanian Tourism Funding Program for a masterplan to guide the design and construction of a new Interpretation and History Centre.

During 2015-16 the State Government provided grants from the Tasmanian Tourism Funding Program for theatrical interpretation and performance ($32 400) and a masterplan for the redevelopment of the Visitor Centre at the Port Arthur Historic Site ($192 512).

Additional grant funding was provided by the Federal Government in 2014-15 to support the appointment of an Executive Officer for the Australian Convicts Sites over a 3 year period, to be based at Port Arthur. Unearned Revenue of $211 613 remains to be used for the future funding of this position.

In June 2016 The Australian Government provided PAHSMA with the following grants which are currently held in Unearned Revenue as follows:

- Australian Convict Sites Signage Project $86 000
- Port Arthur Historic Site – Isle of the Dead Walkways Stage 2 $80 000
- Coal Mines Historic Site – Entry Point Information and Interpretation Node $58 160.

An Export Market Development grant of $8 236 was received from Austrade has been used to further overseas marketing by the Authority in 2015-16 and $16 576 in 2014-15.

	2016	2015
	$ '000s	$'000s
c) Interest Income		
Interest	**199**	**227**

Interest

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

	2016	2015
	$ '000s	$'000s
d) Other Income		
Rent, service and licence fees	178	171
Gain on sale of assets	33	38
Newly Identified Assets - Heritage Assets	312	—
Fair Value Gain on Asset Revaluation	—	17
Other	75	66
	597	**292**

Other income

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

For the year ended 30 June 2016

2 REVENUE AND EXPENSES *(continued)*

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.

	2016	2015
	$'000s	$'000s
e) Employee Expenses		
Employee expenses	9 266	8 117
Payroll tax	498	419
Worker's compensation	71	84
	9 835	8 620

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.

3 SEGMENT INFORMATION

	Port Arthur Historic Site		Cascades Female Factory Historic Site	Consolidated
	Conservation	Tourism		
	$'000	$'000	$'000	$'000
REVENUE				
Grant	3 316	41	394	3 751
Sales	2	14 951	345	15 298
Other Income	349	378	12	739
	3 667	15 369	752	19 787
Conservation expenses	3 870	—	79	3 949
Infrastructure expenses	—	537	7	543
Operating expenses	—	13 662	(86)	13 576
	3 870	14 199	—	18 069
RESULT 30 JUNE 2016	**(204)**	**1 171**	**752**	**1 718**
NET ASSETS				
Total assets deployed	**21 845**	**18 955**	**1 662**	**42 462**
Total liabilities incurred	**(1 030)**	**(9 411)**	**—**	**(10 441)**
NET ASSETS DEPLOYED	**20 815**	**9 544**	**1 662**	**32 021**
REVENUE				
Grant	5 934	71	375	6 381
Sales	7	13 148	323	13 478
Other Income	28	442	36	506
	5 969	13 660	734	20 364
Conservation expenses	7 788	—	22	7 810
Infrastructure expenses	—	1 542	32	1 573
Operating expenses	—	10 171	598	10 769
	7 788	11 713	652	20 153
RESULT 30 JUNE 2015	**(1 819)**	**1 948**	**83**	**211**
NET ASSETS				
Total assets deployed	**16 983**	**20 629**	**1 701**	**39 312**
Total liabilities incurred	**(1 023)**	**(8 191)**	**—**	**(9 215)**
NET ASSETS DEPLOYED	**15 960**	**12 438**	**1 701**	**30 098**

For the year ended 30 June 2016

3 SEGMENT INFORMATION *(continued)*

The Authority derived income from:
i) Tourism:
a) Entrance fees and Ghost tours at the Port Arthur Historic Site
b) Entrance fees and tours at the Cascades Female Factory Historic Site
c) Food and merchandise sales
d) Rentals, services and licence fees
ii) Conservation:
a) Grant funding from the State and Commonwealth Government for the continual conservation of the Sites
b) Publication and research fees
c) Donations
Geographical Information – the Authority operates solely within Australia.

4 ASSETS

4.1 RECEIVABLES

	2016	2015
	$'000s	$'000s
Receivables	116	116
Other receivables	5	53
Insurance claim – worker's compensation	22	11
TOTAL	**143**	**181**

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

4.2 INVENTORIES

	2016	2015
	$'000s	$'000s
Port Arthur gift shop stock	439	384
Food and beverage stock	82	53
Cascades Female Factory gift shop stock	22	25
Brooke Street Stock	3	3
Fuel stock	5	2
TOTAL	**550**	**467**

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

4.3 PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE

a) Carrying amount

For the year ended 30 June 2016	2016	2015
	$	$
LAND		
At fair value	6 650	6 600
TOTAL	**6 650**	**6 600**
BUILDING		
At fair value	7 448	7 313
TOTAL	**7 448**	**7 313**
HERITAGE		
Buildings	10 111	9 816
Artefacts and exhibition equipment	451	154
TOTAL	**10 562**	**9 971**
PLANT, EQUIPMENT AND VEHICLES		
At cost	2 702	2 639
Less: Accumulated depreciation	1 877	2 048
TOTAL	**825**	591
INFRASTRUCTURE		
At fair value	15 561	14 360
Less: Accumulated depreciation	7 787	7 437
TOTAL	**7 774**	**6 923**
CAPITAL WORKS IN PROGRESS	**357**	**850**
TOTAL PROPERTY, PLANT AND EQUIPMENT	**33 616**	**32 248**

Land and building assets were last independently valued as at 30 June 2014. The valuer was Bill Parsons Certified Practising Valuer of Saunders and Pitt, 14 Victoria Street Hobart. The revaluation was based on market value. Indexation has been provided by Bill Parsons and been applied as at 30 June 2016.

Infrastructure assets were last independently valued as at 30 June 2014. The valuer was Andrew Lovibond of Sinclair Knight Merz P/L, 137 Harrington Street Hobart. The revaluation was based on replacement cost. Indexation was provided by WT Partnership and applied on Infrastructure as at 30 June 2016.

Heritage Collection assets were independently valued as at the 30 June 2016. The valuer was Chris Tassell of Quantitative Research Group, 21 Swanston Street, New Town, TAS. The revaluation was based on market value.

For the year ended 30 June 2016

4 ASSETS *(continued)*

b) Reconciliation of movements

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation.

2016	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	**6 600**	**7 313**	**9 971**	**591**	**6 923**	**850**	**32 248**
Additions	—	—	—	197	—	574	771
Disposals	—	—	(15)	(15)	—	—	(30)
Transfers	—	—	—	250	817	(1 067)	0
Newly identified assets	—	—	312	—	—	—	312
Revaluation increments (decrements)	50	338	294	—	384	—	1 066
Depreciation	—	(203)	—	(198)	(350)	—	(752)
CARRYING VALUE AT 30 JUNE	**6 650**	**7 448**	**10 562**	**825**	**7 774**	**357**	**33 616**

2015

	$'000s	$'000s	$'000s	$'000s	$'000s	$'000s	$'000s
CARRYING VALUE AT 1 JULY	**6 600**	**7 517**	**9 778**	**571**	**6 983**	**276**	**31 725**
Additions	—	—	—	246	—	742	988
Disposals	—	—	—	(41)	—	—	(41)
Transfers	—	—	—	—	168	(168)	—
Revaluation increments (decre-ments)	—	—	192	—	61	—	254
Depreciation	—	(203)	—	(185)	(289)	—	(677)
CARRYING VALUE AT 30 JUNE	**6 600**	**7 313**	**9 971**	**591**	**6 923**	**850**	**32 248**

c) Fair value measurement hierarchy for assets as at 30 June 2015

2016	Carrying amount as at 30 June 2016	Fair value measurement at end of reporting period using: Level 2	Level 3
	$'000s	$'000s	$'000s
Land at fair value	6 650	6 650	
Buildings at fair value	7 448	7 448	
Infrastructure at fair value	7 774	—	7 774
Heritage Assets			
Buildings	10 111	—	10 111
Artefacts and exhibition equipment	451	—	451
TOTAL HERITAGE ASSETS	**10 562**	—	**10 562**

2015

		Level 2	Level 3
	$'000s	$'000s	$'000s
Land at fair value	6 600	6 600	
Buildings at fair value	7 313	7 313	
Infrastructure at fair value	6 923	—	6 923
Heritage Assets			
Buildings	9 816	—	9 816
Artefacts and exhibition equipment	154	—	154
TOTAL HERITAGE ASSETS	**9 971**	—	**9 971**

For the year ended 30 June 2016

4 ASSETS *(continued)*

d) Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
HERITAGE ASSETS				
Buildings	Replication cost	Direct cost per square metre	\$100-\$2 750/m^2 (\$1700)	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	10-25 years (15 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	25-60 years (45 years)	Tasmanian construction indexes have remained stable over the last 12 months. Design and useful lives are reviewed regularly but generally remain unchanged. As a result it is unlikely that significant variations in values will arise in the short term.

e) Depreciation

All applicable non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land and Heritage Assets are not depreciated.

Depreciation is provided for on a straight line, using rates which are reviewed annually. Major depreciation periods are:

Land	Nil
Buildings – Non Specialised	20-40 years
Heritage assets	Nil
Exhibitions	5 years
Plant and equipment	3-20 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**

Land, buildings, infrastructure and other long lived assets are recorded at fair value. All other non-current physical assets are recorded at historic cost less accumulated depreciation and accumulated impairment losses. Heritage buildings are valued at replication cost. Artefacts and exhibition equipment are valued at reproduction cost.

Heritage Asset Valuation assessment has been split into two stages. The first centered on those items from the Props Collection which were on public display in the open houses, museum and interpretation gallery as well as those items from the Props and Port Arthur Collection purchased during the past five years. The first assessment was completed by 30th June, 2016 and reflected in the 2015-16 accounts.

The assessment of the fair value of those Heritage items from these collections which met the asset threshold definition as defined by the PAHSMA Board was undertaken in accordance with Australian accounting standards AASB116 and AASB13. The valuation assessment involved the physical assessment of each item from the collection on display as well as the two items in the Props and Port Arthur Collections purchased during the past five years.

A valuation methodology for the remainder of the Props Collection and the Port Arthur Collection has been prepared for Stage 2 of the project to be undertaken in November, 2016. In addition, an assessment of the Archaeology, Building Components and 1996 Collection will be made at this time to enable an opinion to be made on PAHSMA's assessment that these collections cannot be defined as assets.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The costs of self constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

ii) **Subsequent costs**

The cost of replacing part of an item of property, plant and equipment and infrastructure is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Authority and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii) **Asset recognition threshold**

The asset capitalisation threshold adopted by the Authority is \$1 000. Assets valued at less than \$1 000 are charged to the Statement of Profit and Loss and Other Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total).

iv) **Asset revaluation**

The Authority undertakes a detailed review of all building and infrastructure assets every three years as part of a revaluation and between these years applies indexation to the values if appropriate.

Assets are grouped on the basis of having a similar nature or function in the operations of the Authority.

The Authority's assets are re-valued with sufficient regularity to ensure they reflect fair value at balance date.

v) **Asset impairment**

Assets that have an indefinite useful life are not depreciated but are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the year ended 30 June 2016

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

	2016	2015
	$'000s	$'000s
Accrued wages and salaries	130	—
Annual leave	605	564
Long service leave	946	948
On-costs for leave	112	108
Superannuation	7 657	6 546
TOTAL	**9 450**	**8 166**
Current	1 652	1 543
Non-current	7 797	6 623
TOTAL	**9 450**	**8 166**

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

	2016	2015
	$'000s	$'000s
Commercial Grant Unearned Income	436	324
Gift voucher clearing	1	—
Unearned Revenue JRS	32	—
TOTAL	**469**	**324**

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

In June 2016 The Australian Government provided PAHSMA with the following grants which are currently held in Unearned Revenue as follows:

- Australian Convict Sites Signage Project $86 000
- Port Arthur Historic Site – Isle of the Dead Walkways Stage 2 $80 000
- Coal Mines Historic Site – Entry Point Information and Interpretation Node $58 160

Additional grant funding was provided by the Federal Government in 2014-15 to support the appointment of an Executive Officer for the Australian Convicts Sites over a 3 year period, to be based at Port Arthur. Unearned Revenue of $211 613 remains to be used for the future funding of this position.

Since the commencement of a new ticketing and booking system, during the 2015-16 financial year, PAHSMA have been able to record gift vouchers and pre-purchased tickets.

5.3 Superannuation

a) Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense when they fall due.

b) Defined benefit plans

A defined benefit plan is a post employment benefit plan other than a defined contribution plan.

The Authority's superannuation obligations, in respect of the contributory service of current and past government employees, are recognised at the latest actuarial assessment of the members' entitlements, net of scheme assets. The valuation is determined by discounting to present value, the gross benefit payments at a current, market-determined, risk-adjusted discount rate appropriate to the respective plan.

Actuarial gains or losses arising from the actuarial revaluation of superannuation liabilities are recognised in Other Comprehensive Income.

c) Type of plan

Retirement Benefits Fund Scheme – Defined benefit members receive lump sum benefits on resignation and lump sum or pension benefits on retirement, death or invalidity. The defined benefit section of RBF is closed to new members. All new members receive accumulation only benefits.

For the year ended 30 June 2016

5 LIABILITIES *(continued)*

d) Reconciliation of Movements in Present Value of Superannuation Liability

	2016	2015
	$'000s	$'000s
BALANCE AT 1 JULY	**6 547**	**7 059**
Current service cost	118	141
Interest Income	(55)	(48)
Interest Cost	359	332
Past service cost	N/A	N/A
	422	425
Included in other comprehensive income		
Actuarial loss (gain) arising from:		
Experience	(406)	(64)
Demographic assumptions	—	—
Financial assumptions	1 090	(614)
Return on plan assets excluding interest	177	3
	861	(675)
Other		
Employer contributions	(172)	(262)
	(172)	(262)
BALANCE AT 30 JUNE	**7 658**	**6 547**

e) Reconciliation of the Fair Value of Scheme Assets

	Level 1 (Quoted price in active market)		Level 2 (Observable inputs, not quoted)		Level 3 (Unobservable inputs)		Fair value at 30 June	
	2016	2015	2016	2015	2016	2015	2016	2015
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
ASSET CATEGORY								
Cash and cash equivalents	184	207	—	—	—	—	184	207
Equity instruments	329	371	318	358	76	86	723	815
Debt instruments	39	43	58	66	45	51	142	160
Derivatives	—	—	2	2	—	—	2	2
Real Estate	—	—	9	10	—	—	9	10
TOTAL	**552**	**621**	**387**	**436**	**121**	**137**	**1 060**	1 194

f) Key actuarial assumptions

	2016	2015
Discount rate	3.55% pa	4.80% pa
Future return on assets	N/A	N/A
Expected salary increase rate	3.00% pa	3.00% pa
Expected rate of increase compulsory preserved amounts	4.50% pa	4.50% pa
Expected pension increase rate	2.50% pa	2.50% pa

For the year ended 30 June 2016

5 LIABILITIES *(continued)*

g) Sensitivity analysis

The defined benefit obligation as at 30 June 2016 under several scenarios is presented below.
Scenario A and B related to discount rate sensitivity.
Scenario C and D related to expected pension increase rate sensitivity.
Scenario A: 1% pa lower discount rate assumption
Scenario B: 1% pa higher discount rate assumption
Scenario C: 1% pa lower expected pension increase rate assumption
Scenario D: 1% pa higher expected pension increase rate assumption

	Base Case	Scenario A -1% pa discount rate	Scenario B +1% pa discount rate	Scenario C -1% pa pension increase rate	Scenario D +1% pa pension increase rate
Discount rate	3.55% pa	2.55% pa	4.55% pa	3.55% pa	3.55% pa
Pension Increase	2.50% pa	2.50% pa	2.50% pa	1.50% pa	3.50% pa
Defined benefit obligation (A$'000)	8 717	9 803	7 824	8 022	9 539

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

h) Funding arrangements

Contributions to the RBF in respect of defined benefit schemes are made on an emerging cost basis.
PAHSMA expects to make a contribution of $ 325 000 (2015 $172 000) to the defined benefit plan during the next financial year.

6 COMMITMENTS AND CONTINGENCIES

6.1 Contingent Assets and Contingencies

There are no contingent assets and liabilities with the exception of the item below, which isn't recorded in the Statement of Financial Position.

Quantifiable Contingencies (Assets)

A long term lease of land between PAHSMA and another party expired on 30 June 2015. Negotiations are underway with the lessee to extend the lease for a further term. Under the contract any improvements existing at the end of the lease revert to the Authority. A house has been constructed on the land and it is expected that this building will either be removed by the lessee or pass to the Authority at the end of the lease for no consideration. The building was valued as at 30 June 2014 at a value of $200 000.

7 RESERVES

7.1 ASSET REVALUATION RESERVE

2016	Land $'000s	Buildings $'000s	Infrastructure $'000s	Heritage Assets $'000s	Total $'000s
ASSET REVALUATION RESERVE					
Balance at the beginning of financial year	1 720	2 690	1 803	302	6 515
Revaluation increments/ (decrements)	50	338	384	294	1 066
BALANCE AT END OF FINANCIAL YEAR	**1 770**	**3 028**	**2 186**	**597**	**7 582**

2015	Land $'000s	Buildings $'000s	Infrastructure $'000s	Heritage Assets $'000s	Total $'000s
ASSET REVALUATION RESERVE					
Balance at the beginning of financial year	1 720	2 690	1 758	110	6 279
Revaluation increments/ (decrements)	—	—	44	192	237
BALANCE AT END OF FINANCIAL YEAR	**1 720**	**2 690**	**1 803**	**302**	**6 515**

8 AUDITOR'S REMUNERATION

	2016 $'000s	2015 $'000s
Amounts paid or payable to the external auditors for the audit of the accounts	39	36
	39	**36**

9 FOREGONE REVENUE

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

	2016 $'000s	2015 $'000s
Potential ticket sales	2 291	1 710
Discount given	716	524
NET TICKET SALES	**1 575**	**1 186**

For the year ended 30 June 2016

10 RELATED PARTY DISCLOSURES

10.1 DIRECTOR REMUNERATION

The following tables disclose the remuneration details for each person who acted as a director during the current and previous financial years. Directors are paid in accordance with the Director and Executive Remuneration guidelines and appointed in accordance with the Board Appointment guideline as issued by the Department of Treasury and Finance.

Director Remuneration	Directors' Fees	Committee Fees	Superannuation [1]	Other [2]	Total
2016					
NON-EXECUTIVE DIRECTORS					
Sharon Sullivan – Chairperson	31 301	—	2 974	—	34 275
Kristal Buckley	13 860	—	1 317	—	15 177
Suzanne Clark	13 860	—	1 317	—	15 177
Michael Field	13 860	—	1 317	—	15 177
Judith Franks	13 860	—	1 317	—	15 177
Peter McKay	13 860	—	1 317	—	15 177
EXECUTIVE DIRECTOR					
Stephen Large – CEO [3]	—	—	—	—	—
TOTAL	**100 601**	—	**9 558**	—	**110 159**

Director Remuneration	Directors' Fees	Committee Fees	Superannuation [1]	Other [2]	Total
2015					
NON-EXECUTIVE DIRECTORS					
Sharon Sullivan – Chairperson	30 689	—	2 915	—	33 604
Kristal Buckley	13 590	—	1 291	—	14 881
Suzanne Clark	13 590	—	1 291	—	14 881
Michael Field	13 590	—	1 291	—	14 881
Judith Franks	13 590	—	1 291	—	14 881
Peter McKay	13 590	—	1 291	—	14 881
EXECUTIVE DIRECTOR					
Stephen Large – CEO [3]	—	—	—	—	—
TOTAL	**98 639**	—	**9 370**	—	**108 009**

1 Superannuation means the contribution to the superannuation fund of the individual. Superannuation benefits for members of a defined benefit scheme were calculated using a notional cost based on the actuarial cost method.

2 Other includes the 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).

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

For the year ended 30 June 2016

10 RELATED PARTY DISCLOSURES *(continued)*

10.2 EXECUTIVE REMUNERATION

The following table discloses the remuneration details for personnel that acted as a senior executive during the current and previous two financial year:

2016	Salary [1] $'000	Short term incentive payments [2] $'000	Termination benefits [3] $'000	Super-annuation [4] $'000	Vehicles [5] $'000	Other benefits [6] $'000	Other non-monetary benefits [7] $'000	Total $'000
EXECUTIVE REMUNERATION								
Stephen Large Chief Executive Officer	197 148	—	—	18 729	4 512	—	8 578	228 967
Jane Harrington Director Conservation & Infrastructure	160 925	—	—	15 288	3 703	—	3 868	183 784
Anne McVilly Director Tourism Operations	148 364	—	—	14 095	—	—	3 715	166 174
Andrew Ross Marketing Manager	90 789	—	5 099	9 109	—	—	—	104 997
Nicole Roberts Chief Financial Officer	116 012	—	—	11 021	—	—	2 861	129 894
Carol Armstrong Human Resources Manager	110 610	—	—	10 508	—	—	643	121 761
TOTAL	**823 849**	**—**	**5 099**	**78 750**	**8 216**	**—**	**19 665**	**935 579**
ACTING SENIOR EXECUTIVES								
Kate McCarthy Acting Marketing Manager (8/4/15 – 4/9/15) and 2/5/16 – 30/6/16)	31 739	—	—	3 000	—	—	1 865	36 604
	31 739	—	—	3 000	—	—	1 865	36 604
TOTAL	**855 588**	**—**	**5 099**	**81 750**	**8 216**	**—**	**21 530**	**972 183**

1 Gross Salary includes all forms of consideration paid and payable for services rendered, compensated absences during the period and salary sacrifice amounts.

2 Short term incentive payments do not apply to the Port Arthur Historic Site Management Authority.

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

4 Superannuation means the contribution to the superannuation fund of the individual. Superannuation benefits for members of a defined benefit scheme were calculated using a notional cost based on the actuarial cost method.

2015	Salary [1] $'000	Short term incentive payments [2] $'000	Termination benefits [3] $'000	Super-annuation [4] $'000	Vehicles [5] $'000	Other benefits [6] $'000	Other non-monetary benefits [7] $'000	Total $'000
EXECUTIVE REMUNERATION								
Stephen Large Chief Executive Officer	186 259	—	—	17 695	5 604	—	1 583	211 141
Jane Harrington Director Conservation & Infrastructure	150 549	—	—	14 302	3 771	—	(1 082)	167 540
Anne McVilly Director Tourism Operations	132 327	—	—	12 571	—	—	7 205	152 103
Andrew Ross Marketing Manager	93 922	—	—	8 923	—	—	(24 579)	78 267
Nicole Roberts Chief Financial Officer (from 21/7/14)	98 433	—	—	9 351	—	—	8 186	115 970
Carol Armstrong Human Resources Manager	103 745	—	—	9 856	—	—	(3 310)	110 291
TOTAL	**765 235**	**—**	**—**	**72 698**	**9 375**	**—**	**11 996**	**835 312**
ACTING SENIOR EXECUTIVES								
Kate McCarthy Acting Marketing Manager (8/4/15 – 4/9/15)	15 717	—	—	1 493	—	—	1 874	19 084
	15 717	—	—	1 493	—	—	1,874	19,084
TOTAL	**780 952**	**—**	**—**	**74 191**	**9 375**	**—**	**(10 122)**	**854 396**

5 Includes total cost of providing and maintaining vehicles provided for private use, including registration, insurance, fuel and other consumables, maintenance cost and parking (including notional value of parking provided at premises that are owned or leased and fringe benefits tax).

6 Other benefits includes all other forms of employment allowances (excludes reimbursements such as travel, accommodation or meals), payments in lieu of leave, and any other compensation paid and payable.

7 Other non-monetary benefits include annual and long service leave movements and non-monetary benefits (such as housing, subsidised goods or services etc.)

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

For the year ended 30 June 2016

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.

	2016	2015
	$'000s	$'000s
Cash	2 191	88
Automatic teller machine	44	26
Deposits at call	5 812	6 239
TOTAL	**8 047**	**6 353**

11.2 RECONCILIATION OF NET RESULT TO NET CASH FROM OPERATING ACTIVITIES

	2016	2015
	$'000s	$'000s
NET RESULT FROM PROFIT/(LOSS) FOR THE YEAR	**1 718**	**211**
Depreciation and amortisation	752	677
Loss/(Gain) on Sale of property, equipment and vehicles	(5)	(38)
Asset revaluation	(312)	(17)
Non cash movement in superannuation	250	162
Decrease (increase) in Receivables	38	171
Decrease(increase) in Prepayments, accruals and deposit paid	(43)	(4)
Decrease (increase) in Inventories	(83)	(7)
Increase (decrease) in Employee Benefits	173	(81)
Increase (decrease) in Creditors	(205)	(404)
Increase (decrease) in Unearned Revenue	147	(1 514)
NET CASH FROM (USED BY) OPERATING ACTIVITIES	**2 429**	**(844)**

12 FINANCIAL INSTRUMENTS

12.1 Risk Exposure

Risk management policies

The Authority's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable.

The Board of Directors has overall responsibility for the establishment of the Authority's financial risk management framework. This includes the development of policies covering specific areas such as price risk, interest rate risk, credit risk and liquidity risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Authority's activities. The day to day risk management is carried out by the Authority's finance function under policies and objectives which have been approved by the Board of Directors. Management has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate, price, liquidity and foreign exchange rate risks and assessment of market forecasts for interest rate and foreign exchange movements.

The Board receives bi-monthly reports which provide details of the effectiveness of the processes and policies in place.

The Authority does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Mitigation strategies for specific risks faced are described below.

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 tables analyse financial assets that are past due but not impaired:

	2016	2015
	$'000s	$'000s
RECEIVABLES		
Current	22	46
30 days	66	25
60 days	12	17
91+ days	16	28
TOTAL	**116**	**116**

Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority's approach to managing liquidity is to ensure it will always have sufficient liquidity to meet its liabilities when they fall due through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit risk profile;
- managing credit risk related to financial assets;
- investing surplus cash; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

For the year ended 30 June 2016

12 FINANCIAL INSTRUMENTS *(continued)*

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
2016				
Financial assets	2 105	(2 105)	2 105	(2 105)
NET SENSITIVITY	**2 105**	**(2 105)**	**2 105**	**(2 105)**
2015				
Financial assets	3 056	(3 056)	3 056	(3 056)
NET SENSITIVITY	3 056	**(3 056)**	**3 056**	**(3 056)**

This analysis assumes all other variables remain constant. The analysis was performed on the same basis for 2015.

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
2016		$'000s	$'000s	$'000s	$'000s
FINANCIAL ASSETS					
Cash	2.78	2 105	5 812	129	8 047
Receivables and accruals	—	—	—	143	143
TOTAL		**2 105**	**5 812**	**272**	**8 189**
FINANCIAL LIABILITIES					
Creditors and accruals	—	—	—	522	522
TOTAL	**—**	**—**	**—**	**522**	**522**

	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
2015		$'000s	$'000s	$'000s	$'000s
FINANCIAL ASSETS					
Cash	2.87	306	5 984	63	6 353
Receivables and accruals	—	—	—	181	181
TOTAL		**306**	**5 984**	**244**	**6 534**
FINANCIAL LIABILITIES					
Creditors and accruals	—	—	—	725	725
TOTAL	**—**	**—**	**—**	**725**	**725**

For the year ended 30 June 2016

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:

- Employee benefits, note 5.1
- Superannuation, note 5.2
- Property, plant and equipment and infrastructure, note 4.3

The Authority has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

13.2 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

13.3 Taxation

The Authority is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax and the Goods and Services Tax. Section 66 of the Government Business Enterprises Act 1995 specifies those GBEs that are required to pay income tax equivalents. The Authority has been exempted from paying income tax equivalents.

13.4 Comparatives

The previous year's figures are provided in the financial report for comparative purposes. Where applicable, the comparative figures have been adjusted to conform to changes in presentation and classification in the current year.

13.5 Rounding

All amounts in the Financial Statements have been rounded to the nearest dollar, unless otherwise stated.

13.6 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax, except where the GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the Australian Taxation Office is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

14 EVENTS OCCURRING AFTER BALANCE DATE

There have been no events subsequent to balance date which would have a material effect on the Authority's Financial Statements as at 30 June 2016.

Tasmanian Audit Office

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

23 September 2016

The Board of Directors
Port Arthur Historic Site Management Authority
Arthur Highway
PORT ARTHUR TAS 7182

Dear Board Members

Auditor's Independence Declaration

As the auditor of the financial report of Port Arthur Historic Site Management Authority for the financial year ended 30 June 2016, 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 Committee, a copy of this declaration must be included in the Annual Report.

Yours sincerely

Jara K Dean
Assistant Auditor-General Financial Audit
Delegate of the Auditor-General

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

Strive | Lead | Excel | To Make a Difference

Tasmanian Audit Office

Independent Auditor's Report

To Members of the Tasmanian Parliament

Port Arthur Historic Site Management Authority

Financial Report for the Year Ended 30 June 2016

Report on the Financial Report

I have audited the accompanying financial report of the Port Arthur Historic Site Management Authority (the Authority), which comprises the statement of financial position as at 30 June 2016 and the statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement of certification by the Directors of the Authority.

Auditor's Opinion

In my opinion the Authority's financial report:

(a) presents fairly, in all material respects, its financial position as at 30 June 2016 and financial performance, cash flows and changes in equity for the year then ended

(a) is in accordance with the *Government Business Enterprises Act 1995* and Australian Accounting Standards.

The Responsibility of the Directors for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Section 52(1) of the *Government Business Enterprises Act 1995*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I

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

Strive | Lead | Excel | To Make a Difference

comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Directors' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements.

The *Audit Act 2008* 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.

Tasmanian Audit Office

Jara K Dean
Assistant Auditor-General Financial Audit
Delegate of the Auditor-General

Hobart
23 September 2016

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

Strive | Lead | Excel | To Make a Difference

Declarations

STATEMENT OF CERTIFICATION

In the opinion of the directors of Port Arthur Historic Site Management Authority:

a) the financial statements and notes of the Authority are in accordance with the *Government Business Enterprises Act 1995* including:
   (i) giving a true and fair view of the results and cash flows for the year ended 30th June 2016 and the financial position at the 30th June 2016 of the Authority;
   (ii) complying with the Australian Standards and Interpretations and with the Treasurer's Instructions

b) there are reasonable grounds to believe the Authority will be able to pay its debts as and when they fall due.

This declaration has been made after receiving the following declaration from the Chief Executive Officer and Chief Financial Officer:

a) the financial records of the Authority for the year ended 30th June 2015 have been properly maintained in accordance with section 51 of the *Government Business Enterprises Act 1995*;

b) the financial statements and notes for the year ended 30th June 2016 have been prepared in accordance with section 52 of the *Government Business Enterprises Act 1995*; and

c) the financial statements and notes for the year ended 30th June 2016 give a true and fair view.

Signed in accordance with a resolution of the directors:

MICHAEL FIELD
Director
21 September 2016

SUZANNE CLARK
Director
21 September 2016

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
21 September 2016

SUZANNE CLARK
Director
21 September 2016

WWW.PORTARTHUR.ORG.AU WWW.FEMALEFACTORY.ORG.AU WWW.PORTARTHUR.CN

Front and back cover images: Ben Wilkinson, www.wilkography.com