



# Governor's Establishment Western Australia

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# Annual Report 2018-19

**HON KATE DOUST, MLC**  
President of the  
Legislative Council

**HON PETER WATSON, MLA**  
Speaker of the  
Legislative Assembly

In accordance with Section 61 of the Financial Management Act 2006, I hereby submit to you for tabling in each house the Annual Report of the Governor's Establishment for the year ended 30 June 2019.

The Annual Report has been prepared in accordance with the provisions of the Financial Management Act 2006.

Yours sincerely



Robert Kennedy  
**ACTING OFFICIAL SECRETARY /CHIEF EXECUTIVE**  
Accountable Officer Governor's Establishment

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This Report is available on the Governor's Establishment Website: [www.govhouse.wa.gov.au](http://www.govhouse.wa.gov.au)



Attenuated Gothic arcading at the front of Government House



# Official Secretary's Review

## Year in review 2018/19

This financial year marked the first full year of the term of the State's 33rd Governor, the Honourable Kim Beazley AC. Throughout the year, the Governor's Establishment provided an effective and professional set of services to support the Governor to fulfil a wide range of constitutional, ceremonial, representational, community and advocacy roles throughout the State and overseas.

The Establishment proudly supports the Governor to present Government House as a venue to acknowledge Western Australian excellence, innovation, and creativity, and to support community building and economic advancement, be it through recognising the work of volunteers and charities, the rich culture and history of our Aboriginal people, scientific research, educational attainments, the contribution of veterans and defence forces, and many other areas of community endeavour.

In support of Governor Beazley's Mission and Statement of Priorities, the volume of official hospitality hosted by the Governor increased significantly to 175 this year (more than a 50 per cent increase from 2017/18).

In partnership with StudyPerth and Western Australia's five universities, the Establishment contributed to delivering the inaugural International Student Welcome reception hosted by the Governor on 17 February 2019. The first of its kind for Western Australia, the Welcome Reception held in Government House grounds sought to position Perth as a world-class international education destination. About 1,000 international students and their parents joined the Governor, Premier, State Ministers, University Vice Chancellors, Consular representatives and other officials, at this special event. The Establishment looks forward to providing support to this important initiative in future years.

In a series of Roundtables, the Establishment aided the Governor to bring together arts and culture representatives to facilitate discussions on enriching Perth's cultural vibrancy. Additionally, in collaboration with the Perth USAsia Centre and the Australian Strategic Policy Institute, the Governor hosted Strategic Roundtables to broadly discuss the State's strategic interests and capabilities.

The Establishment supports Governor Beazley's mandate to strongly advocate for Western Australia's interests locally and internationally. This year, the Establishment assisted the Governor to undertake two official visits overseas; the first, to participate in the Australian American Leadership Dialogue in Honolulu, and second, to visit the United Kingdom and Germany, including an audience with Her Majesty Queen Elizabeth II.

I am pleased to recognise the loyal and professional service of Mrs Carol Buckley AM LVO, Official Secretary (on leave at the time of this report) who was appointed as a Lieutenant of the Royal Victorian Order in recognition for her long service to Western Australia's Vice Regal office. His Royal Highness the Duke of Cambridge invested Mrs Buckley with her insignia at Buckingham Palace in March.

Conservation works to restore and upgrade the Government House roof were completed. The reinstatement of slate roofing (the original roof cladding) provides a number of benefits including greater durability and cost efficiency, as well as enhancing the heritage value of the site, within a significant heritage precinct, for the community to enjoy. This project was completed as part of the Establishment's Conservation Management Plan and Strategic Plan.

An air-conditioning plant was installed to replace an ageing ad-hoc system. This project was undertaken concurrently with the roof conservation works to maximise cost effectiveness, and minimise disruption to the Governor and Establishment. The change to a more efficient and effective solution reflects the Office's commitment to resource management and improved service delivery.

The House underwent significant upgrades during 2018/19 to all accommodation including several representational rooms and related areas. These refurbishments will ensure longevity that will support the highest standard of representational use to further State advocacy opportunities and make greater use of this State asset. The previous major refurbishment/conservation works were largely more than 25 years ago.

Following this work, the coming year will see the House and Grounds returned to greater public use including open days and community tours assisting in meeting the Governor's desire for increased public activity as well as helping more people understand the important role of the Governor and the historical significance of the buildings and grounds.

## Acknowledgements

I recognise and thank the staff of the Governor's Establishment for providing effective support throughout the year to the Honourable Kim Beazley AC and Ms Susie Annus.

A special acknowledgement to our nine Honorary Aides de Camp from the three Defence Services and Western Australia Police, who provide a high-level of support to the Governor's program of engagement with the community throughout Western Australia.

The Governor's Establishment is proud to share a strong working relationship with the Parliament of Western Australia, the Department of the Premier and Cabinet, the Solicitor General's office, and the Supreme Court of Western Australia. Particular thanks to the Lieutenant Governor, the Honourable Wayne Martin AC, and the Honourable Chief Justice Peter Quinlan, both of whom acted as deputy of the Governor during the year.

Thanks also to Officers of the Parliament and staff, in particular the Finance and Human Resources Departments; the Director General and Clerks of the Executive Council and staff at the Department of the Premier and Cabinet, for their continued support throughout the year.



**Acting Official Secretary / CEO**

# Office of the Governor

## Our vision, purpose and values

Our vision is that the Governor's Establishment, within the Domain, is increasingly recognised as a contemporary place of heritage and cultural significance and a source of pride for the people of Western Australia.

Our purpose is to provide support to the Governor and to fulfil the constitutional, community, ceremonial, representational and advocacy responsibilities of that office and to manage the Government House Domain as a significant cultural heritage asset for the community of Western Australia.

We are committed to our values of:

- Openness and participation
- Continuous improvement, striving for excellence
- Equity, accountability and respect
- Innovation and teamwork

## Role of the Governor

The constitutional laws of Western Australia provide for a Governor to represent the Sovereign as Head of State.

The Governor's role includes important constitutional functions, and in performing these functions the Governor is required to act in an entirely apolitical way. The Governor's powers and functions are set out in the Letters Patent, under which the Governor is appointed, and the *Constitution Act 1889*.

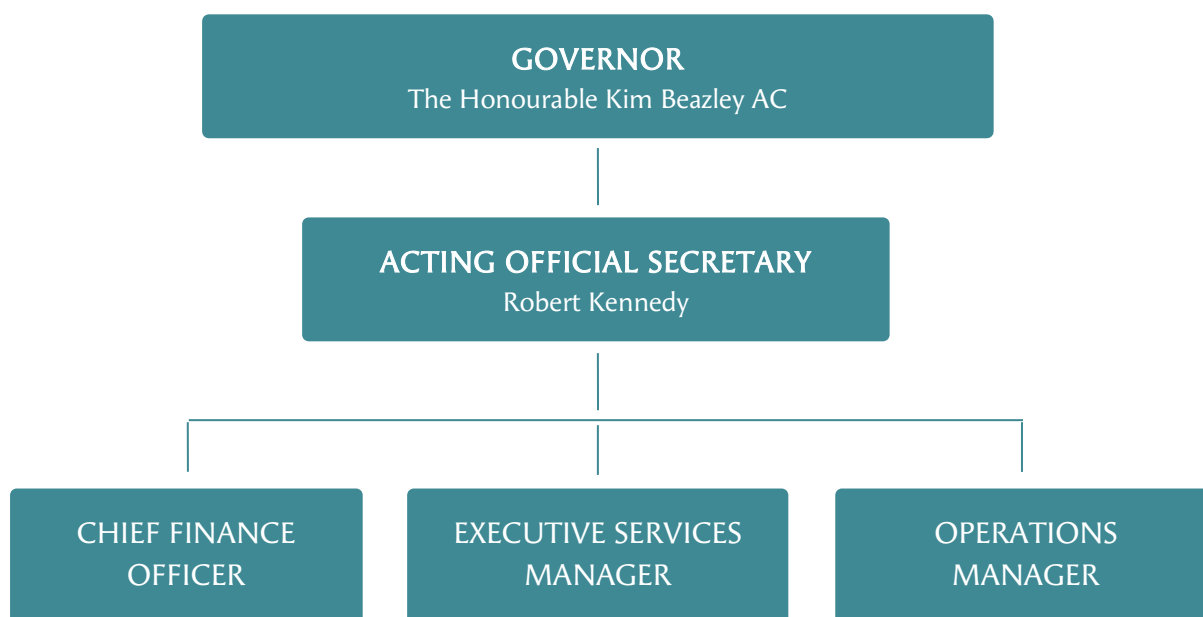
As well as the constitutional duties of the Governor, there are important community, ceremonial, representational and advocacy functions associated with the position, including:

- Opening of the Western Australian Parliament.
- Representing the State by extending a welcome and hospitality to Heads of State, Ambassadors, dignitaries, and other official visitors.
- Advocating for and promoting the State's strategic interests and capabilities.
- Conducting Investitures for the presentation of honours and awards under the Australian Honours system.
- Presenting awards and medals to various organisations including Scouts, Girls and Boys Brigades, St John Ambulance Service Awards, and numerous others.
- Participating in many public events.
- Travelling throughout Western Australia to meet people in regional areas and keep abreast of developments within the State.
- Patronage of many community and charitable organisations.

Advocacy forms a substantial part of the Governor's program, promoting the State and its opportunities, in addition to constitutional, ceremonial, and community/civic duties. It is part of the role of a contemporary Governor.

## Organisational chart

The Establishment is structured into three main areas which report ultimately to the Official Secretary in the capacity of the Chief Executive Officer.



## Senior Officers

### Acting Official Secretary/Chief Executive Officer - Robert Kennedy

Ensures the Establishment delivers its corporate objectives. Establishes the strategic direction and ensures compliance. Has the delegated responsibility as employer.

### Executive Services Manager - Emma Clark

Responsible for the development of the Governor's Program and integration of divisions to deliver the Program.

### Chief Finance Officer - Roselyn Hamilton

Responsible for the strategic personnel and financial management of the Governor's Establishment, including preparation of internal and Governmental financial reports and budgets.

### Operations Manager - Mark Evans

Responsible for the effective management of the day to day operational requirements of the Governor's Establishment and the conservation of the Domain as a significant heritage asset.





Above: On Thursday 28th March, Governor's Establishment WA CEO and Official Secretary to the Governor Mrs Carol Buckley AM LVO received the insignia of her award as a Lieutenant of the Royal Victorian Order (LVO), as announced in the New Year Honours 2019.

## Enabling legislation

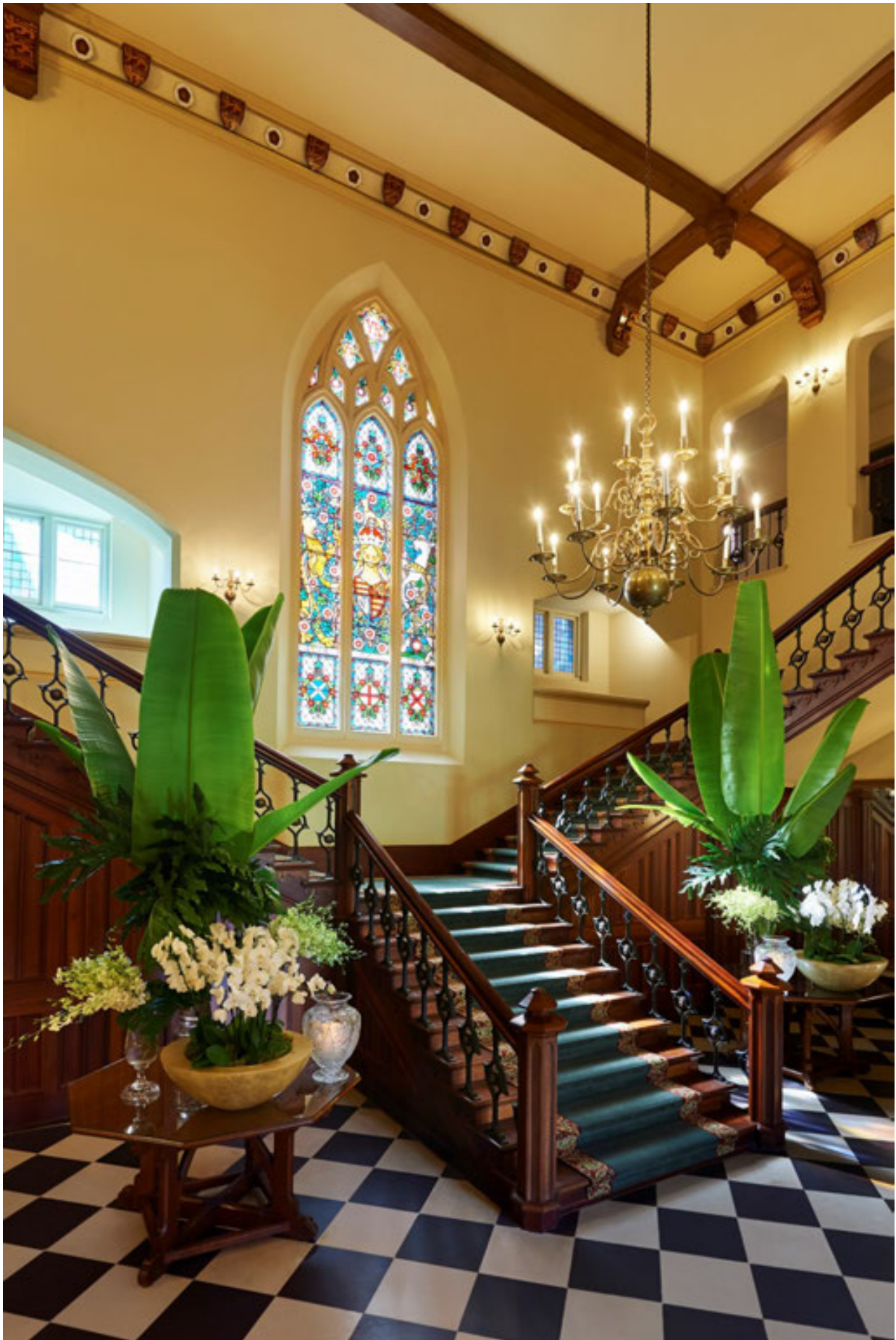
The office of Governor of Western Australia is enshrined in the *Constitution Act 1889 (WA)* and the *Constitution Acts Amendment Act 1899 (WA)* which establish the legal and operational framework of the system of Parliamentary democracy.

Section 2(2) of the *Constitution Act 1889 (WA)* states “The Parliament of Western Australia consists of The Queen and the Legislative Council and the Legislative Assembly.” In accordance with Section 50(1), “The Queen’s representative in Western Australia is the Governor who shall hold office during Her Majesty’s pleasure.”

*The Governor’s Establishment Act 1992* was enacted to make the Governor the employer of the staff of the Governor’s Establishment and for related matters. The authority for employment of the staff has been delegated by the Governor, under Section 9, to the Official Secretary who has the responsibility for employing and determining remuneration for all staff.

## Compliance with Statutory Requirements

- Constitution Act 1889 and Constitution Acts Amendment Act 1899
- Contaminated Sites Act 2003
- Disability Services Act 1993
- Electoral Act 1907
- Equal Opportunity Act 1984
- Financial Management Act 2006
- Governor’s Establishment Act 1992
- Industrial Relations Act 1979
- Minimum Conditions of Employment Act 1993
- Occupational Safety & Health Act 1984
- Public Interest Disclosure Act 2003
- Salaries & Allowances Act 1975
- State Records Act 2000
- The Governor’s Establishment is exempt from the operations of the Freedom of Information Act 1992.



The Entrance Hall is the main entrance to the House and features an armorial window and oak beamed ceiling with a chequerboard floor of Welsh slate and Cornish or York stone imported from Britain in the 1860's



# Report on performance

*This annual report is focussed on the performance of the Governor's Establishment, as an agency, and is not an extensive account of the Governor's activities, which are reported as part of the entries on the [Governor's Daily Program](#) page on our website. It is, however, relevant to note some key events that had a significant bearing on the level of support provided by the staff of the Governor's Establishment throughout the year.*

The corporate objectives of the Governor's Establishment encompass the following five goals, as set out in the Strategic Plan 2016-21:

- Constitutional support of the Governor
- Administrative and operational support
- Official hospitality for the Governor and official guests
- Promotion and interpretation of the Domain
- Conservation and management of the Domain

For the purpose of this report, key events from the year are categorised according to the different responsibilities of the Governor's role (constitutional, community, ceremonial, representational and advocacy) as well as the promotion and interpretation, and conservation and management, of the Domain.

## Constitutional

The office provides advice, information and administrative support to the Governor as President of the Executive Council and arm of the Parliament.

Advice and support are also provided, in consultation with the Solicitor General, to the Governor in accordance with the provisions of the various Acts including the *Constitution Act 1889 (WA)* and the *Letters Patent 1986*.



Left: The Governor signs Bills for Assent. All Bills passed by the Western Australian Parliament require the Governor's signature before they become law (i.e. an Act).

## The Governor carried out:

11

Swearing-in ceremonies including judicial, public sector and ministerial appointments.

1

Reconstitution of the State Government Ministry

26

Scheduled Executive Councils

36

Messages submitted to Parliament

Granted Royal Assent for 47 Bills passed by Parliament



**Above:** The Governor swore-in the Hon Peter Quinlan SC as Chief Justice in August 2018 and Ms Sharyn O'Neill to be the Commissioner of the Public Sector Commission in July 2018. **Below:** The Governor swore-in Mr John Carey MLA in December 2018 and Mr Eamon Ryan, Inspector of Custodial Services in May 2019.





## Ceremonial

Officiating at a range of important ceremonial and celebratory occasions and commemorations is an important part of the Vice Regal role. The Governor and the Establishment take great pleasure in supporting the Australian Honours and Awards System as well as other relevant awards programs.

The Governor hosted and officiated at:

4

Investiture Ceremonies (including one private)

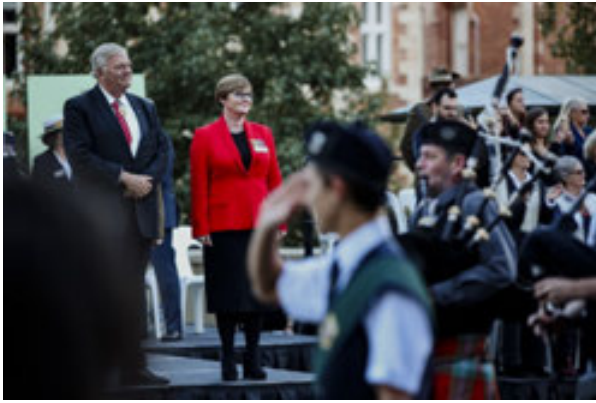
For

161

Recipients of Honours and Awards within the Order of Australia – this was a record number of Western Australian recipients.



The Governor presented Australia Day Honours to 89 Western Australian recipients, as announced in January this year.



ANZAC Day: The Governor at the RSL WA ANZAC Day Parade on St George's Terrace and delivering an address at the Commemorative Service at the Perth Concert Hall

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*"...Today is a signal to those of us prepared to make a career of the profession of arms. We make today a statement that you are valued and honoured. We know as we make it we are strengthening our community. There are 25, 000 veterans in WA. In practical terms their needs and challenges must be met by us all where we can, for that is our contribution."*

**Excerpt from the Governor's ANZAC Day address**

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Australia Day: The Governor at the City of Perth and City of South Perth Australia Day Citizenship Ceremonies.

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*"There is just one other thing I want to mention and that is to look at what we have become. We have become without much fanfare, a more powerful nation than we believe ourselves to be. We look out at a complex world with not a little anxiety. It is not our way to big note ourselves or accord much value to individuals who do. Others however, are noticing us."*

**Excerpt from the Governor's Australia Day address for Auspire – Australia Day Council of WA**

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## Representational

The Governor represents the interest of the people of Western Australia as our Head of State. The Establishment manages an active program of official calls on the Governor, including visiting dignitaries, community leaders, government, education and industry representatives, and more.

**This year, the Governor welcomed:**

**200**

**Callers**

(Including members of the Diplomatic, Consular Corps and other dignitaries during their official visits).

## Official travel program

### Hawaii

The Governor represented the State at the 11<sup>th</sup> annual Australian American Leadership Dialogue (AALD) – Honolulu, from Saturday 29<sup>th</sup> September to Saturday 7<sup>th</sup> October 2018.

The Governor attended the Dialogue as part of his role to advocate for the State's interests, both interstate and overseas.

The Honolulu Dialogue was centred on discussions regarding the sustainable development of a robust, stable, prosperous and healthy Indo-Pacific region. A focus of the 2018 Dialogue, jointly hosted by US Indo Pacific Command and the East West Center, was the celebration of 100 Years of Australian-American mateship.

### Vice Regal Gathering

The Governor and Ms Annus, other State Governors, the Administrator of the Northern Territory, and spouses, attended the annual Vice Regal Gathering, hosted by Her Excellency the Governor of Victoria, at Government House Victoria from Wednesday 29 August to Thursday 30 August 2018.



## United Kingdom and Germany

From Monday 25th March to Tuesday 2nd April 2019 the Governor and Ms Annus undertook an official visit to London and Germany.

A private audience was held with Australia's Head of State Her Majesty Queen Elizabeth II at Buckingham Palace.

Audiences are a private affair between the visitor and the Queen, and allow Her Majesty to maintain close ties with officials from Commonwealth nations, and across the world.

Additionally, in London and Germany, the Governor undertook a program of engagements with industry, government and university representatives.

[View the official itinerary and read more about the visit](#)



Her Excellency Mrs Menna Rawlings CMG, British High Commissioner to Australia – January 2019.



His Excellency Paul Gulleik Larsen, Norwegian Ambassador to Australia – November 2018.



The Governor and Ms Annus are received by Queen Elizabeth II during an audience at Buckingham Palace, London on their first official visit to the United Kingdom and Germany in late March-early April 2019. Photo: Yui Mok/Press Association.



The Governor and Ms Annus with Agent General for Western Australia Commodore Mike Deeks CSC RAN (Rtd) and staff at the Government of Western Australia – European Office in London, March 2019.

## Community

The Governor is able to reflect and recognise the values, aspirations and achievement of Western Australians, to give support and encouragement to their endeavours, and to make connections between people and organisations for the betterment of the State.

An important part of the Governor's role is to engage with many organisations, businesses, institutions and community groups throughout the year.

### The Governor carried out the following community duties:

186

Functions  
attended

133

Speeches  
delivered

25

Official  
messages

399

Significant birthdays and  
anniversaries acknowledged

The Governor is Patron of a diverse range of organisations which contribute to community wellbeing and advancement in many areas, including youth development, arts and culture, science research, veterans support, health and more

### The Governor was patron to:

131

Community  
organisations



Rhodes Scholar Dinner 2018 – November 2018



Lunch for Mr Ian Grandage, Artistic Director Perth Festival





Lunch for Foodbank WA, June 2019



Reception for the 60<sup>th</sup> Anniversary of the National Trust, Photo: Matt Poon

During the year the Governor continued a program of travel throughout regional Western Australia.

The Regional Visit Program enables the Governor to continue to develop a good working knowledge of the State, learn more of industries, initiatives and projects of significance, and are an opportunity to engage with and express appreciation to the many people that make up the fabric of our rural and regional communities.

**The Governor made the following visits into regional Western Australia:**

**East Kimberley,  
August 2018**

Kunnunurra, Wyndham,  
Warmum and  
Halls Creek

**Great Southern,  
November 2018**

Albany

**South West,  
March 2019**

Bunbury and  
Greenbushes

**Goldfields,  
May 2019**

Kalgoorlie Boulder



East Kimberley visit, August 2018 – The Governor with Kununurra Health Services Clinical and Administrative staff at the Coolibah Centre



Albany visit, November 2018 – The Governor and Executive Support Manager with Bruce Manning, Great Southern Development Commission CEO, Kaz Sternberg, Advance Housing CEO and Peter Adams, Advance Housing Board Chair



Bunbury and Greenbushes visit, March 2019 – The Governor with members of the Noongar Boodjar Language Cultural Corporation



Kalgoorlie-Boulder visit, May 2019 - The Governor and KCGM Super Pit General Manager Cecile Thaxter

Right: The Governor's visit to Kalgoorlie-Boulder made front page news with the Kalgoorlie Miner on Friday 3<sup>rd</sup> May and Saturday 4<sup>th</sup> May.



## Official hospitality for the Governor and official guests

The Governor regularly hosts many events at Government House. Hospitality may be offered to visiting dignitaries, community organisations, and a range of official guests. This financial year saw a substantial increase in hospitality activity in support of the [Governor's Mission](#) to "...present and advocate for their (the Western Australian people's) interest in creativity, community building, economic advance and security."

Additionally, the Governor and Ms Susie Annus hosted a number of functions which allowed representatives of Perth's arts and culture sector to network and engage in discussions relating to the Governor's strategic priority; recognising, celebrating and promoting Perth as a vibrant arts and cultural destination.

The Governor also collaborated with both a leading national and State-based think tank to convene a discussion which fostered greater strategic thinking and awareness within the State.

### The Governor hosted:

175

Functions at  
Government House,  
including lunches and  
dinners, receptions,  
Roundtables, swearing-  
in ceremonies, and  
Investiture Ceremonies.

Not included: Reconstitution of  
the Ministry

### Hospitality was provided to:

3, 963

Guests





Dinner for the Telethon Kids Institute and visiting UK CMO Professor Sally Davies



16 Days in WA campaign to prevent domestic violence



Reception for 2019 WA Women's Hall of Fame inductees



Lunch for Mark Coughlan, CEO West Australian Symphony Orchestra



Reception for Perth Festival. Photo by Rachael Barrett



Governor's Strategic Roundtable with Michael Shoebridge, hosted with the Perth USAsia Centre and ASPI  
Photo: Perth USAsia

## Promotion and interpretation of the Domain

The Establishment is dedicated to enhancing the promotion and interpretation of the Domain as a significant heritage place, and strives to create opportunities for the public to visit the Domain. Information on the House, Ballroom and Grounds is available on the Government House website.

### Community access

The Government House Domain is a significant cultural heritage asset which belongs to all Western Australians. Government House grounds are open to the public at lunchtime every Tuesday, Wednesday and Thursday. A variety of organisations hired the grounds for events:

15, 400 guests

Attended a total of 9 events in the grounds in  
2018/19.

Uniquely, compared with other Australian Government Houses, the Government House Ballroom is available for hire to eligible organisations including performing arts groups, not-for-profit groups, corporate and educational organisations.

78

Events were held in the Ballroom,  
for some 18, 000 attendees

Extensive conservation works saw the temporary suspension of community tours and Open Days. The Establishment is actively working to reinstate an improved community access program in 2019/20, including a range of tours of the House and grounds for community groups and school students. The Establishment looks forward to offering Open Days again in future.

22, 295

People were welcomed to Government House during regular garden openings at lunchtimes, garden functions and wedding photography.





The Consulate General of India held International Day of Yoga celebrations in the Government House Grounds on 15<sup>th</sup> June.



RSL WA held a community Gunfire Breakfast in the Government House Grounds on ANZAC Day.



On Sunday, 17th February 2019 more than 1000 international students set to start their university studies in Perth were personally welcomed by the Governor at an inaugural event for the state.

The Governor hosted the official welcome event in the grounds of Government House, in partnership with StudyPerth, to help position Perth as a world-class international education city.

The event was also attended by the Honourable Mark McGowan, Premier of Western Australia, as well as Vice-Chancellors from WA's five universities including Curtin University, Edith Cowan University, Murdoch University, The University of Notre Dame and The University of Western Australia.

## Communications Strategy

### Social media

The Government House Twitter account continues to grow, boasting over 2,000 followers with positive engagement rates.

Content includes highlights from the Governor's Daily Program, special messages from the Governor, along with information about community access and events at Government House. Support for the causes of various patronage and community groups, as well as national and State awareness days also feature.

2, 133

Twitter followers  
(@GovHouseWA)

Example of Twitter engagement levels:  
*Activity for June 2019*

67.1K impressions

Averaging 2.2k impressions per day

### Website

Our website received

106, 390 page views

and was visited

44, 770 times

by

32, 363 users.

For the first time, the Establishment was proud to offer friends and family of recipients of Australia Day Honours 2019, as well as members of the public, the opportunity to livestream our Investiture Ceremonies from our website.

Recordings of our first  
Investiture Ceremony livestream  
received

205 plays

The livestream was arranged for the Investiture Ceremonies in April and the feedback was incredibly supportive.

Sample of feedback:

*"I am an AVI mentoring English teacher in Baucau in East Timor. Earlier in the year, I was delighted to hear that my sister had been awarded a medal for her work with disabilities and in the community, in the 2019 Australia Day Awards. But I was even more excited to be able to watch the presentation to her of that award in Government House today via live streaming.*

*So thank you to all those people involved in setting up the live stream. I had no difficulty in accessing it via your website. If I couldn't be there in person this was the next best thing."*

(Re-published with permission)

Our goal is to enable friends and family of award recipients living regionally, interstate or internationally to be a part of the ceremony and to build awareness of the importance of the Australian Honours and Awards system, and the Governor's role within it, in the broader community.

[View recordings of our investiture ceremonies online.](#)

# Conservation and management of the Domain

## Conservation

Government House is recognised as a heritage-listed site. The Establishment continuously reviews and updates Conservation and Strategic Asset Management Plans.

Significant attention will continue to focus on strategic maintenance and resourcing to ensure building projects are scheduled in a timely manner and budgeted in the coming years.

The following maintenance issues and capital works programs were addressed in 2018-19:

- **Restoration and replacement of the roof**  
Design and documentation for development approvals was obtained during 2017. Work commenced on the roof in April 2018 and practical completion was achieved in December 2018.
- **Installation of a central chilled and heated water air-conditioning system for the House**  
Design and documentation for development approvals was obtained during 2017. Work commenced on the installation of a centralised air conditioning system in 2018 and practical completion was achieved in December 2018.
- **Restoration of heritage listed convict wall**  
Convict wall located in the southwest corner of the lower gardens.
- **Ballroom works**  
Painting, lighting and refurbishment of the entry lobby and toilets.  
Ballroom ceiling rectification due to collapse of the east upper loggia ceiling.
- **Ground floor works**  
Rising damp repairs.  
Creation of a damp course barrier.  
Painting of ceiling, walls and woodwork in the Dining, Exco, Anteroom and corridor rooms.
- **First floor works – guest accommodation**  
Painting and refurbishment  
Jarrah floorboards to entry  
Relaying of carpet



## Spotlight on: Government House roof restoration



Lost historic detail has been restored to Government House with the completion of a new slate roof – the building's original roof cladding material.

Clay roof tiles replaced the original Government House slate roof (completed in 1864) in the 1950's and early 1960's. Unfortunately the roof structure was not designed for the size of the clay tiles and over time this caused some structural and water damage problems.

The clay tiles and lead roof sheeting were at the end of their serviceable life so the reinstatement of the slate roofing began in April 2018 – as recommended in the Government House Conservation Management Plan.

Nearly 1000sqm of clay roof tiles were replaced, as well as essential repairs to dormer window frames, and the cleaning and repointing of chimney and other brickwork.

Slate is a durable material with a lifespan of more than 100 years. As well as greater durability and cost benefits, the slate provides an improved aesthetic and heritage value for the House and its place



within the wider heritage precinct of the Perth CBD.

The roof restoration project team: Architects – Griffiths Architects, Builder – Coglan Industries, Roof Contractor – Carter Roofing.

- The new roof contains approximately 18,000 slate tiles from the Penrhyn Quarry in North Wales – the same quarry which supplied the slate tiles for the original roof completed at Government House in 1864.
- The new slate roof tiles were matched to an original slate tile found in the Government House cellar. Using drawings of the original tile, the quarry identified the original tile pattern as a 'Heather Blue' or 'Bangor Blue' slate which is still produced today.
- Approximately 29 tonnes of lead was used to refurbish items such as roof flashings and dormers.

**More information:** The West Australian, Thursday 6<sup>th</sup> September 2018, [Government House renovation work begins on 154-year-old building](#)



**Before**



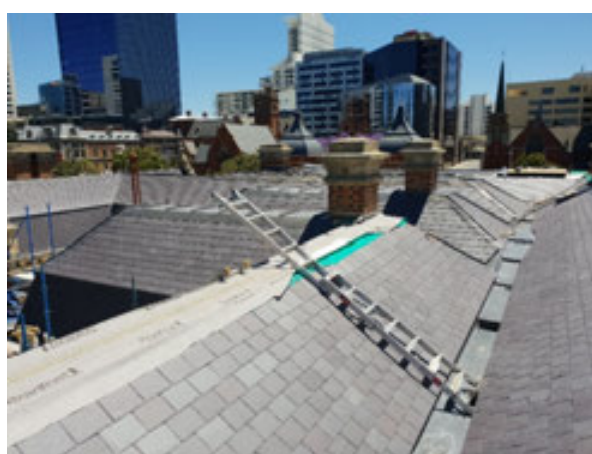
**After**



**Progress shots**



New dormer windows



Looking north toward St Georges Cathedral

## Management

The Governor's Establishment is committed to recruiting and maintaining quality staff, and devotes significant time and effort to improve its effectiveness and efficiency through organisational change. The Governor's Establishment continues an ongoing plan to review work practices to better achieve priorities and outcomes.

### The Governor's Establishment employed:



### During the year there were:



## Occupational Health and Safety data

The Establishment is committed to providing a safe, healthy and accident free workplace for all its employees, contractors and visitors, through an active program of monitoring, review and improvement of workplace safety and health, including staff training opportunities.

Statistics for 2018/19:

- 0 fatalities
- 0% lost time injury/disease incidence rate
- 7 staff attended fire warden training
- 1 staff member completed chief warden training
- 9 staff received fire suppression training

# Outlook 2019/20 and beyond

## Delivering on the Governor's Priorities

The Establishment will continue to support the Governor to fulfil key priorities, and it is envisaged that the following will continue to inform the official program for 2019/20:

- Widening West Australian, Australian and international community awareness of the critical role WA's mineral and energy resources play in the global economy, both in contemporary terms and next generational industry development.
- Ensuring Australians more broadly comprehend how critical these industries are to the national economic performance.
- Advancing understanding of the similarly vital role of our rural, agricultural and seafood industries.
- Defence industry and defence of Western Australia, including linkages between advanced mining and primary industry technologies, and emerging Defence technologies.
- Advancing understanding of our indigenous populations, the world's oldest continuous civilisation.
- Recognising, celebrating and promoting Perth as a vibrant arts and cultural destination.
- Supporting the wide range of health services in our community, including both acknowledgement of those committed to providing these vital services, and advancing our world-class health research sector.
- Education – STEM and STEAM issues. Assisting at the tertiary level in particular with foreign engagement for education, training and research.
- Space. Using our advantages in management of space systems and research. Particularly the opportunities provided by the Square Kilometre Array (SKA) and Pawsey Computing Centre.
- Regional WA. Visits to regional centres generally and for events.
- Encouraging our great volunteers who work in virtually every aspect of community life.
- To use Government House, its facilities, resources, history and beautiful grounds for the public, for organisations, charities and conferences aimed at enjoyment and purpose.
- Advancing WA's international engagement as a product of the skills, value, goods and services outlined here.

## Management of the Domain

The Governor's Establishment will continue to implement programs listed in its Five Year Strategic Plan. A key outcome for the Establishment will be to secure support for appropriate maintenance of the buildings and grounds in accordance with statutory obligations for the future benefit of all Western Australians.

Risk management and good governance will continue to be the focus of management at the Governor's Establishment.

## Community engagement

The Establishment will continue to work, in collaboration with the Government House Foundation, to develop and implement its strategy to clearly articulate and build a better community understanding of the contemporary significance of the Governor's role, and the importance of Government House, Ballroom and grounds.

Complimentary to the Governor's advocacy role on behalf of the State, the Establishment will strive to increasingly showcase the House, Ballroom and Grounds as a facility to enhance the capacity to advance Western Australia's interests.



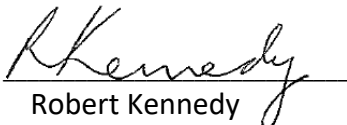
# GOVERNOR'S ESTABLISHMENT

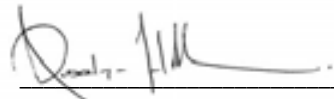
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## CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The accompanying financial statements of the Governor's Establishment have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2019 and the financial position as at 30 June 2019.

At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.

  
Robert Kennedy  
Accountable Authority  
Date: 28/08/2019

  
Roselyn Hamilton  
Chief Financial Officer  
Date: 28/08/2019



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### GOVERNOR'S ESTABLISHMENT

### Report on the Financial Statements

#### **Opinion**

I have audited the financial statements of the Governor's Establishment which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Governor's Establishment for the year ended 30 June 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

#### **Basis for Opinion**

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Governor's Establishment in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Responsibility of the Official Secretary for the Financial Statements**

The Official Secretary is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Official Secretary determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Official Secretary is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Governor's Establishment.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Official Secretary.
- Conclude on the appropriateness of the Official Secretary's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## **Report on Controls**

### ***Opinion***

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Governor's Establishment. The controls exercised by the Governor's Establishment are those policies and procedures established by the Official Secretary to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Governor's Establishment are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2019.

### ***The Official Secretary's Responsibilities***

The Official Secretary is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.



### ***Auditor General's Responsibilities***

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

### ***Limitations of Controls***

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

### **Report on the Key Performance Indicators**

#### ***Opinion***

I have undertaken a reasonable assurance engagement on the key performance indicators of the Governor's Establishment for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Governor's Establishment are relevant and appropriate to assist users to assess the Governor's Establishment's performance and fairly represent indicated performance for the year ended 30 June 2019.

#### ***The Official Secretary's Responsibility for the Key Performance Indicators***

The Official Secretary is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Official Secretary determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Official Secretary is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.



**Auditor General's Responsibility**

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

**My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators**

This auditor's report relates to the financial statements and key performance indicators of the Governor's Establishment for the year ended 30 June 2019 included on the Governor's Establishment's website. The Governor's Establishment's management is responsible for the integrity of the Governor's Establishment's website. This audit does not provide assurance on the integrity of the Governor's Establishment's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



CAROLINE SPENCER  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
4 September 2019

# GOVERNOR'S ESTABLISHMENT

## Statement of comprehensive income

For the year ended 30 June 2019

	Note	2019 \$000	2018 \$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	3.1	4,170	4,005
Supplies and services	3.2	984	604
Depreciation expense	5.1, 5.2	428	454
Accommodation expenses	3.3	528	373
Other expenses	3.3	41	30
<b>Total cost of services</b>		<b>6,151</b>	<b>5,466</b>
<b>Income</b>			
<i>Revenue</i>			
User charges and fees	4.2	79	101
Other revenue		-	30
<b>Total income other than income from State Government</b>		<b>79</b>	<b>131</b>
<b>NET COST OF SERVICES</b>		<b>6,072</b>	<b>5,335</b>
<b>Income from State Government</b>			
Service appropriation	4.1	5,755	5,356
Services received free of charge	4.1	7	4
<b>Total income from State Government</b>		<b>5,762</b>	<b>5,360</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>(310)</b>	<b>25</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation surplus		(1,910)	(1,279)
Gains/losses recognised directly in equity		-	-
<b>Total other comprehensive income</b>		<b>(1,910)</b>	<b>(1,279)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(2,220)</b>	<b>(1,254)</b>

Refer to the 'Schedule of Income and Expenses by Service'.

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.



# GOVERNOR'S ESTABLISHMENT

## Statement of financial position

As at 30 June 2019

	Note	2019 \$000	2018 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7.1	377	384
Restricted cash and cash equivalents	7.1	-	3,157
Receivables	6.1	32	56
Other Current Assets	6.3	21	21
<b>Total Current Assets</b>		<b>430</b>	<b>3,618</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	7.1	14	14
Amounts receivable for services	6.2	2,724	2,319
Property, plant and equipment	5.1	34,150	31,513
Intangibles	5.2	17	33
<b>Total Non-Current Assets</b>		<b>36,905</b>	<b>33,879</b>
<b>TOTAL ASSETS</b>		<b>37,335</b>	<b>37,497</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6.4	124	78
Provisions	3.1	434	454
<b>Total Current Liabilities</b>		<b>558</b>	<b>532</b>
<b>Non-Current Liabilities</b>			
Provisions	3.1	81	71
<b>Total Non-Current Liabilities</b>		<b>81</b>	<b>71</b>
<b>TOTAL LIABILITIES</b>		<b>639</b>	<b>603</b>
<b>NET ASSETS</b>		<b>36,696</b>	<b>36,894</b>
<b>EQUITY</b>			
Contributed equity	9.8	9,657	7,635
Reserves	9.8	24,576	26,486
Accumulated surplus/(deficit)		2,463	2,773
<b>TOTAL EQUITY</b>		<b>36,696</b>	<b>36,894</b>

Refer to the 'Schedule of Assets and Liabilities by Service'.

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

# GOVERNOR'S ESTABLISHMENT

## Statement of changes in equity

For the year ended 30 June 2019

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated surplus/ (deficit) \$'000	Total equity \$'000
<b>Balance at 1 July 2017</b>		<b>3,635</b>	<b>27,764</b>	<b>2,748</b>	<b>34,147</b>
Surplus/(deficit)		-	-	25	25
Other comprehensive income	9.8	-	(1,278)	-	(1,278)
Transactions with owners in their capacity as owners:					
Capital appropriations		4,000	-	-	4,000
Total		4,000	-	-	4,000
<b>Balance at 30 June 2018</b>		<b>7,635</b>	<b>26,486</b>	<b>2,773</b>	<b>36,894</b>
<b>Balance at 1 July 2018</b>		<b>7,635</b>	<b>26,486</b>	<b>2,773</b>	<b>36,894</b>
Surplus/(deficit)		-	-	(310)	(310)
Other comprehensive income	9.8	-	(1,910)	-	(1,910)
Transactions with owners in their capacity as owners:					
Capital appropriations		2,022	-	-	2,022
Total		2,022	-	-	2,022
<b>Balance at 30 June 2019</b>		<b>9,657</b>	<b>24,576</b>	<b>2,463</b>	<b>36,696</b>

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

# GOVERNOR'S ESTABLISHMENT

## Statement of cash flows

For the year ended 30 June 2019

	Note	2019 \$000	2018 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		1,219	1,027
Special Acts		4,131	3,899
Capital appropriations		2,022	4,000
<b>Net cash provided by State Government</b>		<b>7,372</b>	<b>8,926</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(4,170)	(3,989)
Supplies and services		(933)	(570)
Accommodation expenses		(528)	(373)
GST payments on purchases		(631)	(211)
Other payments		(49)	(34)
<b>Receipts</b>			
User charges and fees		61	131
GST Receipts on sales		8	10
GST receipts from taxation authority		665	162
Other Receipts		-	30
<b>Net cash provided by/(used in) operating activities</b>		<b>(5,577)</b>	<b>(4,844)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of non-current physical assets		(4,959)	(1,167)
<b>Net cash provided by/(used in) investing activities</b>		<b>(4,959)</b>	<b>(1,167)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	-
<b>Net cash provided by/(used in) financing activities</b>		<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents			
		(3,164)	2,915
Cash and cash equivalents at the beginning of period			
		3,555	640
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	7.1	<b>391</b>	<b>3,555</b>

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

# GOVERNOR'S ESTABLISHMENT

## Summary of consolidated account appropriations and income estimates

For the year ended 30 June 2019

	2019 Estimate \$000	2019 Actual \$000	Variance \$000	2019 Actual \$000	2018 Actual \$000	Variance \$000
<u>Delivery of services</u>						
Item 8 Net amount appropriated to deliver services	1,430	1,624	194	1,624	1,457	167
Amounts authorised by other						-
- <i>Governor's Establishment Act 1992</i>	3,456	3,556	100	3,556	3,283	273
- <i>Salaries and Allowances Act 1975</i>	575	575	-	575	616	(41)
<b>Total Appropriations provided to deliver services</b>	<b>5,461</b>	<b>5,755</b>	<b>294</b>	<b>5,755</b>	<b>5,356</b>	<b>399</b>
<u>Capital</u>						
Item 87 Capital Appropriation	1,900	2,022	122	2,022	4,000	(1,978)
<b>GRAND TOTAL</b>	<b>1,900</b>	<b>2,022</b>	<b>122</b>	<b>2,022</b>	<b>4,000</b>	<b>(1,978)</b>

### Details of Expenses by Service

Effective Support to the Governor	1,616	1,869	253	1,869	1,705	164
Management of the Governor's Establishment	3,951	4,282	331	4,282	3,754	528
Total Cost of Services	5,567	6,151	584	6,151	5,459	692
Less Total Income	(127)	(79)	48	(79)	(124)	45
Net Cost of Services	5,440	6,072	632	6,072	5,335	737
Adjustments	-	(317)	(317)	(317)	21	(338)
<b>Total Appropriations provided to deliver services</b>	<b>5,440</b>	<b>5,755</b>	<b>315</b>	<b>5,755</b>	<b>5,356</b>	<b>399</b>

### Capital Expenditure

Purchase of non-current assets	2,016	4,959	2,943	4,959	1,616	3,343
Adjustments for other funding sources	-	(3,157)	(3,157)	(3,157)	(1,616)	(1,541)
<b>Capital appropriations</b>	<b>2,016</b>	<b>1,802</b>	<b>(214)</b>	<b>1,802</b>	<b>-</b>	<b>1,802</b>

Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation.

Note 9.10 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2019 and between the actual results for 2019 and 2018



## 1. Basis of preparation

Governor's Establishment (the Establishment) is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Establishment is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of Governor's Establishment on 19 July 2019.

### Statement of compliance

These general purpose financial statements are prepared in accordance with:

- 1) The Financial Management Act 2006 (FMA)
- 2) The Treasurer's Instructions (TIs)
- 3) Australian Accounting Standards (AASs) – Reduced Disclosure Requirements
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The Financial Management Act 2006 and the Treasurer's Instructions take precedence over AASs. Several AASs are modified by TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

### Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

### Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

### Contributed equity

AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 Contributions by Owners made to Wholly Owned Public Sector Entities and have been credited directly to Contributed Equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

## 2. Agency Outputs

How the Agency operates

This section includes information regarding the nature of funding the Agency receives and how this funding is utilised to achieve the Agency's objectives. This note also provides the distinction between controlled funding and administered funding:

	<b>Note</b>
Agency Objectives	2.1
Schedule of Income and Expense by Service	2.2
Schedule of Assets and Liability by Service	2.3

### 2.1 Agency Objectives

#### Mission

The Governor's Establishment's mission is to provide support to the Governor and to manage the Government Domain through its corporate objectives:

- Supporting the Constitutional duties of the Governor as identifiable Seat of the State.
- Administrative and operational support to the Governor.
- Provision of appropriate official residential services for the Governor and official guests.
- Conservation and management of the Domain as a significant heritage.
- Promotion and interpretation of the heritage significance of the domain

The Department is predominantly funded by Parliamentary appropriations. It provides support for the Governor in carrying out his official duties. The fees charged raised from the hire of facilities are set with reference to prevailing market forces.

#### Services

##### *Service 1: Effective Support to the Governor*

Support the Governor in performing the constitutional, statutory, official, ceremonial, community and civic duties associated with the Governor's role.

##### *Service 2: Management of the Governor's Establishment*

Effectively manage the financial and administrative requirement of the Establishment including capital works program, heritage building management, planning and coordinating official visits and provision of hospitality on behalf of the State.

## 2.2 Schedule of income and expenses by service

For the year ended 30 June 2019

	Effective Support to the Governor		Management of Governor's Establishment		Total	
	2019	2018	2019	2018	2019	2018
	\$000	\$000	\$000	\$000	\$000	\$000
<b>COST OF SERVICES</b>						
Expenses						
Employee benefits expense	1,570	1,555	2,600	2,444	4,170	3,999
Supplies and services	299	150	685	536	984	686
Depreciation and amortisation expense	-	-	428	454	428	454
Accommodation expense	-	-	528	306	528	306
Other expenses	-	-	41	14	41	14
<b>Total provided to deliver services</b>	<b>1,869</b>	<b>1,705</b>	<b>4,282</b>	<b>3,754</b>	<b>6,151</b>	<b>5,459</b>
<u>Income</u>						
User charges and fees	-	-	79	124	79	124
<b>Total income other than from State Government</b>	<b>-</b>	<b>-</b>	<b>79</b>	<b>124</b>	<b>79</b>	<b>124</b>
<b>NET COST OF SERVICES</b>	<b>1,869</b>	<b>1,705</b>	<b>4,203</b>	<b>3,630</b>	<b>6,072</b>	<b>5,335</b>
<b>INCOME FROM STATE GOVT</b>						
Service appropriation	2,055	616	3,700	4,740	5,755	5,356
Services received free of charge	-	-	7	4	7	4
<b>Total income from State Government</b>	<b>2,055</b>	<b>616</b>	<b>3,707</b>	<b>4,744</b>	<b>5,762</b>	<b>5,360</b>
<b>SURPLUS/DEFICIT FOR THE PERIOD</b>	<b>186</b>	<b>(1,089)</b>	<b>(496)</b>	<b>1,114</b>	<b>(310)</b>	<b>25</b>

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.

## 2.3 Schedule of assets and liabilities by service

As at 30 June 2019

	Effective Support to the Governor		Management of Governor's Establishment		Total	
	2019 \$000	2018 \$000	2019 \$000	2018 \$000	2019 \$000	2018 \$000
<b>Assets</b>						
Current assets	-	4	430	3,614	430	3,618
Non-current assets	190	190	36,715	33,689	36,905	33,879
<b>Total assets</b>	190	194	37,145	37,303	37,335	37,497
<b>Liabilities</b>						
Current liabilities	122	158	436	374	558	532
Non Current Liabilities	38	24	43	47	81	71
<b>Total liabilities</b>	160	182	479	421	639	603
<b>NET ASSETS</b>	30	12	36,666	36,882	36,696	36,894

The Schedule of Assets and Liabilities by Service should be read in conjunction with the accompanying notes.



### 3. Expenses incurred in the delivery of services

This section provides additional information about how the Establishment's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Establishment in achieving its objectives and the relevant notes are:

	Notes	2019 \$000	2018 \$000
Employee benefits expense	3.1(a)	4,170	4,005
Employee related provisions	3.1(b)	515	525
Supplies and services	3.2	984	604
Other expenditure	3.3	569	403

#### 3.1(a) Employee benefits expense

	2019 \$000	2018 \$000
Wages and salaries	3,753	3,590
Termination Benefit	12	-
Superannuation - defined contribution plans(a)	370	326
Other employee expenses	35	89
	<b>4,170</b>	<b>4,005</b>

(a) Defined contribution plans include West State, Gold State, GESB and other eligible funds.

**Wages and salaries:** Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, and leave entitlements.

**Superannuation:** The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for departmental purposes because the concurrent contributions (defined contributions) made by the Establishment to GESB extinguishes the Establishment's obligations to the related superannuation liability.

Governor's Establishment does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Establishment to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

**3.1(b) Employee related provisions**

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
<b>Current</b>		
<u>Employee benefits provisions</u>		
Annual leave(a)	97	73
Long service leave(b)	305	346
 <u>Other provisions</u>		
Employment on-costs(c)	32	35
<b>Total current employee related provisions</b>	<b>434</b>	<b>454</b>
 <b>Non-Current</b>		
<u>Employee benefits provisions</u>		
Long service leave(b)	73	64
 <u>Other provisions</u>		
Employment on-costs(c)	8	7
<b>Total non-current employee related provisions</b>	<b>81</b>	<b>71</b>
 <b>Total employee related provisions</b>	<b>515</b>	<b>525</b>

(a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) **Long service leave liabilities:** Unconditional long service leave provisions are classified as current liabilities as the Establishment does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Establishment has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave is calculated at present value as the Establishment does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(c) **Employment on-costs:** The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, Note 3.3' and are not included as part of the Governor's Establishment's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2019 \$000	2018 \$000
<b><u>Employment on-costs provision</u></b>		
Carrying Amount at start of year	41	39
Additional provisions recognised	(1)	2
Payment/other sacrifices of economic benefits		
<b>Carrying amount at end of year</b>	<b>40</b>	<b>41</b>

#### **Key sources of estimation uncertainty – long service leave**

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Establishment's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

**3.2 Supplies and services**

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
<b>Supplies and services</b>		
Communications	36	30
Consultants and Contractors	297	199
Consumables	301	200
Vehicle lease and hire	2	8
Minor plant, machinery and equipment	60	24
Plant, machinery and equipment lease	12	6
Equipment repairs and maintenance	71	32
Software Licences, fees & registration	1	4
Other staff related expenses	17	23
Travel	125	22
Insurance costs	47	38
Other Supplies & Services	14	18
	<b>984</b>	<b>604</b>

**Supplies and services:**

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

**3.3 Other expenditure**

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
<b>Accommodation expenses</b>		
Repairs & Maintenance	364	220
Power and water consumption	105	101
Rates and taxes	2	-
Cleaning	57	52
<b>Total accommodation expenses</b>	<b>528</b>	<b>373</b>
<b>Other expenses</b>		
Audit fees	14	14
Other operating expense	27	16
<b>Total other expenses</b>	<b>41</b>	<b>30</b>
<b>Total other expenditure</b>	<b>569</b>	<b>403</b>

**Accommodation expenses:**

Repairs, maintenance and cleaning costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.



**Other:**

Other operating expenses generally represent audit fees and workers compensation insurance.

**4. Our funding sources****How we obtain funding**

This section provides additional information about how Governor's Establishment obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by Governor's Establishment and the relevant notes are:

	<b>Notes</b>	<b>2019 \$000</b>	<b>2018 \$000</b>
Income from State Government	4.1	5,762	5,360
User charges and fees	4.2	79	131

**4.1 Income from State Government**

	<b>2019 \$000</b>	<b>2018 \$000</b>
Appropriation received during the period:		
Service appropriation(a)	5,755	5,356
	<u>5,755</u>	<u>5,356</u>
Services received free of charge from othe State Government agencies during the period:		
Parliamentary Services Department	7	4
<b>Total services received</b>	<u>7</u>	<u>4</u>
<b>Total Income from State Government</b>	<u><u>5,762</u></u>	<u><u>5,360</u></u>

(a) Service Appropriations are recognised as revenues at fair value in the period in which the Establishment gains control of the appropriated funds. The Establishment gains control of appropriated funds at the time those funds are deposited in the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Service appropriations fund the net cost of services delivered. Appropriation revenue comprises the following:

- Cash component; and
- A receivable (asset).

The receivable (holding account – note 6.2) comprises the following:

- The budgeted depreciation expense for the year; and
- Any agreed increase in leave liabilities during the year.

**4.2 User charges and fees**

	<b>2019 \$000</b>	<b>2018 \$000</b>
Ballroom Hire	79	101
Other Income	-	30
	<u>79</u>	<u>131</u>

Revenue is recognised and measured at the fair value of consideration received or receivable.

## 5. Key Assets

### Assets Governor's Establishment utilises for economic benefit or service potential

This section includes information regarding the key assets the Establishment utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2019 \$000	2018 \$000
Property, plant and equipment	5.1	34,150	31,513
Intangible assets	5.2	17	33
<b>Total key assets</b>		<b>34,167</b>	<b>31,546</b>

Year ended 30 June 2019	Land \$000	Buildings \$000	Furniture & Fittings \$000	Computing Equipment \$000	Plant & Equipment \$000	Antiques & Artwork \$000	Work in Progress \$000	Total \$000
<b>1 July 2018</b>								
Gross carrying amount	234	29,045	513	326	530	847	903	32,398
Accumulated impairment losses	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	(430)	(286)	(169)	-	-	(885)
<b>Carrying amount at start of period</b>	<b>234</b>	<b>29,045</b>	<b>83</b>	<b>40</b>	<b>361</b>	<b>847</b>	<b>903</b>	<b>31,513</b>
Additions	-	4,975	-	-	31	19	-	5,025
Transfers <sup>(a)</sup>	-	828	-	-	9	-	(837)	-
Capital items expensed	-	-	-	-	-	-	(66)	(66)
Revaluation increments	-	(1,910)	-	-	-	-	-	(1,910)
Depreciation	-	(323)	(31)	(17)	(41)	-	-	(412)
<b>Carrying amount as at 30 June 2019</b>	<b>234</b>	<b>32,615</b>	<b>52</b>	<b>23</b>	<b>360</b>	<b>866</b>	<b>0</b>	<b>34,150</b>
Gross carrying amount	234	32,615	468	326	571	866	-	35,080
Accumulated depreciation	-	-	(416)	(303)	(211)	-	-	(930)
Accumulated impairment losses	-	-	-	-	-	-	-	-

(a) The Department of Planning, Lands and Heritage (DPLH) is the only agency with the power to sell Crown land. The land is transferred to DPLH for sale and the Agency accounts for the transfer as a distribution to owner.

### Initial recognition

Items of property, plant and equipment and infrastructure, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

### Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land;
- buildings; and
- Works of Art.

Land and Works of Art are carried at fair value.

Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

**Land and buildings** are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 1 July 2018 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019. In undertaking the revaluation, fair value was determined by reference to market values for land: \$234,000 (2018: \$234,000) and buildings: \$32,615,000 (2018: \$29,045,000). For the remaining balance, fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).

**Works of Art** are independently valued every 5 years by Sotheby's. Works of Art were independently revalued by Sotheby's as at 30 June 2016. The valuations were recognised at 30 June 2016.

#### 5.1.1 Depreciation and impairment charge for period

	2019 \$000	2018 \$000
<u>Depreciation</u>		
Plant and equipment	89	132
Buildings	323	306
<b>Total depreciation for the period</b>	<b>412</b>	<b>438</b>

As at 30 June 2019, there were no indications of impairment to property, plant and equipment or infrastructure.

Please refer to note 5.2 for guidance in relation to the impairment assessment that has been performed for intangible assets.

#### Finite Useful Lives

All property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life: years
Buildings	100 years
Furniture & fittings	5 years
Office equipment	6 years
Computer equipment	3 years
Garden equipment	5 to 10 years
Software <sup>(a)</sup>	5 years

(a) Software that is integral the operation of related hardware.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Land and works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

### Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As Governor's Establishment is a not-for-profit Department, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.



## 5.2 Intangible assets

### Year Ended 30 June 2019

	Licenses \$000	Total \$000
<b>1 July 2018</b>		
Gross carrying amount	49	49
Accumulated amortisation	(16)	(16)
<b>Carrying amount at start of period</b>	<b>33</b>	<b>33</b>
Additions	-	-
Impairment losses	-	-
Amortisation expense	16	16
<b>30 June 2019</b>		
Gross carrying amount	49	49
Accumulated amortisation	(32)	(32)
<b>Carrying amount at end of period</b>	<b>17</b>	<b>17</b>

### Initial recognition

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

### Subsequent measurement

The cost model is applied for subsequent measurement of intangible assets, requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

#### 5.2.1 Amortisation and impairment charge for the period

	2019 \$000	2018 \$000
Licenses	16	16
<b>Total amortisation for the period</b>	<b>16</b>	<b>16</b>

As at 30 June 2019 there were no indications of impairment to intangible assets.

Governor's Establishment held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Establishment have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Licenses	5 to 10 years
Website Costs	3 to 5 years
Software <sup>(a)</sup>	3 to 5 years

(a) Software that is not integral to the operation of any related hardware

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 5.1.1.

## 6. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Establishment's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2019 \$000	2018 \$000
Receivables	6.1	32	56
Amounts receivable for Services	6.2	2,724	2,319
Other assets	6.3	21	21
Payables	6.4	124	78

### 6.1 Receivables

	2019 \$000	2018 \$000
<b>Current</b>		
Venue Hire	21	3
Sundry receivables	1	1
GST receivables	10	52
<b>Total current</b>	<b>32</b>	<b>56</b>

### 6.2 Amounts receivable for services

	2019 \$000	2018 \$000
Current		
Non-current	2,724	2,319
<b>Balance at end of period</b>	<b>2,724</b>	<b>2,319</b>

**Amounts receivable for services** represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

Amounts receivable for services are considered not impaired (i.e. there is no expected credit loss of the Holding Account).

**6.3 Other assets**

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
<b>Current</b>		
Prepayments	21	21
<b>Total current</b>	<b>21</b>	<b>21</b>

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

**6.4 Payables**

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
<b>Current</b>		
Trade payables	44	41
Accrued expenses	55	22
Accrued salaries	25	15
<b>Total current</b>	<b>124</b>	<b>78</b>

Payables are recognised at the amounts payable when Governor's Establishment becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value as settlement is generally within 30 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. Governor's Establishment considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 7.1 'Restricted cash and cash equivalents') consists of amounts paid annually, from departmental appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

## 7. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Establishment.

	<b>Notes</b>
Cash and cash equivalents	7.1
Commitments	7.2

### 7.1 Cash and cash equivalents

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
<b>Cash and cash equivalents</b>	377	3,541
Restricted cash and cash equivalents		
- Accrued salaries suspense account	14	14
<b>Balance at end of period</b>	<b>391</b>	<b>3,555</b>

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

### 7.2 Commitments

#### 7.2.1 Non-cancellable operating lease commitments

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
Commitments for minimum lease payments are payable as follows:		
Within 1 year	23	9
Later than 1 year and not later than 5 years	60	3
Later than 5 years	-	-
	<b>83</b>	<b>12</b>

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

Governor' Establishment has entered into numerous vehicle leases which are non-cancellable with terms of 2 to 5 years, with rent payable monthly in advance.

The commitments above are inclusive of GST.



**7.2.2 Capital expenditure commitments**

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year <sup>(a) (b)</sup>	-	3,157
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>3,157</u>

(a) This represents roof retiling and airconditioner system replacement works, that extends into the following financial year.

(b) The totals presented for other expenditure commitments are GST inclusive

**7.2.3 Other expenditure commitments**

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
Commitments for minimum lease payments are payable as follows:		
Within 1 year <sup>(a) (b)</sup>	-	63
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<u>-</u>	<u>63</u>

(a) This represents painting works, that extends into the following financial year.

(b) The totals presented for other expenditure commitments are GST inclusive

**8. Financial Instruments and Contingencies**

	<b>Notes</b>
Financial instruments	8.1
Contingent assets and contingent liabilities	8.2

**8.1 Financial Instruments**

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
<u>Financial assets</u>		
Cash and cash equivalents	377	384
Restricted cash and cash equivalents	14	3,185
Receivables <sup>(a)</sup>	22	4
Amounts Receivable for Services	2,724	2,319
<b>Total financial assets</b>	<u>3,137</u>	<u>5,892</u>

Financial liabilities

Financial liabilities at amortised cost	124	78
<b>Total financial liabilities</b>	<b>124</b>	<b>78</b>

(a) The amount of Loans and receivables/Financial assets at amortised cost excludes GST recoverable from the ATO (statutory receivable).

**8.2 Contingent liabilities and contingent assets**

The Department has no contingent liabilities and no contingent assets at the end of the period.

**9. Other Disclosures**

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	<b>Notes</b>
Events occurring after the end of the reporting period	9.1
Initial application of Australian Accounting Standards	9.2
Key management personnel	9.3
Related party transactions	9.4
Related bodies	9.5
Affiliated bodies	9.6
Remuneration of auditors	9.7
Equity	9.8
Supplementary financial information	9.9
Explanatory statement	9.10

**9.1 Events occurring after the end of the reporting period**

There were no events occurring after the balance sheet date which would materially impact on the financial statements.

**9.2 Initial application of Australian Accounting Standards****AASB 9 Financial instruments**

AASB 9 Financial instruments replaces AASB 139 Financial instruments: Recognition and Measurement for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; and hedge accounting.

The Agency applied AASB 9 prospectively, with an initial application date of 1 July 2018. AASB 9 has no financial impact on the Department.

### 9.3 Key management personnel

Governor's Establishment has determined key management personnel to include cabinet ministers and senior officers of the Department. The Establishment does not incur expenditures to compensate Ministers and those disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Establishment for the reporting period are presented within the following bands:

Compensation band (\$)	2019	2018
300,001 - 350,000	-	1
250,001 - 300,000	1	-
	<b>2019</b>	<b>2018</b>
	<b>\$000</b>	<b>\$000</b>
<b>Total compensation of senior officers</b>	<b>289</b>	<b>341</b>

### 9.4 Related party transactions

Governor's Establishment is a wholly owned public sector entity that is controlled by of the State of Western Australia.

Related parties of the Governor's Establishment include:

- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities);
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

#### Material transactions with related parties

Outside of normal citizen type transactions with the Establishment, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

### 9.5 Related bodies

Governor's Establishment has no related bodies.

### 9.6 Affiliated bodies

Governor's Establishment has no affiliated bodies.

### 9.7 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2019	2018
	<b>\$000</b>	<b>\$000</b>
Auditing the accounts, financial statements, controls, and key performance indicators	14	14

## 9.8 Equity

	2019 \$000	2018 \$000
<b><u>Contributed equity</u></b>		
Balance at start of period	7,635	3,635
<i>Contributions by owners</i>		
Capital appropriation	2,022	4,000
<b>Total contributions by owners</b>	2,022	4,000
<b>Balance at end of period</b>	9,657	7,635
	<b>2019 \$000</b>	<b>2018 \$000</b>
<b><u>Asset revaluation surplus</u></b>		
Balance at start of period	26,486	27,764
<i>Net revaluation increments/(decrements)</i>		
Land	-	-
Buildings	(1,910)	(1,278)
Artworks	-	-
<b>Balance at end of period</b>	24,576	26,486

## 9.9 Supplementary financial information

**(a) Write-offs**

There were no items written off during the reporting period.

**(b) Losses through theft, defaults and other causes**

There were no items lost by the Department through thefts, defaults or other causes.

**(c) Gifts of public property by the Agency**

There were no gifts of public property made by the Department during the reporting period.



### 9.10 Explanatory statement

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for key major variances, which are generally greater than:

- 5% and \$109,000 for the Statements of Comprehensive Income and Cash Flows, and
- 5% and \$750,000 for the Statement of Financial Position.

#### 9.10.1 Statement of Comprehensive Income Variances

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actuals for 2019 and 2018 \$000
<b>Expenses</b>						
Employee benefits expense	1	3,956	4,170	4,005	214	165
Supplies and services	2,A	588	984	604	396	380
Depreciation and amortisation expense		405	428	454	23	(26)
Accommodation expense	B	425	528	373	103	155
Other expenses	3	193	41	30	(152)	11
<b>Total cost of services</b>		<b>5,567</b>	<b>6,151</b>	<b>5,466</b>	<b>584</b>	<b>685</b>
<b>Income</b>						
<b>Revenue</b>						
User charges and fees		127	79	131	(48)	(52)
<b>Total income other than income from State Government</b>		<b>127</b>	<b>79</b>	<b>131</b>	<b>(48)</b>	<b>(52)</b>
<b>NET COST OF SERVICES</b>		<b>5,440</b>	<b>6,072</b>	<b>5,335</b>	<b>632</b>	<b>737</b>
<b>Income from State Government</b>						
Service appropriation	4,C	5,461	5,755	5,356	294	399
Services received free of charge		30	7	4	(23)	3
<b>Total income from State Government</b>		<b>5,491</b>	<b>5,762</b>	<b>5,360</b>	<b>271</b>	<b>402</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>51</b>	<b>(310)</b>	<b>25</b>	<b>(361)</b>	<b>(335)</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
Changes in asset revaluation surplus		-	(1,910)	(1,279)	(1,910)	(631)
<b>Total other comprehensive income</b>		<b>-</b>	<b>(1,910)</b>	<b>(1,279)</b>	<b>(1,910)</b>	<b>(631)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>51</b>	<b>(2,220)</b>	<b>(1,254)</b>	<b>(2,271)</b>	<b>(966)</b>

#### Major Estimate and Actual (2019) Variance Narratives

- 1) The overspend in Employees benefit expense of \$214,000 (5%) is attributable to an increase in FTE's and the requirement to cover positions while employees took leave.
- 2) Supplies and services overspent by \$396,000 (67%) as the budget did not take into account additional international travel undertaken during the year and the replacement of aged furniture and fittings.
- 3) Other expenses decreased by \$152,000 (79%) due to differences in classification of expenses between budget and actuals. The difference moved to "Accommodation".
- 4) Service appropriation increased by \$294,000 (5%) to fund the requirement for additional FTE's, international travel and emergency repairs to several areas of the Domain.

#### Major Actual (2019) and Comparative (2018) Variance Narratives

- A) Supplies and services expense has increased by \$380,000 (63%) due to international travel undertaken during the year, the replacement of aged furniture and fittings and an increase in official hospitality.
- B) Accommodation expense has increased by \$155,000 (42%) as outstanding maintenance and refurbishment required for accommodation was carried out.
- C) The increase in service appropriation of \$399,000 (7%) is attributable to a CPI increase and additional funding provided for international travel and emergency repairs to several areas of the Domain.

## 9.10.2 Statement of Financial Position Variances

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate \$000	Variance between actual results \$000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents		434	377	384	(57)	(7)
Restricted cash and cash equivalents	D	-	-	3,157	-	(3,157)
Receivables		47	32	56	(15)	(24)
Other Current Assets		22	21	21	(1)	-
<b>Total Current Assets</b>		<b>503</b>	<b>430</b>	<b>3,618</b>	<b>(73)</b>	<b>(3,188)</b>
<b>Non-Current Assets</b>						
Restricted cash and cash equivalents		15	14	14	(1)	-
Amounts receivable for services		2,724	2,724	2,319	-	405
Property, plant and equipment	5, E	37,509	34,150	31,513	(3,359)	2,637
Intangibles		-	17	33	17	(16)
<b>Total Non-Current Assets</b>		<b>40,248</b>	<b>36,905</b>	<b>33,879</b>	<b>(3,343)</b>	<b>3,026</b>
<b>TOTAL ASSETS</b>		<b>40,751</b>	<b>37,335</b>	<b>37,497</b>	<b>(3,416)</b>	<b>(162)</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		54	124	78	70	46
Provisions		438	434	454	(4)	(20)
<b>Total Current Liabilities</b>		<b>492</b>	<b>558</b>	<b>532</b>	<b>66</b>	<b>26</b>
<b>Non-Current Liabilities</b>						
Provisions		71	81	71	10	10
<b>Total Non-Current Liabilities</b>		<b>71</b>	<b>81</b>	<b>71</b>	<b>10</b>	<b>10</b>
<b>TOTAL LIABILITIES</b>		<b>563</b>	<b>639</b>	<b>603</b>	<b>76</b>	<b>36</b>
<b>NET ASSETS</b>		<b>40,188</b>	<b>36,696</b>	<b>36,894</b>	<b>(3,492)</b>	<b>(198)</b>
<b>EQUITY</b>						
Contributed equity		9,535	9,657	7,635	122	2,022
Reserves		27,766	24,576	26,486	(3,190)	(1,910)
Accumulated surplus/(deficit)		2,887	2,463	2,773	(424)	(310)
<b>TOTAL EQUITY</b>		<b>40,188</b>	<b>36,696</b>	<b>36,894</b>	<b>(3,492)</b>	<b>(198)</b>

**Major Estimate and Actual (2019) Variance Narratives**

5) Property, plant and equipment is below budget by \$3.359 million (9%) due to the buildings valuation being overstated in budget by revaluations processed in prior and current year.

**Major Actual (2019) and Comparative (2018) Variance Narratives**

D) Restricted cash has decreased by \$3.157 million (100%) as it was expended in 2019 on the relevant capital expenditure commitments.

E) Property, plant and equipment has increased by \$2.6 million (8%) as the valuation of Government House increased in line with works completed on the roof and infrastructure.

## 9.10.3 Statement of Cash Flows Variances

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation	6,F	1,025	1,219	1,027	194	192
Special Acts	G	4,031	4,131	3,899	100	232
Capital appropriations	7,H	1,900	2,022	4,000	122	(1,978)
<b>Net cash provided by State Government</b>		<b>6,956</b>	<b>7,372</b>	<b>8,926</b>	<b>416</b>	<b>(1,554)</b>
Utilised as follows:						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits	8	(3,960)	(4,170)	(3,989)	(210)	(181)
Supplies and services	9,I	(553)	(933)	(570)	(380)	(363)
Accommodation expenses	J	(425)	(528)	(373)	(103)	(155)
GST payments on purchases	10,K	-	(631)	(211)	(631)	(420)
Other payments	11	(256)	(49)	(34)	207	(15)
Receipts						
User charges and fees		127	61	131	(66)	(70)
GST Receipts on sales		63	8	10	(55)	(2)
GST receipts from taxation authority	12,L	-	665	162	665	503
<b>Net cash provided by/(used in) operating activities</b>		<b>(5,004)</b>	<b>(5,577)</b>	<b>(4,874)</b>	<b>(573)</b>	<b>(703)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of non-current physical assets	13,M	(2,016)	(4,959)	(1,167)	(2,943)	(3,792)
<b>Net cash provided by/(used in) investing activities</b>		<b>(2,016)</b>	<b>(4,959)</b>	<b>(1,167)</b>	<b>(2,943)</b>	<b>(3,792)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Proceeds from borrowings		-	-	-	-	-
<b>Net cash provided by/(used in) financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		(64)	(3,164)	2,915	(3,100)	(6,079)
Cash and cash equivalents at the beginning of period		513	3,555	640	3,042	2,915
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>		<b>449</b>	<b>391</b>	<b>3,555</b>	<b>(58)</b>	<b>(3,164)</b>

**Major Estimate and Actual (2019) Variance Narratives**

6) Service appropriation increased by \$194,000 (19%) to fund international travel and emergency repairs to several areas of the Domain.

7) Capital appropriation increased by \$122,000 (6%) to pay for major maintenance on several areas of the house.

8) The overspend in Employees benefit expense of \$210,000 (5%) is attributable to an increase in FTE's and the requirement to cover positions while employees took leave.

9) Supplies and services overspent by \$380,000 (69%) as the budget did not take into account additional international travel undertaken during the year and the replacement of aged furniture and fittings.

- 10) GST payments on purchases are not predicted for budget due to uncertainty.
- 11) Other expenses decreased by \$207,000 (81%) due to differences in classification of expenses between budget and actuals. The difference moved to "Accommodation".
- 12) GST receipts from the taxation office were not predicted for budget due to uncertainty.
- 13) Purchase of non-current physical assets increased by \$2.943 million (146%) as major projects were completed at Government House.

**Major Actual (2019) and Comparative (2018) Variance Narratives**

- F) Service appropriation increased by \$192,000 (19%) to pay for international travel and emergency repairs.
- G) Special Acts increased by \$232,000 (6%) due to an increase of staffing levels during the year.
- H) Capital Appropriations rose by \$1.978 million to fund major capital works to Government House.
- I) Supplies and services expense has increased by \$363,000 (64%) due to international travel undertaken during the year, the replacement of aged furniture and fittings and an increase in official hospitality.
- J) Accommodation expense has increased by \$155,000 (42%) as outstanding maintenance and refurbishment required for accommodation was carried out.
- K) GST payments on purchases rose by \$420,000 (199%) due to large contracts for capital works.
- L) GST receipts from ATO rose by \$503,000 (310%) due to large contracts for capital works.
- M) Purchase of non-current physical assets increased by \$3.792 million (325%) as major projects were completed at Government House.



**KEY PERFORMANCE INDICATORS  
OF THE  
GOVERNOR'S ESTABLISHMENT**

**FOR THE YEAR ENDED  
30 JUNE 2019**

# GOVERNOR'S ESTABLISHMENT

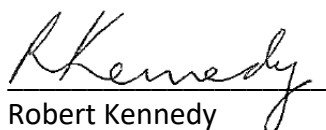
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## KEY PERFORMANCE INDICATORS

### Key Performance Indicators

#### Certification of Key Performance Indicators

I hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Governor's Establishment's performance, and fairly represent the performance of the Governor's Establishment for the financial year ended 30 June 2019.



Robert Kennedy  
Acting Accountable Authority  
Date: 28/08/2019

# KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2019

## Outcome

The Governor's Establishment is not part of the State public service or an agency of Government.

The Governor's Establishment's objectives are to ensure the office of the Governor, as representative of the Crown, receives appropriate support and the Domain is managed to a high standard as a significant heritage asset.

Outcome	Services
Office of the Governor receives appropriate support.	1. Administration of the Office of the Governor.
Management of the Establishment to a high standard and applying heritage principles.	2. Management of the Establishment.

## Key Effectiveness Indicators

This indicator is derived from a survey instrument provided to the Governor seeking feedback on the extent to which expectations are met by services provided by the department.

The survey indicates that resources have been applied, but are not limited to:

- Administrative support to the Office of the Governor
- Representational activities throughout Western Australia
- Management of official events and hospitality
- Provision of a secure, well maintained and presented Domain
- Promotion of sound heritage principles and practices.

The Governor is satisfied as to the achievement of outcomes 1 and 2.

## Key Efficiency Indicators

Two services directly support delivery of agency-level outcomes and the strategic goals.

### Service 1 – Administration of the Office of the Governor

- Administrative support to the Office of the Governor
- Representational activities throughout Western Australia
- Management of official events and hospitality

	2015 Actual (\$'000)	2016 Actual (\$'000)	2017 Actual (\$'000)	2018 Actual (\$000)	2019 Actual (\$000)	2019 Target (\$'000)	Variance to 2019 Target (\$000) (a)
Total cost of Service 1	798	1,312	1,359	1,705	1,869	1,616	<b>253 (16%)</b>

### Service 2 - Management of the Establishment

- Provision of a secure, well maintained and presented Domain
- Promotion of sound heritage principles and practices.

	2015 Actual (\$'000)	2016 Actual (\$'000)	2017 Actual (\$'000)	2018 Actual (\$'000)	2019 Actual (\$'000)	2019 Target (\$'000)	Variance to 2019 Target (\$000) (b)
Total cost of Service 2	3,785	3,885	4,121	3,754	4,282	3,951	<b>331 (8%)</b>

#### (a) Service 1 Variance to Target

Service 1 has increased by \$253,000 (16%) mainly due to several international trips undertaken during the financial year. The office has also invested in more media and communications services and consultancy in line with the strategic plan.

#### (b) Service 2 Variance to Target

Service 2 has increased by \$331,000 (8%) as Governor's Establishment invested in overdue upgrades and maintenance for several areas of the Domain and the replacement of aged equipment.