



GOVERNMENT HOUSE  
WESTERN AUSTRALIA

# ANNUAL REPORT 2019/20



**HON KATE DOUST, MLC**

President of the  
Legislative Council

**HON PETER WATSON, MLA**

Speaker of the  
Legislative Council

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 2020.

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

Yours sincerely,



**Deborah Hegarty**

Official Secretary

Accountable Officer Governor's Establishment

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# OFFICIAL SECRETARY'S YEAR IN REVIEW 2019-20

The 2019/20 financial year marked the second year of the Honourable Kim Beazley AC's term as the 33<sup>rd</sup> Governor of Western Australia.

Throughout the year, the Governor's Establishment continued to provide 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.

The Governor's official hospitality program increased by 80 per cent from the previous financial year, with 7150 guests welcomed to Government House. A large proportion of these functions were part of the Governor and Ms Annus' vision to increase the public use of Government House by and for the community, as a venue to acknowledge Western Australian excellence, innovation, and creativity, and to support community building and economic advancement.

As part of this increase in community engagement, the Establishment also launched a new website and Facebook page, a thought leadership series – 'Conversations at Government House', and a new schedule of house tours as part of our refreshed Community Access Program. Read more about our increased community outreach on page 26.

A major achievement in our community engagement space has been the launch of the Governor and Ms Annus' *Restart the Arts with Government House* initiative, which began in May. Borne out of the Governor's new priority to aid in the recovery of the West Australian arts and culture scene in a post COVID environment, the initiative is going from strength to strength. Read more on page 23.

## The Governor's program during COVID-19

I am particularly proud of the way the Establishment pivoted during the COVID-19 pandemic in Western Australia. The Governor's constitutional duties remained the highest priority, including ensuring the continuation of Executive Government. The Office closely liaised with the Department of Premier and Cabinet on this matter.

To ensure the safety of staff and guests, all non-essential events and engagements relating to the Governor's program and the Office of the Governor were cancelled or postponed during April and May. Where appropriate, staff worked from home and kept in touch with their teams through daily Zoom meetings.

The Governor was able to continue his community duties by connecting online and by telephone with his patronage and other State based organisations to receive briefings on their work and offer encouragement and support. The Governor also recorded more than 10 video messages for important community events, including ANZAC Day and WA Day, in lieu of normal scheduled speeches.

During this time, the Governor made at least five Zoom calls, video conferences and/or phone calls a week. The Governor also reached out to all regional development commissions during the pandemic to hear about activity and challenges, and to offer support and encouragement. These calls continue regularly today.

With daily sanitising of surfaces, we were able to keep our regular *Lunchtimes in the Grounds* opening hours running every Tuesday, Wednesday and Thursday between 12-2pm, with patrons encouraged to observe physical distancing. We are delighted that we could provide this escape for city workers and visitors to enjoy the heritage listed gardens during these difficult times.



## New priorities in a post-COVID environment

In the wake of the COVID-19 pandemic, the Governor and Ms Annus have identified four new priority areas which will shape the lens that older priorities are viewed through. These priorities are community and patronage engagement, utilisation of the House and Grounds, recovery efforts and increasing awareness of Western Australia's sovereign capabilities. See page 29 for more detail.

## Acknowledgements

In October I was delighted to commence in my role as the new Governor's Establishment Official Secretary. I thank Mr Robert Kennedy (then Executive Director, State Services, Department of Premier and Cabinet) who had been acting in the position since July, and before that Ms Carol Buckley AM LVO who retired in October after serving as Official Secretary since 2012.

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.

In November, the Honourable Chief Justice Peter Quinlan was sworn in as Western Australia's new Lieutenant Governor. I would particularly like to thank the Honourable Wayne Martin AC for his service as Lieutenant Governor of Western Australia during the Governor's term and since 2009. Both Mr Martin and Mr Quinlan acted as deputy of the Governor during the year and I thank them both for their time on these occasions.

The Governor's Establishment is pleased 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.

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.

A handwritten signature in dark ink, appearing to read 'Susie Annus', with a large, stylized flourish at the end.

**Official Secretary**

# OFFICE OF THE GOVERNOR

## VISION, PURPOSE AND VALUES

### Our vision

Promote and encourage community well-being through both the Governor's role and the enhanced utilisation of the House.

Facilitate relationships to benefit those impacted by COVID-19 within Western Australia, through strong communication and community engagement.

Showcase Western Australia for all its attributes, capabilities and achievements.

### Our purpose

Provide high level support to the Governor to fulfil his mission by providing exceptional and professional services to the Governor and his family.

Maintain Government House as a significant cultural heritage asset for the community of Western Australia.

### Our values

**Professionalism and Excellence** – we strive for excellence and distinction in all aspects of our work.

**Leadership** – we value the ability of leaders to motivate and guide their team/colleagues towards achieving the required outcomes.

**Outcomes-oriented** – we value achievements, results and action, empowering employees to carry projects through to completion.

**Respect** – we value, acknowledge and welcome the contributions of all staff, acting professionally with courtesy and consideration for others.

**Flexibility** – we continually adjust/review our resources and processes to be agile and responsive to support and meet the Governor's priorities.

**Innovation** – we value creative thinking and innovative approaches to our work.

**Integrity** – we conduct our business in an open, honest and ethical manner delivering the highest standards in everything we do.

**Teamwork** – we value and recognise the importance of collaboration to achieve results and utilise our respective skills.

**Skills and Development** – we value the skills/knowledge of our staff. We understand the role that professional development plays in enabling staff to provide exceptional service and support to the Governor.

## Objectives of the Establishment

- Provide a cost effective quality service to the Governor and the community.
- Support the Governor to perform the constitutional, ceremonial and civic duties of the appointment.
- Develop and maintain comprehensive briefing material to support the Governor's advocacy role.
- Facilitate a comprehensive program (calls, visits, functions) relevant to the Governor's priority areas.
- Manage, maintain and improve assets to preserve and protect heritage, and to enable and improve productivity.
- Increase awareness and understanding of the role of the Governor and significance of Government House through the website, media, social media and community engagement.
- Promote the importance of Government House as a cultural, heritage and community asset.

## Role of the Governor

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

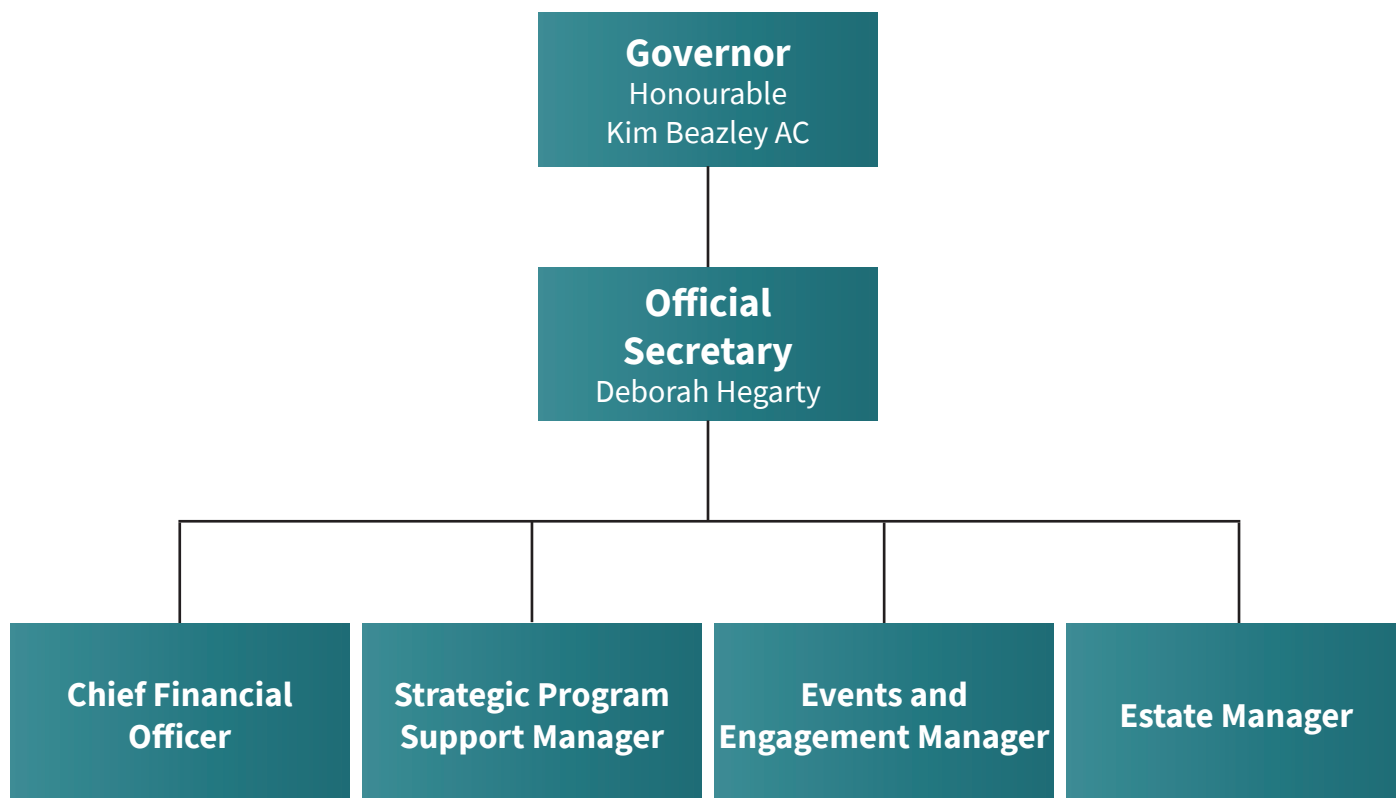
The Governor's role includes important constitutional functions, and in performing these functions the Governor is required to act in an entirely apolitical way. The Governor's powers and functions are set out in the Letters Patent, under which the Governor is appointed, and the *Constitution Act 1889*.

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.

## Organisational chart

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



## Senior Officers

### **Official Secretary - Deborah Hegarty**

Ensures the Establishment delivers its corporate objectives. Supports the Governor's strategic direction and ensures compliance. Has the delegated responsibility as employer.

### **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.

### **Strategic Program Support Manager - Kelly Prindiville**

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

### **Events and Engagement Manager - Tom Randolph**

Responsible for managing the delivery of all events, functions, ceremonies and domestic operations at Government House.

### **Estate 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.



## 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*.

# REPORT ON PERFORMANCE

This annual report is focused 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.

## 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 Act 1986*.

### The Governor carried out:

8

Special  
Executive  
Councils

26

Scheduled  
Executive  
Councils

36

Messages  
submitted to  
Parliament





# 14

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



Granted  
Royal Assent for

# 39

Bills

passed by  
Parliament



## 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:

3

Investiture Ceremonies  
(including one private)

For

689

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



Diane Smith-Gander appointed a  
Member of the Order of Australia (AM)



Order of Australia Medals



2019 Queens Birthday Honours



## 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:**

# 194

 Callers

(Including video calls during COVID-19, members of the Diplomatic, Consular Corps and other dignitaries during their official visits).



Christine Allen and Ron Regan, Council on the Ageing  
August 2019



Singapore High Commissioner  
October 2019



Prime Minister of the Solomon Islands  
November 2019



Greg Hebble, Foodbank CEO  
December 2019



Commissioner for Children and Young People  
February 2020



Prostate Cancer Foundation  
March 2020



Aunty Marie Taylor,  
Yelakitj Moort Nyungar Association  
June 2020



## 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:

36  
Official  
messages



120

Speeches  
delivered  
(including one  
panel discussion)



# 129

Functions  
attended



# 445

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:

138

Community  
organisations



Legacy  
September 2019



Leadership WA  
February 2020



Girls Academy  
February 2020



Variety WA  
June 2020



Men's Shed's of WA  
June 2020



## The Governor made the following visits into regional Western Australia

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.

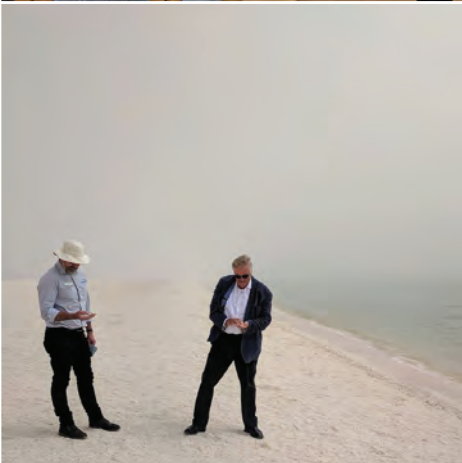
### Pilbara Karratha, Port Hedland and Roebourne July 2019



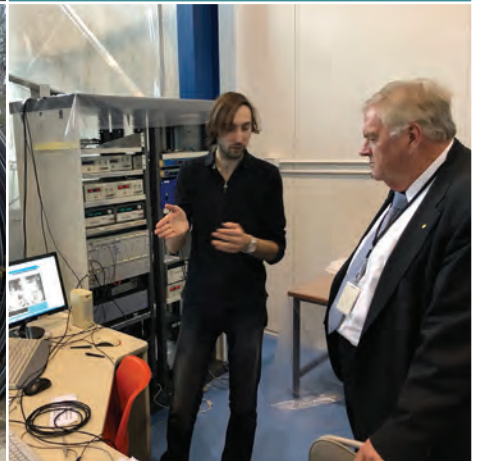




## Gascoyne Carnarvon and Shark Bay August 2019



## Wheatbelt Gingin August 2019







Wheatbelt  
New Norcia  
November 2019



Wheatbelt  
Kalannie  
December 2019

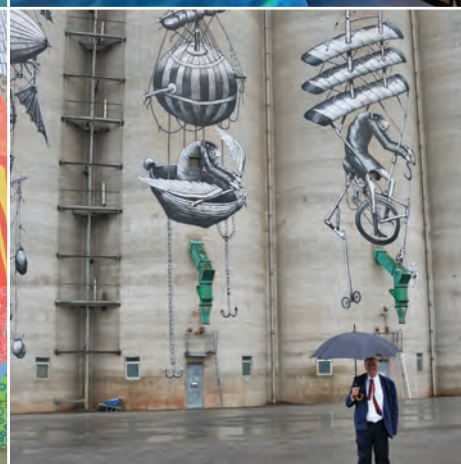
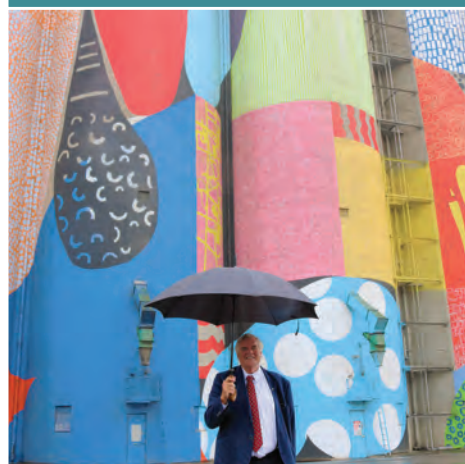






Wheatbelt  
Chittering  
June 2020

Wheatbelt  
Northam  
June 2020







# South West Collie June 2020





## Conversations at Government House

*Conversations at Government House* is an ongoing series to facilitate discussion on a range of topics of community importance.



The inaugural *Conversations at Government House* took place on Friday, 25<sup>th</sup> October 2019 in the Government House Ballroom with an arts and culture focus.

The forum welcomed revered stars of the screen and stage, Mr Nicholas Hammond and Ms Robyn Nevin to discuss the significance of telling Australian stories through artistic expression, and their distinguished careers in theatre, film and television.

Robyn Nevin is an Australian actress and director with a long standing association with the Sydney Theatre Company and currently stars in the ABC series *Upper Middle Bogan*. Nicholas Hammond is an American-Australian actor and writer who is best known for his role as Friedrich von Trapp in the film *The Sound of Music* and has just recently returned from filming Quentin Tarantino's latest film *Once Upon A Time In Hollywood*.

In May 2020, the Governor sat down with Emeritus Professor Colleen Hayward AM to discuss Whadjuk place names and meanings around the Perth CBD, the journey to reconciliation and how new perspectives can be drawn from our experience with the COVID-19 pandemic.



Recordings and more information are available on our website.

## Restart the Arts

Assisting in Western Australia's social and economic recovery from COVID-19, and using the House and Grounds to do this, has been one of the Governor's key priority areas in the last few months.

As part of this, the Governor and Ms Annus launched *Restart the Arts with Government House* in May – a new initiative to support local artists and associated creative industries affected by COVID-19.

The initiative has seen the Ballroom made available to local professional artists and arts organisations who have lost rehearsal space or income due to COVID-19 as a venue to perform, record, rehearse and stream – in line with physical distancing protocols.

From May to the year ended June 30 2020, a variety of performances were conducted as part of this initiative, including the recording of live classical and jazz performances by leading Perth musicians for a 'Perth Satellite Nights' segment. The segment was streamed on the Melbourne Digital Concert Hall platform and supported by the Government House Foundation.

Government House Foundation Artistic Director Fiona Campbell said the opportunity to utilise the Ballroom for the Perth Satellite Nights was vital for the local arts community,

*"We have been so lucky here in WA to miss the worst of the COVID crisis in many ways, but for my industry – musicians and the live performance sector – it has been, and continues to be, devastating," she said.*

*"The generosity of the Governor and Ms Annus to offer the Ballroom in this way has literally been a life saver. Their 'Restart the Arts' initiative has given tremendous practical and moral support to artists and arts organisations over many months now.*

*To witness artists and audiences literally in tears experiencing the joy of live music again after months of zilch, has been enough to restart many hearts and minds. The gift they have given to artists and the city is immeasurable."*



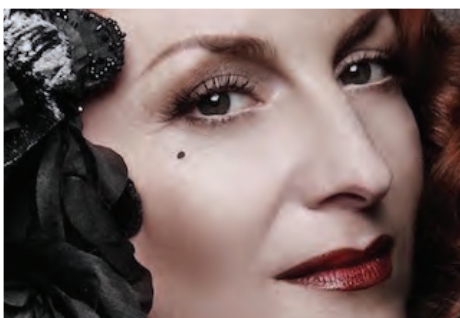
Restart the Arts with Government House continues today and has been a highly successful program with positive reviews from local, State and national media and our artistic community.

Visit our website for more details on this exciting program of events.

### May 2020 - Perth Satellite Nights



Ashley Smith and Gladys Chua performed in the Ballroom on 13th May with their show – "Clarinet at the Opera"



Ali Bodycoat and Adrian Galante performed songs by greats including Barbra Streisand, Judy Garland and Frank Sinatra in the Ballroom on 20th May.



Internationally renowned Australian Tenor Paul O'Neill, stunning Soprano Naomi Johns and acclaimed accompanist Tommaso Pollio performed a wonderful array of thrilling operatic arias and popular songs from the Ballroom on 13th 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."

The Governor hosted:

# 211

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:

# 7,150

Guests





## Promotion and interpretation of the Domain

The Governor and Ms Annus are dedicated to enhancing the promotion and interpretation of the Government House as a significant heritage place, and strive 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:

91 Guests  
were welcomed to  
Government House for

2 House tours

\*Conservation works and COVID-19  
saw the temporary suspension of tours

6 Schools  
visited Government House with

210 Students

47 Events  
were held in the Ballroom, for

12,560  
Attendees

19,244

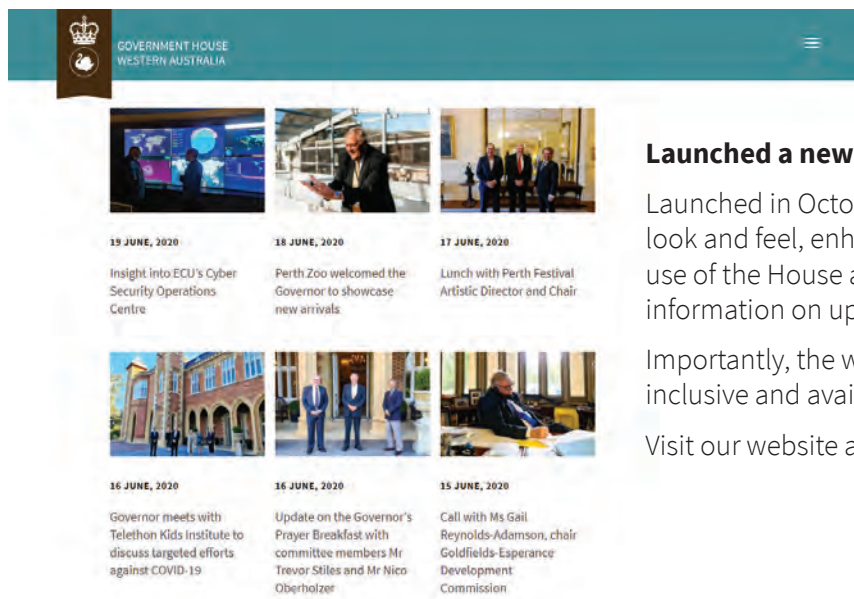
People were welcomed to Government House during regular garden openings at lunchtimes, garden functions and wedding photography



## Communications strategy

Clearly articulating and building a better community understanding of the contemporary significance of the Governor's role, the cultural and heritage significance of the Government House Domain and the priorities of the Governor continues to be a driving vision behind all of our communications.

This financial year, we completed the following items to further achieve this vision:



### Launched a new website

Launched in October, our new website features a contemporary look and feel, enhanced homepage display, new content on the use of the House and Grounds, as well as a section to display information on upcoming public events.

Importantly, the website was built to ensure its content is inclusive and available to the widest possible audience.

Visit our website at [www.govhouse.wa.gov.au](http://www.govhouse.wa.gov.au)

### Continued livestreaming Investiture Ceremonies

The Establishment first started livestreaming Investiture Ceremonies in April 2019 and following positive viewer statistics and feedback we were delighted to continue this offering in the 2019/20 financial year.

Our primary goal of livestreaming is to enable friends and family of award recipients living regionally, interstate or internationally to be a part of the ceremony. We also hope the livestreams will help promote the importance of the Australian Honours System to the broader community.

**LIVE STREAM**  
Recordings of the September Investiture Ceremonies received  
**475 PLAYS**

### Launched Facebook

To expand our communications reach and growing social media community on Twitter, we launched a Facebook page to showcase highlights from the Governor's program and news from Government House, including upcoming public events.

News and events from the Governor's Patronage organisations feature regularly, highlighting the important work these organisations carry out in our community.

The page was launched on the eve of ANZAC Day (24th April), featuring a video message from the Governor encouraging the public to participate in the RSL WA's Driveway Dawn Service campaign.

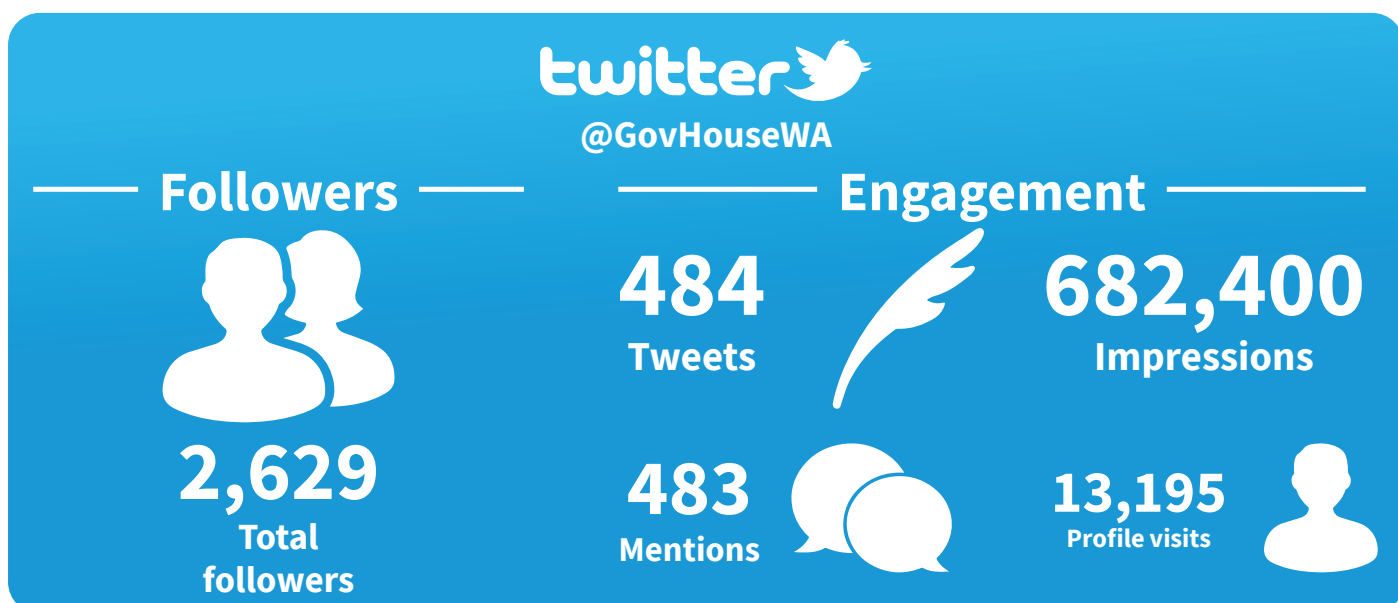
Since launch, we have organically grown our audience to 605 page likes (correct at time of print) (+ 600 followers) by publishing visual posts with unique content almost daily.





## Digital snapshot

\*These statistics are representative of 2019/20 financial year



## 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 2019-20:

#### Ballroom works

- Government House Ballroom landscaping - supper room external entertainment area.
- Semi-formal space incorporating extended paving, lighting, low walls and a music podium.

#### Renovation of the Cottage

- Cottage re-wiring and all non-compliant RCD replaced
- Remove vinyl in bathroom/toilet
- Paint internal walls and ceilings.

### 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.



### Staff arrangements



### 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 2019/20:



*\*Defensive Driver Training and First Aid and Refresher Training was scheduled for April but cancelled due to COVID. First Aid Training has been re-scheduled to September 2020 however Defensive Driver Training has not yet re-commenced.*

# OUTLOOK 2020/21 AND BEYOND

## Delivering on the Governor's priorities

After he was sworn-in as the State's 33<sup>rd</sup> Governor in May 2018, the Honourable Kim Beazley AC announced the following priority areas:

- Industry; Minerals and Energy, Agriculture and Fisheries.
- Furthering understanding and promoting the well-being of our Aboriginal populations.
- Advocating for the State as a rich and vibrant arts, cultural, educational and tourism destination.
- WA's health system and medical research.
- Education; STEAM and international engagement.
- Western Australia's achievements in technology and development; particularly in the defence and space industries.

The COVID-19 pandemic has now dramatically altered the environment in which we operate. COVID-19 has had a significant impact on Western Australia, the nation and the world more broadly.

Through working collectively and being proactive and innovative in our work, the Governor's Establishment can become an effective arm of the State's recovery.

The Governor's priorities are now underpinned by an overarching vision post-COVID, with particular emphasis to be placed on the following areas:

- Ongoing communication and engagement with Patronages and community organisations directly impacted by COVID-19.
- Contribution to, and encouragement of, community well-being and reassurance through the enhanced utilisation of Government House and the Grounds.
- The monitoring and support of social and economic recovery efforts within Western Australia.
- Contribution to the promotion and enhanced awareness of Western Australia's domestic capabilities.

The Establishment looks forward to continuing to support the Governor to fulfil his key priorities, as outlined above.

## Community engagement

The Establishment will continue to develop and implement its strategy to clearly articulate and build a better community understanding of the contemporary significance of the Governor's role, his priorities 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.

## Management of the Domain

The Governor's Establishment will continue to implement programs listed in its Conservation 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.

# GOVERNOR'S ESTABLISHMENT

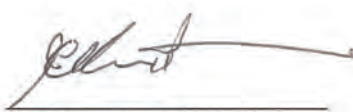
## Cetification of Financial Statements for the Year Ending 30 June 2020

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 2020 and the financial position as at 30 June 2020.

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.



Roselyn Hamilton  
Acting Official Secretary  
Date: 02/10/2020



Jeff Kingston  
Acting Chief Financial Officer  
Date: 02/10/2020





## 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 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Summary of Consolidated Account Appropriations for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information, including administered transactions and balances.

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 2020 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 Responsibility 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 entity'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 entity.

##### **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.



A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of my auditor's report.

## **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 entity 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 2020.

### **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 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 non-compliance 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 2020. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and 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 Agency's performance and fairly represent indicated performance for the year ended 30 June 2020.

### **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 entity 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 entity'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 2020 included on the entity's website. The entity's management is responsible for the integrity of the entity's website. This audit does not provide assurance on the integrity of the entity'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 contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.



CAROLINE SPENCER  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
5 October 2020



# FINANCIAL STATEMENTS

## Governor's Establishment Statement of comprehensive income

For the year ended 30 June 2020

	Note	2020 \$000	2019 \$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	2.1(a)	4,367	4,170
Finance costs	6.2	3	-
Supplies and services	2.2	777	984
Depreciation expense	4.1.1, 4.2, 4.3.1	448	428
Accommodation expenses	2.3	343	528
Other expenses	2.3	54	42
<b>Total cost of services</b>		<b>5,992</b>	<b>6,152</b>
<b>Income</b>			
<i>Revenue</i>			
User charges and fees	3.2	93	79
Other revenue	3.2	108	-
<b>Total income other than income from State Government</b>		<b>201</b>	<b>79</b>
<b>NET COST OF SERVICES</b>		<b>5,791</b>	<b>6,073</b>
<b>Income from State Government</b>			
Service appropriation	3.1	6,034	5,755
Services received free of charge	3.1	4	7
<b>Total income from State Government</b>		<b>6,038</b>	<b>5,762</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>247</b>	<b>(311)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation surplus		(919)	(1,909)
Gains/losses recognised directly in equity		-	-
<b>Total other comprehensive income</b>		<b>(919)</b>	<b>(1,909)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(672)</b>	<b>(2,220)</b>

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 2020

	Note	2020 \$000	2019 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6.3	387	377
Restricted cash and cash equivalents	6.3	-	-
Receivables	5.1	9	32
Other Current Assets	5.3	55	22
<b>Total Current Assets</b>		<b>451</b>	<b>431</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	6.3	46	14
Amounts receivable for services	5.2	3,311	2,724
Property, plant and equipment	4.1	33,021	34,149
Intangibles	4.2	1	17
Right-of-use assets	4.3	96	-
<b>Total Non-Current Assets</b>		<b>36,475</b>	<b>36,904</b>
<b>TOTAL ASSETS</b>		<b>36,926</b>	<b>37,335</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	5.4	82	124
Provisions	2.1(b)	411	434
Lease liabilities	6.1	30	-
Other current liabilities	5.5	3	-
<b>Total Current Liabilities</b>		<b>526</b>	<b>558</b>
<b>Non-Current Liabilities</b>			
Provisions	2.1(b)	114	81
Lease liabilities	6.1	70	-
<b>Total Non-Current Liabilities</b>		<b>184</b>	<b>81</b>
<b>TOTAL LIABILITIES</b>		<b>710</b>	<b>639</b>
<b>NET ASSETS</b>		<b>36,216</b>	<b>36,696</b>
<b>EQUITY</b>			
Contributed equity	8.7	9,849	9,657
Reserves	8.7	23,658	24,577
Accumulated surplus/(deficit)		2,709	2,462
<b>TOTAL EQUITY</b>		<b>36,216</b>	<b>36,696</b>

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 2020

	Note	Contributed equity \$'000	Reserves \$'000	Accumulated surplus/ (deficit) \$'000	Total equity \$'000
<b>Balance at 1 July 2018</b>		<b>7,635</b>	<b>26,486</b>	<b>2,773</b>	<b>36,894</b>
Surplus/(defecit)		-	-	(311)	(311)
Other comprehensive income	8.7	-	(1,909)	-	(1,909)
Total comprehensive income for the year		-	(1,909)	(311)	(2,220)
Transactions with owners in their capacity as owners:	8.7				
Capital appropriations		2,022	-	-	2,022
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		2,022	-	-	2,022
<b>Balance at 30 June 2019</b>		<b>9,657</b>	<b>24,577</b>	<b>2,462</b>	<b>36,696</b>
<b>Balance at 1 July 2019</b>		<b>9,657</b>	<b>24,577</b>	<b>2,462</b>	<b>36,696</b>
Surplus/(defecit)		-	-	247	247
Other comprehensive income	8.7	-	(919)	-	(919)
Total comprehensive income for the year		-	(919)	247	(672)
Transactions with owners in their capacity as owners:					
Capital appropriations		192	-	-	192
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		192	-	-	192
<b>Balance at 30 June 2020</b>		<b>9,849</b>	<b>23,658</b>	<b>2,709</b>	<b>36,216</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 2020

	Note	2020 \$000	2019 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		1,007	1,219
Special Acts		4,440	4,131
Capital appropriations		192	2,022
Holding account drawdowns		-	-
<b>Net cash provided by State Government</b>		<b>5,639</b>	<b>7,372</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(4,324)	(4,170)
Finance costs		(3)	-
Supplies and services		(877)	(940)
Accommodation expenses		(343)	(528)
GST payments on purchases		(140)	(631)
Other payments		(50)	(42)
<b>Receipts</b>			
User charges and fees		113	61
GST Receipts on sales		18	8
GST receipts from taxation authority		124	665
Other Receipts		112	-
<b>Net cash provided by/(used in) operating activities</b>		<b>(5,370)</b>	<b>(5,577)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current physical assets		(203)	(4,959)
<b>Net cash provided by/(used in) investing activities</b>		<b>(203)</b>	<b>(4,959)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Payments</b>			
Principle elements of lease		(24)	-
<b>Net cash provided by/(used in) financing activities</b>		<b>(24)</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents		42	(3,164)
Cash and cash equivalents at the beginning of period		391	3,555
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	6.3	<b>433</b>	<b>391</b>

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



## Governor's Establishment

### Summary of consolidated account appropriations

For the year ended 30 June 2020

	2020 Estimate \$000	2020 Supplementary Funding \$000	Revised Budget \$000	2020 Actual \$000	2020 Variance \$000
<u>Delivery of services</u>					
Item 7 Net amount appropriated to deliver services	1,594	-	1,594	1,594	-
Amounts authorised by other statutes					
- <i>Salaries and Allowances Act 1975</i>	575	-	575	575	-
- <i>Governor's Establishment Act 1992</i>	3,865	-	3,865	3,865	-
<b>Total appropriations provided to deliver services</b>	<b>6,034</b>	<b>-</b>	<b>6,034</b>	<b>6,034</b>	<b>-</b>
<u>Capital</u>					
Item 95 Capital Appropriation	15	177	192	192	-
<b>GRAND TOTAL</b>	<b>15</b>	<b>177</b>	<b>192</b>	<b>192</b>	<b>-</b>

## Notes to the Financial Statements

### 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 04 August 2020.

#### 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. Use of our funding

### 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	2020 \$000	2019 \$000
Employee benefits expense	2.1(a)	4,367	4,170
Employee related provisions	2.1(b)	525	515
Supplies and services	2.2	777	984
Other expenditure	2.3	397	569

### 2.1(a) Employee benefits expense

	2020 \$000	2019 \$000
Employee benefits	3,928	3,765
Superannuation - defined contribution plans	364	370
Other employee expenses	75	35
<b>Total employee benefits expense</b>	<b>4,367</b>	<b>4,170</b>
Add: AASB 16 Non-monetary benefits	8	-
Less: Employee contributions	-	-
<b>Net employee benefits expense</b>	<b>4,375</b>	<b>4,170</b>

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

**Employee Benefits:** Include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, profit-sharing and bonuses; and nonmonetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for employees.

**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.

**AASB 16 Non-monetary benefits:** Non-monetary employee benefits, that are employee benefits expenses, predominantly relate to the provision of Vehicle benefits measured at the cost incurred by the agency.

## 2.1(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.

	2020 \$000	2019 \$000
<b>Current</b>		
<u>Employee benefits provisions</u>		
Annual leave(a)	140	97
Long service leave(b)	240	306
<u>Other provisions</u>		
Employment on-costs(c)	31	31
<b>Total current employee related provisions</b>	<b>411</b>	<b>434</b>
<b>Non-Current</b>		
<u>Employee benefits provisions</u>		
Long service leave(b)	102	73
<u>Other provisions</u>		
Employment on-costs(c)	12	8
<b>Total non-current employee related provisions</b>	<b>114</b>	<b>81</b>
<b>Total employee related provisions</b>	<b>525</b>	<b>515</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 expenditure, 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'.

	2020	2019
	\$000	\$000
<b><u>Employment on-costs provision</u></b>		
Carrying Amount at start of year	40	41
Additional provisions recognised	3	(1)
Payment/other sacrifices of economic benefits	-	-
<b>Carrying amount at end of year</b>	<b>43</b>	<b>40</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.

## 2.2 Supplies and services

	2020	2019
	\$000	\$000
<b>Supplies and services</b>		
Communications	43	36
Consultants and Contractors	223	298
Consumables	202	301
Materials	-	-
Vehicle lease and hire	1	2
Minor plant, machinery and equipment	52	60
Plant, machinery and equipment lease	32	12
Equipment repairs and maintenance	41	71
Software Licences, fees & registration	85	1
Other staff related expenses	13	17
Travel	28	125
Insurance costs	48	47
Other Supplies & Services	9	14
	<b>777</b>	<b>984</b>

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

## 2.3 Other expenditure

	2020	2019
	\$000	\$000
<b>Accommodation expenses</b>		
Repairs & Maintenance	177	364
Power and water consumption	121	105
Security	-	-
Rates and taxes	2	2
Cleaning	43	57
<b>Total accommodation expenses</b>	<b>343</b>	<b>528</b>
<b>Other expenses</b>		
Audit fees	14	14
Bad and Doubtful debts expense	-	-
Impairment losses	-	-
Other operating expense	40	28
<b>Total other expenses</b>	<b>54</b>	<b>42</b>
<b>Total other expenditure</b>	<b>397</b>	<b>570</b>

**Accommodation expenses** are recognised as expenses as incurred.

**Other operating expenses** generally represent the day-to-day running costs incurred in normal operations



### 3. Our funding sources

#### How we obtain our 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:

	Notes	2020 \$000	2019 \$000
Income from State Government	3.1	6,038	5,762
User charges and fees	3.2	201	79

#### 3.1 Income from State Government

	2020 \$000	2019 \$000
Appropriation received during the period:		
Service appropriation	6,034	5,755
	6,034	5,755
Services received free of charge from other State Government agencies during the period		
Parliamentary Services Department	4	7
<b>Total services received</b>	4	7
<b>Total Income from State Government</b>	6,038	5,762

**Service Appropriations** are recognised as income at the fair value of consideration received in the period in which the Agency gains control of the appropriated funds. The Agency 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).

#### 3.2 User charges and fees

	2020 \$000	2019 \$000
Ballroom Hire	93	79
Other Income	108	-
	201	79

Until 30 June 2019, revenue was recognised and measured at the fair value of consideration received or receivable.

From 1 July 2019, revenue is recognised at the transaction price when the Agency transfers control of the services to customers. Revenue is recognised for the major activities as follows:

Revenue is recognised at a point-in-time for Ballroom hire. The performance obligations for these user fees and charges are satisfied when services have been provided.

## 4. 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	2020 \$000	2019 \$000
Property, plant and equipment	4.1	33,021	34,149
Right-of-use assets	4.2	96	-
Intangible assets	4.3	1	17
<b>Total key assets</b>		<b>33,118</b>	<b>34,166</b>

### 4.1 Property, plant and equipment

Year ended 30 June 2020	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 2019</b>								
Gross carrying amount	234	32,615	468	326	570	866	-	35,079
Accumulated impairment losses	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	(416)	(303)	(211)	-	-	(930)
<b>Carrying amount at start of period</b>	<b>234</b>	<b>32,615</b>	<b>52</b>	<b>23</b>	<b>359</b>	<b>866</b>	<b>-</b>	<b>34,149</b>
Additions	-	186	-	11	6	-	-	203
Transfers	-	-	-	-	-	-	-	-
Other disposals	-	-	-	-	-	(8)	-	(8)
Capital items expensed	-	-	-	-	-	-	-	-
Revaluation increments	-	(919)	-	-	-	-	-	(919)
Impairment losses	-	-	-	-	-	-	-	-
Impairment losses reversed	-	-	-	-	-	-	-	-
Depreciation	-	(327)	(21)	(17)	(40)	-	-	(405)
<b>Carrying amount as at 30 June 2020</b>	<b>234</b>	<b>31,555</b>	<b>31</b>	<b>18</b>	<b>326</b>	<b>858</b>	<b>-</b>	<b>33,021</b>
Gross carrying amount	234	31,555	468	337	577	858	-	34,029
Accumulated depreciation	-	-	(438)	(319)	(250)	-	-	(1,008)
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.

(b) Recognised in the Statement of Comprehensive Income. Where an asset measured at cost is written-down to recoverable amount, an impairment loss is recognised in profit or loss. Where a previously revalued asset is written down to recoverable amount, the loss is recognised as a revaluation decrement in other comprehensive income.

### 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 2019 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2020 and recognised at 30 June 2020. In undertaking the revaluation, fair value was determined by reference to market values for land: \$234,000 (2019: \$234,000) and buildings: \$31,554,500 (2019: \$32,614,700). 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.

#### 4.1.1 Depreciation and impairment charge for period

	2020 \$000	2019 \$000
<u>Depreciation</u>		
Plant and equipment	77	89
Buildings	327	323
<b>Total depreciation for the period</b>	<b>404</b>	<b>412</b>

As at 30 June 2020, there were no indications of impairment to property, plant and equipment or infrastructure.

#### 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.

## 4.2 Right-of-use assets

	2020 \$000	2019 \$000
Right-of-use assets		
Vehicles	96	-
<b>Net carrying amount at 30 June 2020</b>	<b>96</b>	<b>-</b>

Additions to right-of-use assets during the 2020 financial year were \$52,000.

### Initial recognition

Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received, and
- any initial direct costs

The agency has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

### Subsequent measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

### Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in note 4.1.1.

The following amounts relating to leases have been recognised in the statement of comprehensive income:

	2020 \$000	2019 \$000
Vehicles	27	-
<b>Total right-of-use asset depreciation</b>	<b>27</b>	<b>-</b>
Lease interest expense	3	-

The total cash outflow for leases in 2020 was \$30,000.

### *The Agency's leasing activities and how these are accounted for:*

The Agency has leases for vehicles.

Up to 30 June 2019, the Agency classified leases as either finance leases or operating leases. From 1 July 2019, at 1 July 2019, the Agency recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in note 6.2.

### 4.3 Intangible assets

#### Year Ended 30 June 2020

##### 1 July 2019

	Licenses \$000	Total \$000
Gross carrying amount	49	-
Accumulated amortisation	(32)	-
<b>Carrying amount at start of period</b>	<b>17</b>	<b>17</b>
Additions	-	-
Impairment losses	-	-
Amortisation expense	(16)	-
<b>Carrying amount at 30 June 2020</b>	<b>1</b>	<b>1</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.

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

	2020 \$000	2019 \$000
Licenses	16	16
<b>Total amortisation for the period</b>	<b>16</b>	<b>16</b>

As at 30 June 2020 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 4.1.1.

## 5. 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	2020 \$000	2019 \$000
Receivables	5.1	9	32
Amounts receivable for Services	5.2	3,311	2,724
Other assets	5.3	55	21
Payables	5.4	82	124
Other liabilities	5.5	3	-

### 5.1 Receivables

	2020 \$000	2019 \$000
<b>Current</b>		
Venue Hire	1	21
Sundry receivables	1	1
GST receivables	7	10
<b>Total current</b>	<u>9</u>	<u>32</u>

### 5.2 Amounts receivable for services

	2020 \$000	2019 \$000
Current	-	-
Non-current	3,311	2,724
<b>Balance at end of period</b>	<u><b>3,311</b></u>	<u><b>2,724</b></u>

**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).

### 5.3 Other assets

	2020 \$000	2019 \$000
<b>Current</b>		
Prepayments	55	21
<b>Total current</b>	<b>55</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.

### 5.4 Payables

	2020 \$000	2019 \$000
<b>Current</b>		
Trade payables	10	44
Accrued expenses	18	55
Accrued salaries	54	25
<b>Total current</b>	<b>82</b>	<b>124</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 6.3 '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.

### 5.5 Other liabilities

	2020 \$000	2019 \$000
<b>Current</b>		
Income received in advance	3	-
<b>Total current</b>	<b>3</b>	<b>-</b>

Income received in advance relates to deposits received for hire of the ballroom for future dates.

## 6. Financing

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

	Notes
Lease liabilities	6.1
Finance costs	6.2
Cash and cash equivalents	6.3

### 6.1 Lease liabilities

	2020 \$000	2019 \$000
Current	30	-
Non-current	70	-
	<b>(100)</b>	<b>-</b>

Governor's Establishment measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Agency uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Agency as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options (where these are reasonably certain to be exercised);
- Payments for penalties for terminating a lease, where the lease term reflects the agency exercising an option to terminate the lease.

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Periods covered by extension or termination options are only included in the lease term by the Agency if the lease is reasonably certain to be extended (or not terminated).

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by the Agency in profit or loss in the period in which the condition that triggers those payments occurs

This section should be read in conjunction with note 4.2.



## Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications

### 6.2 Finance costs

	2020	2019
	\$000	\$000
Lease interest expense	3	-
	<b>3</b>	<b>-</b>

'Finance cost' includes the interest component of lease liability repayments.

### 6.3 Cash and cash equivalents

	2020	2019
	\$000	\$000
Cash and cash equivalents	387	377
Restricted cash and cash equivalents		
- Accrued salaries suspense account	46	14
<b>Balance at end of period</b>	<b>433</b>	<b>391</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. Financial instruments and Contingencies

	Notes
Financial instruments	7.1
Contingent assets and liabilities	7.2

### 7.1 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:

	2020	2019
	\$000	\$000
<u>Financial assets</u>		
Cash and cash equivalents	387	377
Restricted cash and cash equivalents	46	14
Receivables(a)	9	32
<b>Total financial assets</b>	<b>442</b>	<b>423</b>
Financial liabilities	82	124
<b>Total financial liability</b>	<b>82</b>	<b>124</b>

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

## 7.2 Contingent assets and liabilities

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

## 8. Other Disclosures

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

	Notes
Initial application of Australian Accounting Standards	8.1
Key management personnel	8.2
Related party transactions	8.3
Related bodies	8.4
Affiliated bodies	8.5
Remuneration of auditors	8.6
Equity	8.7
Supplementary financial information	8.8
Explanatory statement	8.9

### 8.1 Initial application of Australian Accounting Standards

#### (a) AASB 15 Revenue from Contract with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 Revenue from Contracts with Customers replaces AASB 118 Revenue and AASB 111 Construction Contracts for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service to a customer and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue when or as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, income other than from contracts with customers are subject to AASB 1058 Income of Not-for-Profit Entities. Income recognition under AASB 1058 depends on whether such a transaction gives rise to liabilities or a contribution by owners related to an asset (such as cash or another asset) recognised by the Agency

The agency adopts the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information is restated under this approach, and the agency recognises the cumulative effect of initially applying the Standards as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 July 2019).

Under this transition method, the Agency elects to not to apply the standards retrospectively to non-completed contracts at the date of initial application.

Refer to Note 3.1 and 3.2 for the revenue and income accounting policies adopted from 1 July 2019.

There were no changes to the Agency's balances as a result of adopting AASB 15 and AASB 1058.

#### **(b) AASB 16 Leases**

AASB 16 Leases supersedes AASB 117 Leases and related Interpretations. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

The Agency applies AASB 16 Leases from 1 July 2019 using the modified retrospective approach. As permitted under the specific transition provisions, comparatives are not restated. The cumulative effect of initially applying this Standard is recognised as an adjustment to the opening balance of accumulated surplus/(deficit).

The main changes introduced by this Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as right-of-use assets and lease liabilities, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (where the underlying asset is valued less than \$5,000). The operating lease and finance lease distinction for lessees no longer exists.

Under AASB 16, the Agency takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

- a) right of use assets and lease liabilities in the Statement of Financial Position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate (2.5%) on 1 July 2019;
- b) depreciation of right-of-use assets and interest on lease liabilities in the Statement of Comprehensive Income; and
- c) the total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from operating activities, in the Statement of Cash Flows.

In relation to leased vehicles that were previously classified as finance leases, their carrying amount before transition is used as the carrying amount of the right-of-use assets and the lease liabilities as of 1 July 2019.



The Agency measures concessionary leases that are of low value terms and conditions at cost at inception. There is no financial impact as the Agency is not in possession of any concessionary leases at the date of transition.

The right-of-use assets are assessed for impairment at the date of transition and the Agency has not identified any impairments to its right-of-use assets.

On transition, the agency has elected to apply the following practical expedients in the assessment of their leases that were previously classified as operating leases under AASB 117:

(a) A single discount rate has been applied to a portfolio of leases with reasonably similar characteristics;

(b) The Agency has relied on its assessment of whether existing leases were onerous in applying AASB 137 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review. The Agency has adjusted the ROU asset at 1 July 2019 by the amount of any provisions included for onerous leases recognised in the statement of financial position at 30 June 2019;

(c) Where the lease term at initial application ended within 12 months, the Agency has accounted for these as short-term leases;

(d) Initial direct costs have been excluded from the measurement of the right-of-use asset;

(e) Hindsight has been used to determine if the contracts contained options to extend or terminate the lease.

The agency has not reassessed whether existing contracts are, or contained a lease at 1 July 2019. The requirements of paragraphs 9-11 of AASB 16 are applied to contracts that came into existence post 1 July 2019.

#### **a. Measurement of lease liabilities**

Operating Lease Commitments disclosed as at 30 June 2019	83,000
Discounted using incremental borrowing rate at date of initial application <sup>1</sup>	71,979
<i>Add:</i>	
Finance lease liabilities recognised as at 30 June 2019	-
<i>Less:</i>	
Short-term leases not recognised as liability	-
Low value leases not recognised as liability	-
<b>Lease liability recognised at 1 July 2019</b>	<b>71,979</b>
Current lease liabilities	19,258
Non-current lease liabilities	52,721

<sup>1</sup> The WATC incremental borrowing rate was used for the purposes of calculating the lease transition opening balance.

## 8.2 Key management personnel

Governor's Establishment has determined key management personnel to include 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 (\$)	2020	2019
280,001 - 290,000	-	1
210,001 - 220,000	1	1
200,001 - 210,000	1	-
190,001 - 200,000	1	1
180,001 - 190,000	1	-
150,001 - 160,000	-	1
120,001 - 130,000	-	1
100,001 - 110,000	1	-
90,001 - 100,000	1	-
80,001 - 90,000	1	-
70,001 - 80,000	-	1
	<b>2020</b>	<b>2019</b>
	<b>\$000</b>	<b>\$000</b>
<b>Total compensation of senior officers</b>	<b>1,083</b>	<b>1,040</b>

Total compensation includes the superannuation expense incurred by Governor's Establishment in respect to senior officers.

Two senior officers left during the financial year and the positions were subsequently re-appointed.

## 8.3 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.

#### 8.4 Related bodies

Governor's Establishment has no related bodies.

#### 8.5 Affiliated bodies

Governor's Establishment has no affiliated bodies.

#### 8.6 Remuneration of auditors

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

	2020 \$000	2019 \$000
Auditing the accounts, financial statements, controls, and key performance indicators	14	14

#### 8.7 Equity

	2020 \$000	2019 \$000
<b><u>Contributed equity</u></b>		
Balance at start of period	(9,657)	(3,635)
<i>Contributions by owners</i>	-	-
Capital appropriation	(192)	(6,022)
<b>Total contributions by owners</b>	(192)	(6,022)
<b>Balance at end of period</b>	(9,849)	(9,657)
	<b>2020 \$000</b>	<b>2019 \$000</b>
<b><u>Asset revaluation surplus</u></b>		
Balance at start of period	24,577	26,487
<i>Net revaluation increments/(decrements)</i>		
Land	(919)	(1,909)
Buildings	-	-
Artworks	-	-
<b>Balance at end of period</b>	23,658	24,578

#### 8.8 Supplementary financial information

##### (a) Write-offs

During the financial year, \$8,000 (2019: nil) was written off the Agency's asset register under the authority of:

	2020 \$000	2019 \$000
The accountable authority	8	-
	8	-



## 8.9 Explanatory statement

All variances between annual estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for key major variances, which are greater than 10% and \$1 million for the Statements of Comprehensive Income, Cash Flows, and the Statement of Financial Position.

### 8.9.1 Statement of Comprehensive Income Variances

					Variance between estimate and actual	Variance between actual results for 2020 and 2019
	Note	Estimate 2020 \$000	Actual 2020 \$000	Actual 2019 \$000		
<hr/>						
<u>Expenses</u>						
Employee benefits expense		4,363	4,367	4,170	4	197
Finance costs		4	3	-	(1)	3
Supplies and services		589	777	984	188	(207)
Depreciation and amortisation expense		575	448	428	(127)	20
Accommodation expense		428	343	528	(85)	(185)
Other expenses		181	54	42	(127)	12
<b>Total cost of services</b>		<b>6,140</b>	<b>5,992</b>	<b>6,152</b>	<b>(148)</b>	<b>(160)</b>
<hr/>						
<u>Income</u>						
<u>Revenue</u>						
User charges and fees		127	93	79	(34)	14
Other Revenue		-	108	-	108	108
<b>Total income other than income from State Government</b>		<b>127</b>	<b>201</b>	<b>79</b>	<b>74</b>	<b>122</b>
<b>NET COST OF SERVICES</b>		<b>6,013</b>	<b>5,791</b>	<b>6,073</b>	<b>(222)</b>	<b>(282)</b>
<hr/>						
<b>Income from State Government</b>						
Service appropriation		6,034	6,034	5,755	-	279
Services received free of charge		30	4	7	(26)	(3)
<b>Total income from State Government</b>		<b>6,064</b>	<b>6,038</b>	<b>5,762</b>	<b>(26)</b>	<b>276</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>51</b>	<b>247</b>	<b>(311)</b>	<b>196</b>	<b>558</b>
<hr/>						
<b>OTHER COMPREHENSIVE INCOME</b>						
Changes in asset revaluation surplus		-	(919)	(1,909)	(919)	991
<b>Total other comprehensive income</b>		<b>-</b>	<b>(919)</b>	<b>(1,909)</b>	<b>(919)</b>	<b>991</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>51</b>	<b>(672)</b>	<b>(2,220)</b>	<b>(723)</b>	<b>1,549</b>

## 8.9.2 Statement of Financial Position Variances

				Variance between estimate and actual	Variance between actual results for 2020 and 2019
	Variance Note	Estimate 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents		117	387	377	270
Restricted cash and cash equivalents		15			(15)
Receivables		56	10	32	(46)
Other Current Assets		21	55	21	34
<b>Total Current Assets</b>		<b>209</b>	<b>452</b>	<b>431</b>	<b>243</b>
<b>Non-Current Assets</b>					
Restricted cash and cash equivalents		60	46	14	(14)
Amounts receivable for services		3,299	3,311	2,724	12
Property, plant and equipment		35,930	33,021	34,149	(2,909)
Right-of-use assets		-	96	-	96
Intangibles		33	1	17	(32)
<b>Total Non-Current Assets</b>		<b>39,322</b>	<b>36,475</b>	<b>36,904</b>	<b>(2,847)</b>
<b>TOTAL ASSETS</b>		<b>39,531</b>	<b>36,927</b>	<b>37,335</b>	<b>(2,604)</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Payables		41	82	124	41
Provisions		460	411	434	(49)
Other current liabilities		22	4	-	(19)
<b>Total Current Liabilities</b>		<b>523</b>	<b>496</b>	<b>558</b>	<b>(27)</b>
<b>Non-Current Liabilities</b>					
Provisions		71	114	81	43
Lease Liabilities		49	100	-	51
<b>Total Non-Current Liabilities</b>		<b>120</b>	<b>214</b>	<b>81</b>	<b>94</b>
<b>TOTAL LIABILITIES</b>		<b>643</b>	<b>711</b>	<b>639</b>	<b>68</b>
<b>NET ASSETS</b>		<b>38,888</b>	<b>36,216</b>	<b>36,696</b>	<b>(2,672)</b>
<b>EQUITY</b>					
Contributed equity		9,550	9,849	9,657	299
Reserves		26,488	23,658	24,577	(2,830)
Accumulated surplus/(deficit)		2,850	2,709	2,462	(141)
<b>TOTAL EQUITY</b>		<b>38,888</b>	<b>36,216</b>	<b>36,696</b>	<b>(2,672)</b>

### 8.9.3 Statement of Cash Flows Variances

	Variance Note	Estimate 2020 \$000	Actual 2020 \$000	Actual 2019 \$000	Variance between estimate \$000	Variance between actual \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>						
Service appropriation		1,007	1,007	1,219	-	(212)
Special Acts		4,440	4,440	4,131	-	309
Capital appropriations	A	15	192	2,022	177	(1,830)
<b>Net cash provided by State Government</b>		<b>5,462</b>	<b>5,639</b>	<b>7,372</b>	<b>177</b>	<b>(1,733)</b>
Utilised as follows:						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits		(4,358)	(4,324)	(4,170)	34	(154)
Finance costs		(4)	(3)	-	1	(3)
Supplies and services		(554)	(877)	(940)	(323)	63
Accommodation expenses		(428)	(343)	(528)	85	185
GST payments on purchases		(63)	(140)	(631)	(77)	491
Other payments		(181)	(50)	(42)	131	(8)
Receipts						
User charges and fees		127	113	61	(14)	52
GST Receipts on sales		63	18	8	(45)	10
GST receipts from taxation authority		-	124	665	124	(541)
Other Receipts		-	112	0	112	112
<b>Net cash provided by/(used in) operating activities</b>		<b>(5,398)</b>	<b>(5,370)</b>	<b>(5,577)</b>	<b>28</b>	<b>207</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of non-current physical assets	B	(116)	(203)	(4,959)	(87)	4,756
<b>Net cash provided by/(used in) investing activities</b>		<b>(116)</b>	<b>(203)</b>	<b>(4,959)</b>	<b>(87)</b>	<b>4,756</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Principle elements of lease		(15)	(24)	-	(9)	(24)
<b>Net cash provided by/(used in) financing activities</b>		<b>(15)</b>	<b>(24)</b>	<b>-</b>	<b>(9)</b>	<b>(24)</b>
Net increase/(decrease) in cash and cash equivalents		(55)	42	(3,164)	97	3,205
Cash and cash equivalents at the beginning of period		247	391	3,555	144	(3,164)
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>		<b>449</b>	<b>433</b>	<b>391</b>	<b>(16)</b>	<b>42</b>

#### Major Actual (2020) and Comparative (2019) Variance Narratives

A) The decrease in capital appropriation by \$1.8million (90.5%) is attributable to the completion of major capital works projects at Government House in 2018/19 resulting on no further funds being sought in 2019/20.

B) The decrease in purchase of non-current physical assets of \$4.756million (96%) is attributable to the completion of major capital works projects at Government House in 2018/19 resulting on no further funds being sought in 2019/20.



# KEY PERFORMANCE INDICATORS OF THE GOVERNOR'S ESTABLISHMENT

For the year ended 30 June 2020

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 2020.



Roselyn Hamilton  
Acting Official Secretary

Date: 02/10/20

## 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

	2016 Actual (\$'000)	2017 Actual (\$'000)	2018 Actual (\$000)	2019 Actual (\$000)	2020 Actual (\$000)	2020 Target (\$'000)	Variance to 2020 Target (\$000) (a)
Total cost of Service 1	1,312	1,359	1,705	1,869	2,284	2,024	<b>260</b> <b>13%</b>

### Service 2 - Management of the Establishment

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

	2016 Actual (\$'000)	2017 Actual (\$'000)	2018 Actual (\$'000)	2019 Actual (\$'000)	2020 Actual (\$'000)	2020 Target (\$'000)	Variance to 2020 Target (\$000) (b)
Total cost of Service 2	3,885	4,121	3,754	4,282	3,708	4,116	<b>(408)</b> <b>(10%)</b>

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

An increase in the Service 1 figure of \$260,000 (13%) is mainly attributable to a movement in the organisational structure as part of a review carried out in 2019/20. Better utilisation of existing FTE's was achieved by moving 2 positions from service 1 to service 2. General expenditure also increased during the year in relation to an increase in the Governor's program.

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

Service 2 has decreased by \$408,000 (10%) due to the above movement in the organisational structure and a decrease in the valuation of the Domain resulting in lower than expected depreciation figures.





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