



**Australian Government**

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**Department of the Prime Minister and Cabinet**

**Official Establishments Trust**

**2010 11**

**ANNUAL REPORT**

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## OFFICIAL ESTABLISHMENTS TRUST

The Hon Julia Gillard MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600

Dear Prime Minister

I have pleasure in submitting the Annual Report of the Official Establishments Trust for the financial year ended 30 June 2011.

I am particularly delighted that the Trust has assisted your department, as well as the Department of Finance and Deregulation and the Office of the Official Secretary to the Governor-General, in discharging their responsibilities for the conservation and preservation of the official establishments.

Over the coming year I look forward to the Trust bringing its considerable expertise to bear in providing advice on the necessary refurbishment project at The Lodge. This project is long overdue and one warmly welcomed by the Trust.

As a consequence of the changes to the Administrative Arrangements Order in 2010, which transferred the ownership and property management for The Lodge and Kirribilli House from your department to the Department of Finance and Deregulation, the Trust has agreed to amend its charter to take this change into account. The revised charter is set out in this report.

I am also pleased that since the end of the reporting period you have appointed the Hon Nick Minchin and the Hon Robert Ray as members to the Trust. I consider that their extensive ministerial and parliamentary experience will be invaluable to the ongoing operation of the Trust.

Yours sincerely

A handwritten signature in black ink that reads "Richard Griffin".

Richard Griffin AM  
Chairman  
November 2011

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## 1 INTRODUCTION

### 1.1 Origins and Role of the Official Establishments Trust

In September 1976, the Fraser Government appointed an independent committee, the Committee on Official Establishments, to advise on the operation, conservation and long-term development of the four official residences of the Commonwealth. The final report of that committee, issued in May 1979, recommended that the Official Establishments Trust ('the Trust') be established as a permanent, independent body to provide advice relating to the official establishments: Government House and The Lodge in Canberra, and Admiralty House and Kirribilli House in Sydney.

The establishment of the Trust as an independent non-statutory body was announced in the Parliament by the then Prime Minister, the Right Hon J Malcolm Fraser AC, on 20 September 1979. A review of the operation of the Trust was conducted in October 1995. Following the review, the then Prime Minister, the Hon Paul Keating, approved the continuation of the Trust's organisation and functions as set out in its charter.

As stated in the charter, the role of the Trust is to provide considered and objective advice on the conservation and development of the official establishments' buildings and grounds, and on the standards and adequacy of the facilities and accommodation they supply. The Trust also provides continuity of approach through advice on long-term planning and has primary responsibility for ensuring that works are carried out in accordance with the long-term plans suggested by it.

Following changes to the Administrative Arrangements Order (AAO) on 14 September 2010, responsibility for ownership and property management of The Lodge and Kirribilli House was transferred from the Department of the Prime Minister and Cabinet (PM&C) to the Department of Finance and Deregulation (Finance). Currently, the Special Minister of State, the Hon Gary Gray AO MP ('the Minister'), has responsibility for property management within the Finance and Deregulation portfolio. Consequently, the Trust has agreed to amend its charter to include a reference to the Minister.

The Trust charter is set out below.

The Trust shall be responsible for advice to the government on the conservation and development of the buildings and grounds of the Official Establishments of the Commonwealth of Australia.

The Trust's principal functions shall be to advise the Prime Minister and the relevant minister responsible for Official Establishments property management issues ('the relevant Minister') on:

- the conservation and development of the buildings and grounds of the Official Establishments in both the short and long term
- the standard of facilities, furniture and fittings necessary for the operation of the Official Establishments

- the accommodation needs within the Official Establishments of the Governor-General and the Prime Minister, their families, guests and staff and of dignitaries visiting Australia as official guests of the government
- the estimates of annual expenditure in relation to the conservation and development of the buildings, facilities, furniture and fittings and grounds of the Official Establishments, and
- such other matters concerning the Official Establishments as may be referred to it by the government.

In providing advice the Trust should ensure, through close consultation with the occupants that the personal preferences of the occupants are taken into account, particularly in respect to the private quarters of the Official Establishments. The Trust should also have special regard for the ceremonial and historical aspects of the Official Establishments and for the requirements of other authorities and organisations concerned with the National Estate.

The Trust's major recommendations will be submitted, in the first instance, to the Prime Minister or as appropriate, the relevant Minister. The Trust will submit to the Prime Minister and the relevant Minister each year a report concerning its activities and operations.

The Trust undertakes its advisory role in consultation with the occupants of the residences and representatives of the Office of the Official Secretary to the Governor-General, the Department of the Prime Minister and Cabinet and the Department of Finance and Deregulation or other relevant department, and in line with heritage guidelines and principles.

## **1.2 Membership and allowances**

### **1.2.1 Members**

The Prime Minister appoints members of the Trust for terms of up to three years. There are no positions on the Trust for ex-officio government members or representatives nominated by particular non-government organisations. Membership of the Trust was changed during 2010-11.

The Prime Minister re-appointed Mr Richard Griffin AM as chair of the Trust and Mr Peter Watts AM as a member. Ms Jan Fullerton AO, Ms Trisha Dixon Burkitt and Professor Kerry Clare were also appointed as members to the Trust. The Trust thanks Mr Bryce Raworth and Ms Suzie Forge for their efforts and contributions to the Trust during their terms of appointment.

As at 30 June 2011, the Trust members and their terms of appointment are as follows:

Member	Appointment
Mr Richard Griffin AM (Chair)	13 April 2011 – 31 March 2012
Mr Peter Watts AM	13 April 2011 – 31 December 2012
Ms Jan Fullerton AO	13 April 2011 – 12 April 2014
Ms Trisha Dixon Burkitt	13 April 2011 – 12 April 2014
Professor Kerry Clare	13 April 2011 – 12 April 2014

Mr Griffin has had a distinguished business career, including as a merchant banker and more recently as a consultant, and has been a member and Chairman since 1999.

Mr Watts was Director of the Historic Houses Trust of New South Wales until his retirement in October 2008 and complements the Trust with a detailed understanding of heritage issues associated with historic buildings and gardens.

Ms Fullerton was a librarian for many years at the National Library of Australia and served as its Director-General for 11 years prior to her retirement in 2010.

Professor Clare teaches architecture at the University of Newcastle and has been the Director of Clare Design since 1980.

Ms Dixon Burkitt is a writer and photographer, with interests in landscape, literature, music, art and history.



The above photograph is of Trust members and officials from the Department of the Prime Minister and Cabinet, the Department of Finance and Deregulation and the Office of the Official Secretary to the Governor-General.

### **1.2.2 Allowances**

The sitting fees payable in 2010-11 were \$847 per day for the Chairman and \$641 per day for other Trust members. The Remuneration Tribunal set travelling allowance rates at \$420 per overnight stay in Sydney and \$385 per overnight stay in Canberra.

### **1.3 Acknowledgments**

The Trust acknowledges the assistance and cooperation it received from many people during the year. In particular, it acknowledges the assistance and cooperation of their Excellencies, the Governor-General, Ms Quentin Bryce AC CVO, and her husband, Mr Michael Bryce AM AE; the Prime Minister, the Hon Julia Gillard MP, and her partner, Mr Tim Mathieson; the Office of the Official Secretary to the Governor-General ('the Office'); the Official Establishments Section of PM&C, including Ms Suzanne De Smet, former Secretary to the Trust; the Property Branch in Finance; and various authorities and consultants.

## **2 RESPONSIBILITIES**

### **2.1 Official Establishments Trust**

As an advisory body without executive powers the Trust relies on PM&C, Finance and the Office for support and assistance.

While the Trust's responsibilities relate to providing advice on conserving the heritage values and ensuring the amenity of the official establishments, it is not responsible for addressing the day-to-day operational requirements of the official establishments.

The Trust exercises its role in relation to the official establishments through providing advice on planning and recommendations on the use of consultants and application of appropriate procedures. The Trust also makes recommendations in relation to future works required to properly conserve and develop the buildings and grounds and maintain appropriate facilities for the four official residences.

During 2010-11 the Trust looked at options for improving the functionality and capacity of the Governor-General's residences, and advised on works identified in the 10-year works program.

The focus of the Trust relating to the Prime Minister's residences was to provide advice on planning for possible repairs to The Lodge and on the appointment of heritage architects to both properties for the preparation of conservation management plans and other advice.

### **2.2 Office of the Official Secretary to the Governor-General**

The Office administers Government House in Canberra and Admiralty House in Sydney. These Commonwealth-listed heritage properties comprise approximately 54 hectares of land and more than 20 buildings.

Government House in Canberra is the administrative centre of the Office, where approximately 89 staff members undertake functions such as corporate and executive support, property management, household services and administration of the Australian Honours and Awards system. Detailed information about the Office and its activities can be found at [www.gg.gov.au](http://www.gg.gov.au) .



As noted in previous annual reports, the Office received funding, commencing in the 2005-06 Budget, for the implementation of a 10-year property works program for Government House and Admiralty House, known as the Vice-Regal Heritage Property Master Plan. This is a major initiative by the Office to maintain and enhance the properties for future generations. The Trust is consulted on major works activity and continues to support the implementation of the works program.

### **2.3 Department of the Prime Minister and Cabinet**

The Prime Minister's official residences, The Lodge in Canberra and Kirribilli House in Sydney, are managed on a day-to-day basis by PM&C using funds appropriated to it by the Parliament for that purpose. PM&C also provides secretariat support to the Trust. A senior officer of PM&C's Ministerial Support Division undertakes the role of Secretary to the Trust.

Expenditure details in relation to the management of the Prime Minister's two official residences are included in section 6 of this report and reported in the *Department of the Prime Minister and Cabinet Annual Report 2010-11*.

### **2.4 Department of Finance and Deregulation**

Following the changes to the AAO on 14 September 2010, responsibility for ownership and property management of The Lodge and Kirribilli House was transferred from PM&C to Finance. This means that Finance has overall responsibility for the maintenance and conservation of The Lodge and Kirribilli House.

Expenditure details in relation to the management of the Prime Minister's two official residences are included in section 6 of this report and reported in the *Department of Finance and Deregulation Annual Report 2010-11*.

## **3 POLICY AND PLANNING**

### **3.1 Policy Considerations**

The official establishments, including their gardens and grounds and some internal features, furniture and objects, are included on the Commonwealth Heritage List. As Commonwealth heritage places, they are protected under the provisions of the *Environment Protection and Biodiversity Conservation Act 1999* ('the EPBC Act'). These provisions require among other things that:

- each place has a management plan, which is consistent with the Commonwealth heritage management principles
- the Commonwealth heritage values of the places are protected and preserved for future generations, and
- any proposed action likely to have an adverse or significant impact on the place's values is referred to the Minister for Sustainability, Environment, Water, Population and Communities for a decision.

The residences are also included in the Register of the National Estate (the National Register) – all except The Lodge incorporate structures that predate Federation. Therefore, the Trust has a responsibility to ensure that all works carried out are

consistent with the philosophical approaches of the relevant conservation plans and the integrity of the residences.

The Canberra residences are also ‘designated areas’ under the *Australian Capital Territory (Planning and Land Management) Act 1988*, and any external works at these establishments are subject to the National Capital Plan and approval by the National Capital Authority (NCA).

In all its activities, the Trust considers the ‘official values’ as described for each place in its listing on the Commonwealth Heritage List, and, where relevant, the Statement of Cultural Significance in its listing in the National Register or state heritage register.

### **3.2 Planning Approach**

The official establishments are maintained by the Commonwealth for the people of Australia. To provide advice about their ongoing use and serviceability as the official residences of the Governor-General and Prime Minister of the day, the Trust must consider matters such as the practicality of the houses, the occupants’ level of amenity, and the public’s view of the residences’ adequacy, style, standard and presentation. In formulating its advice, the Trust considers both the conservation and interpretation requirements of the important historic building fabric of the official residences and the essential needs for those facilities that allow the occupants to perform their official functions effectively and efficiently.

The Trust assisted in commissioning expert consultants to prepare conservation and management reports, tracing the evolution of the houses and appraising their significance, historically and architecturally, and their decorative sequences. Those reports provide guidance and direction about the upkeep and improvement of the official establishments. The grounds and gardens also receive attention; each establishment has a Grounds Conservation Management Plan.

The Trust is aware that conservation management plans for The Lodge and Kirribilli House require updating to comply with the requirements of the EPBC Act and that work on these plans was undertaken in 2010-11. The Trust supports efforts to develop more integrated conservation management approaches at these two properties.

## **4 ACTIVITIES OF THE TRUST**

### **4.1 Meetings of the Trust**

The Trust usually meets quarterly in Canberra or Sydney. During 2010-11 the Trust met on three occasions: at Government House, Canberra, October 2010; and at Admiralty House, Sydney, in December 2010 and May 2011.

### **4.2 Advice on maintenance and repairs**

A large number of major and minor works regarding maintenance and repairs to the official establishments were completed during 2010-11. The Trust focused particular attention on a range of specific activities relating to each residence and provided advice to PM&C, Finance and the Office at its meetings in 2010-11.

The following sections provide an overview of works undertaken in 2010-11 at the official establishments on which the Trust contributed advice.

#### **4.2.1 Government House**

Of particular interest to the Trust was the completion of significant services upgrades to the property.

Works carried out during the financial year included:

- upgrading the public lookout on Lady Denman Drive to enhance disabled access and general safety
- installing energy efficient safety lighting along external walkways
- replacing rotten timbers in the wharf decking
- replacing broken storm water drainage on the main driveway
- upgrading drainage and building a small stone wall around the main access point to the sewer, as required by the local water authority
- stabilising and replanting the lakeward bank in line with heritage requirements set by the NCA, and
- building a new secure storage facility for the Honours Secretariat medal stock and archives.

#### **4.2.2 Admiralty House**

A number of works projects were either commenced or completed in 2010-11 as part of the works program for Admiralty House. This included works identified in the 10-year Master Plan or newly identified works that needed to be undertaken because of their urgency.

In 2010-11, the Trust considered options to deal with the significant structural damage in the Marine Barracks Precinct and the issue of rising damp in the basement areas of Admiralty House. Planning for these and other works including constructing a new sea wall at the eastern end of the property continues so that they may be undertaken during 2011-12.

Significant works completed in 2010-11 included:

- structural repairs to failing sections of the ceiling and walls, and
- painting the exterior of the main house to restore its original colour scheme.

#### **4.2.3 The Lodge**

During 2010-11 due diligence was carried out by the PM&C and Finance. As a result, urgent maintenance and repairs were undertaken as well as longer-term planning for future maintenance works.

The Trust provided guidance in relation to the following:

- providing advice on the development of various aspects of the conservation management plan being prepared
- reviewing documentation relating to urgent roof repairs and associated work
- advising on possible improvements to be made to outdated plumbing and electrical services, and
- the implications of upgrading security.

Works undertaken at The Lodge in 2010-11 included:

- making a number of minor repairs for decorative and conservation purposes, such as replacing carpets and repainting
- addressing several occupational health and safety (OH&S) concerns, including the urgent remediation of asbestos, and
- due to fungal infections and storm damage, removing some dying/dead trees.

#### **4.2.4 Kirribilli House**

Works undertaken at Kirribilli House in 2010-11 included:

- making a number of minor repairs for decorative and conservation purposes, such as internal and exterior painting of buildings on the property
- addressing OH&S issues and minor plumbing and electrical problems, and
- repairing the guardhouse slate roof.

## **5 AUSTRALIANA FUND**

The Australiana Fund ('the Fund') was established as a private company in 1978 to encourage direct public participation in the acquisition and preservation of a permanent collection of works of Australian artistic and historical interest for the four official residences.

The Trust and the Fund have close links and the Trust provides suggestions to the Fund on appropriate purchases for the Official Establishments.

The Chairman of the Trust, Mr Griffin, and Ms Fullerton are also non-elected Councillors of the Fund.

## **6 FINANCIAL ALLOCATIONS**

### **6.1 Expenditure in 2010-11**

The Trust, in accordance with its charter, provides advice to government in relation to proposed expenditure for capital works and services; repairs and maintenance, including grounds maintenance; and furniture and fittings. The Trust has no funds allocated to it (therefore no grants are provided by it), and all expenditure on the official establishments is undertaken through appropriations to either the Office, PM&C or Finance.

The 2010-11 Portfolio Budget Statements for the Prime Minister and Cabinet portfolio (covering both PM&C and the Office) and the Finance and Deregulation portfolio provide summary information on appropriations for the official establishments.

## 6.2 Vice-Regal Residences – Government House and Admiralty House

The following table, based on data provided by the Office, summarises expenditure for 2010-11 and 2009-10 in relation to Government House and Admiralty House.

	Expenditure (\$)	
	2010-11	2009-10
Governor-General's office and establishments		
Running costs	1,066,756	1,057,892
Capital and minor works		
Buildings, works, plant and equipment	1,373,535	2,484,003
<b>TOTAL</b>	<b>2,440,291</b>	<b>3,541,895</b>

Note: These figures include repairs and maintenance, property operating expenses, property-related consultancies and capital works and services expenditure only. Other expense items associated with the general operations of the Office and management of the Governor-General's residences—such as wages, household costs and the costs of guarding and general security—are not included.

## 6.3 The Prime Minister's Official Residences – The Lodge and Kirribilli House

The following tables, based on data provided by PM&C and Finance, summarise expenditure for 2010-11 and 2009-10 in relation to The Lodge and Kirribilli House.

Department of the Prime Minister and Cabinet	Expenditure (\$)	
	2010-11	2009-10
Administered item		
Maintenance and conservation, including any capital and minor works	360,920	316,027
<b>TOTAL</b>	<b>360,920</b>	<b>316,027</b>

Notes: These expenditure figures include maintenance and conservation (including grounds maintenance) and capital works expenditure only. Other expense items associated with the management of the Prime Minister's residences—such as wages, household costs and the costs of guarding, security maintenance and so on—are not included.

Department of Finance and Deregulation	Expenditure (\$)	
	2010-11	2009-10
Administered item		
Maintenance and conservation, including any capital and minor works	290,610	N/A
<b>TOTAL</b>	<b>290,610</b>	<b>N/A</b>

Notes: These expenditure figures include maintenance, conservation and capital works expenditure and depreciation.

## 7 APPENDIX

### 7.1 Acronyms

AAO	Administrative Arrangements Order
the charter	the Official Establishments Trust Charter
the EPBC Act	<i>Environment Protection and Biodiversity Conservation Act 1999</i>
Finance	Department of Finance and Deregulation
the Fund	the Australiana Fund
the Minister	Special Minister of State, the Hon Gary Gray MP
National Register	the Register of the National Estate
NCA	National Capital Authority
the Office	The Office of the Official Secretary to the Governor-General
Official Establishments	The official establishments of the Governor-General (Government House, Canberra, and Admiralty House, Sydney) and the Prime Minister (The Lodge, Canberra, and Kirribilli House, Sydney)
OH&S	occupational health and safety
PM&C	Department of the Prime Minister and Cabinet
relevant minister	the Commonwealth minister responsible for Official Establishments property management issues
the Trust	the Official Establishments Trust