

**TREASURER'S INSTRUCTION
GOVERNMENT BUSINESS ENTERPRISES ACT 1995**

**GBE 08-52-10P
ACCOUNTING FOR GRANTS USED TO FUND CONSERVATION
EXPENDITURE**

BACKGROUND

Under section 52 of the *Government Business Enterprises Act 1995*, financial reporting must, subject to the Treasurer's Instructions, comply with the Australian Accounting Standards.

Approval has been granted for the Port Arthur Historic Site Management Authority (PAHSMA) to use the Australia ICOMOS Burra Charter (1999 Amendment) definition of "conservation", i.e. "conservation means all the processes of looking after a place so as to retain its cultural significance".

The proposed conservation definition poses some anomalies with the accounting standards in that there will be no record in PAHSMA's balance sheet of the Capital Investment Program (CIP) funds or other grants spent on improving heritage assets. Showing an increase in value for any improvement in the heritage assets at Port Arthur as a result of conservation expenditure is difficult when there is currently no value assigned for the existing heritage assets in PAHSMA's balance sheet.

On the basis that the "recoverable amount test applies", it is appropriate for PAHSMA to treat the funds spent on increasing heritage assets as conservation expenditure rather than capital. However, there will be no record in PAHSMA's balance sheet of the CIP funds spent on improving heritage assets. It is therefore appropriate that PAHSMA account for the CIP expenditure in some other manner.

DEFINITIONS

Words and phrases used in this Treasurer's Instruction have the same meaning as under the GBE Act.

"Grant" means any funds provided by the Tasmania Government for which repayment is not required and, for PAHSMA, includes any CIP funding.

TREASURER'S INSTRUCTION

The Board is to ensure that the annual report of PAHSMA includes the following information in relation to grants, including CIP funds, provided by the Tasmanian Government:

- the total amount spent against the budgeted amount for the current reporting year; and
- a report on progress against the Board's approved Conservation Plan.

The Board is also to ensure that conservation expenditure is separately identified from all other expenditure in PAHSMA's quarterly reporting to the Shareholding Ministers.

COMMENCEMENT DATE

This Treasurer's Instruction replaces Treasurer's Instruction GBE 08-52-01P.

This Treasurer's Instruction only applies to the Port Arthur Historic Site Management Authority and takes effect for the 2018-19 annual report, and all annual reports prepared thereafter.