

Management of Official Residences and Other Assets

Office of the Official Secretary to the Governor-General

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Canberra ACT
10 November 2025

Dear President
Dear Mr Speaker

In accordance with the authority contained in the *Auditor-General Act 1997*, I have undertaken an independent performance audit in the Office of the Official Secretary to the Governor-General. The report is titled *Management of Official Residences and Other Assets*. Pursuant to Senate Standing Order 166 relating to the presentation of documents when the Senate is not sitting, I present the report of this audit to the Parliament.

Following its presentation and receipt, the report will be placed on the Australian National Audit Office's website — <http://www.anao.gov.au>.

Yours sincerely



Dr Caralee McLiesh PSM
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra ACT

AUDITING FOR AUSTRALIA

The Auditor-General is head of the Australian National Audit Office (ANAO). The ANAO assists the Auditor-General to carry out their duties under the *Auditor-General Act 1997* to undertake performance audits, financial statement audits and assurance reviews of Commonwealth public sector bodies and to provide independent reports and advice for the Parliament, the Australian Government and the community. The aim is to improve Commonwealth public sector administration and accountability.

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Audit snapshot

Auditor-General Report No.5 2025–26

Management of Official Residences and Other Assets



Why did we do this audit?

- ▶ The Office of the Official Secretary to the Governor-General (the Office) has three overarching responsibilities, one of which is the management and maintenance of two historic properties of national interest: Government House in Canberra and Admiralty House in Sydney.
- ▶ This audit provides assurance to the Parliament on the effectiveness of the Office's management of the official residences and other non-financial assets.



What did we find?

- ▶ The Office's asset management practices were largely effective in sustaining the condition of two historic properties of national interest. The Office could do more to prioritise and use its resources strategically and improve its approach to performance measurement and reporting.
- ▶ The Office's asset management framework is partly fit for purpose.
- ▶ The Office's management, including maintenance, of non-financial assets is largely effective, with most key property elements assessed as being in good condition.
- ▶ Asset-related performance measurement, monitoring and reporting is partly effective.



Key facts

- ▶ The Government House property comprises about 53 hectares including 25 buildings.
- ▶ The Admiralty House property comprises about two hectares including nine buildings.



What did we recommend?

- ▶ There were five recommendations to the Office to strengthen risk management, asset and heritage management planning and policies, management of gifted assets, budget prioritisation, and performance measures.
- ▶ The Office agreed with four recommendations and partially agreed with one recommendation.

\$184.75m

The total value of non-financial assets, including the two official residences, managed by the Office, at 30 June 2024.

45

Number of property elements of high heritage significance managed by the Office.

76%

Percentage of property elements of high heritage significance that were assessed by the Office as being in good or very good condition, at 30 June 2024.

Summary and recommendations

Background

1. The Office of the Official Secretary to the Governor-General (the Office) supports the Governor-General in the performance of his or her responsibilities. An office to support the Governor-General has existed since 1901. The planned outcome for the Office is the facilitation of the performance of the Governor-General's role through the organisation and management of official duties, management and maintenance of the official households and properties, and administration of the Australian Honours and Awards system.¹

2. The Office manages non-financial assets valued at \$184.75 million. Of this, \$174.97 million relates to land and buildings for two properties: Government House in Canberra and Admiralty House in Sydney. Government House and Admiralty House were added to the Commonwealth Heritage List² in 2004.

Rationale for undertaking the audit

3. One of the Office's three overarching responsibilities is the maintenance and upkeep of two historic properties of national interest: Government House in Canberra and Admiralty House in Sydney. The properties: are of significant heritage value; receive thousands of visitors each year, including foreign leaders, diplomats, dignitaries, school children and the general public; and host events of national importance including Australian honours, award and citizenship ceremonies. This audit provides assurance to the Parliament on the effectiveness of the Office's management of the official residences and other non-financial assets.

Audit objective and criteria

4. The audit objective was to assess the effectiveness of the Office's management of official residences and other assets.

5. To form a conclusion against the objective, the ANAO adopted the following high-level criteria:

- Has a fit-for-purpose asset management framework been established?
- Have non-financial assets been effectively managed?
- Has asset management performance been effectively measured, monitored and reported on?

Conclusion

6. The Office's asset management practices were largely effective in sustaining the condition of two historic properties of national interest. The Office met its 2023–24 target of maintaining

1 Office of the Official Secretary to the Governor-General, *Office of the Official Secretary to the Governor-General — Annual Report 2023–24*, Commonwealth of Australia, 2024, p. 5.

2 Australia's Commonwealth Heritage List contains nearly 400 places of Indigenous, historic, and natural value on Commonwealth land. The Australian Government acts as a custodian, working with Commonwealth entities and local communities, to 'celebrate and protect' these heritage places. See <https://www.dcceew.gov.au/parks-heritage/heritage/about/commonwealth-heritage> [accessed 3 July 2025].

at least 70 per cent of high heritage significance property elements in 'good' or 'very good' condition. In 2024–25, the Office reduced this target to 65 per cent by 2027–28 due to 'available resource allocation'.

7. The Office could do more to prioritise and use its resources strategically through a stronger asset management framework and consistent application of risk management and budget prioritisation principles. The Office could improve its approach to performance measurement and reporting.

8. The Office's asset management framework is partly fit for purpose. The Office has governance arrangements that support asset management. Records management and risk management are deficient, reducing the ability of the Office to efficiently manage the impact of uncertainty on asset condition. The Office is operating outside its risk tolerance in relation to property management. Asset and heritage management planning arrangements are out of date and not aligned with legislative requirements.

9. The Office's management of the official residences and other non-financial assets is largely effective, with most key property elements assessed by the Office to be in good condition (including the main Government House building ('good' condition) and Admiralty House ('very good' condition)). Assets have been registered largely appropriately. The maintenance practices for Government House and Admiralty House buildings and grounds are largely appropriate.

10. The Office's asset-related performance measurement and monitoring is partly effective. Performance results are not fully verifiable. Results for one key asset-related performance measure were inaccurately reported in 2023–24 and should be corrected. The Office's performance targets for the condition of heritage properties have been reduced.

Supporting findings

Asset management framework

11. The Office has a management and committee structure to execute and oversee asset management and an internal audit program to provide assurance over governance and asset management arrangements. Elements of the Office's records management practices are not fit for purpose, which reduces transparency over the Office's work and can impact the Office's business continuity, preparedness, decision-making capability and efficiency. (See paragraphs 2.4 to 2.16)

12. An enterprise risk management framework incorporates asset-related risks and largely aligns with Australian Government requirements. A fraud and corruption control plan identifies asset-related fraud and corruption risks, and is not fully aligned with Australian Government requirements. The Office's monitoring and management of risks associated with official residences and other assets could be strengthened. The Office has been operating outside its tolerance for a 'properties risk' since at least July 2023. There was insufficient documentation to support assessments that controls are effective for enterprise risks, including the 'properties risk'. Risk treatments for the high-rated 'properties risk' have not been consistently implemented. Management of enterprise risks shared with other entities is incomplete. Eighteen specific property risks (including three rated high) are identified at the program level; however, these are not considered by the relevant governance committee. (See paragraphs 2.17 to 2.35)

13. The Office has established asset management policies, plans and procedures, which are out of date and not aligned with current asset management practice. The Office has a heritage management strategy and heritage management plans, which are not aligned with requirements under the *Environment Protection and Biodiversity Conservation Act 1999*, including being overdue for review and not appropriately registered. A review of a 2015 heritage strategy was due in 2018. The Office completed its review of the strategy in 2025 and as at 31 July 2025 had submitted a draft strategy to the Department of Climate Change, Energy, the Environment and Water for consultation. (See paragraphs 2.38 to 2.55)

Asset management

14. The Office has asset registers, which have been appropriately updated, except in relation to gifts received by Office staff or the Governor-General. Official gifts are not registered as portable and attractive items in accordance with Office policy. Record-keeping for gifts could be improved. The Office's gifts and benefits policy could be strengthened to consider security. In 2024–25, the Office did not publicly report the giver of gifts, despite Australian Public Service Commission guidance to do so. (See paragraphs 3.2 to 3.17)

15. In 2023–24, the Office self-assessed that 76 per cent of elements of high heritage significance were in good or very good condition, which was higher than its performance target. For eight key property elements of high heritage significance, assessed condition remained stable or improved between 2009 and 2023–24. Despite the positive outcome relating to condition assessments, there are ways in which the Office could improve its conservation and maintenance of properties.

- The Office has not fully implemented its heritage management plans.
- There are weak budget prioritisation practices for capital and maintenance projects.
- The Office does not provide heritage training to staff and none of its staff are trained in heritage management.
- A tree management plan for Government House was first established in June 2025. There is no tree management plan for Admiralty House.

16. The Office uses a property service provider for reactive and preventative maintenance and provided feedback on the property service provider's performance to the property service provider and the Department of Finance. Reporting arrangements with the property service provider could be improved to better enable the Office to monitor timeliness and value for money of maintenance services. (See paragraphs 3.20 to 3.58)

Asset management performance

17. The Office has established relevant measures and targets for public reporting and regular monitoring of asset performance. The Office's 2024–25 property condition measure and targets were unclear. The target was reduced from 80 per cent in 2024–25 to 65 per cent in 2027–28, which the Office attributed to a lack of resources. Internal targets did not align with external targets for this measure and were lower. Reliability and verifiability of data sources and methodologies could be improved. The Management Committee and Property Sub-committee monitor asset-related performance. (See paragraphs 4.2 to 4.14)

18. The 2023–24 and 2024–25 corporate plans and 2023–24 annual performance statements explained the Office’s purpose, key activities and targets for specified performance measures in accordance with the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule). The performance measures did not fully meet the requirements of section 16EA of the PGPA Rule. Public reporting was partly inaccurate and should be corrected, with the 2023–24 annual performance statements reporting that 100 per cent of high heritage significance property elements were in ‘good’ or ‘better’ condition, instead of the actual result of 76 per cent. (See paragraphs 4.15 to 4.22)

Recommendations

Recommendation no. 1 Paragraph 2.36

The Office of the Official Secretary to the Governor-General strengthen its risk management arrangements by:

- (a) ensuring risks that exceed its risk appetite and tolerance levels are considered by the Management Committee in accordance with its risk policy, and that appropriate treatments are applied to these risks;
- (b) to assist with forward planning and resource allocation to risk, documenting the basis upon which risk controls are assessed to be effective;
- (c) documenting responsibilities for risks that are shared with other entities; and
- (d) establishing management arrangements and oversight through the Property Sub-committee and the Management Committee for property-specific risks.

Office of the Official Secretary to the Governor-General response:
Agreed.

Recommendation no. 2 Paragraph 2.56

The Office of the Official Secretary to the Governor-General:

- (a) review and update its asset management policy and ensure practices are implemented in accordance with the agreed policy; and
- (b) update its heritage management plans, in compliance with the *Environment Protection and Biodiversity Conservation Act 1999*.

Office of the Official Secretary to the Governor-General response:
Agreed.

Recommendation no. 3 The Office of the Official Secretary to the Governor-General strengthen:
Paragraph 3.18

- (a) controls to ensure gifts retained by the Office are appropriately registered as 'portable and attractive items' and managed in accordance with Office policy; and
- (b) public reporting on gifts and benefits, by disclosing the gift giver.

Office of the Official Secretary to the Governor-General response:
Partially agreed.

Recommendation no. 4 The Office of the Official Secretary to the Governor-General strengthen its processes and practices for property works budget prioritisation.
Paragraph 3.33

Office of the Official Secretary to the Governor-General response:
Agreed.

Recommendation no. 5 To provide better accountability and transparency to the Parliament on its performance, the Office of the Official Secretary to the Governor-General strengthen:
Paragraph 4.7

- (a) clarity of the descriptions of performance measures and targets; and
- (b) reliability and verifiability of the information and methodologies supporting the measures.

Office of the Official Secretary to the Governor-General response:
Agreed.

Summary of entity response

19. The proposed audit report was provided to the Office. The Office's summary response to the audit is provided below and its full response is at Appendix 1.

The Office of the Official Secretary to the Governor-General (the Office) acknowledges the findings presented in the Australian National Audit Office report. The Office is committed to implementing the recommendations and identified opportunities for improvement and will endeavour to address what is appropriate and possible within existing resource constraints.

The Office welcomes the ANAO's feedback on its core functions, which are primarily support for the Governor-General, management and maintenance of official residences, and administration of the Australian Honours and Awards system. In response, the Office will, to the best of its abilities within existing resource constraints, continue to: strengthen its risk management framework; improve transparency; and enhance governance arrangements to support more effective decision-making.

Key actions include refining risk management processes, updating asset and heritage management policies, improving the reporting of gifts and benefits, strengthening property works budget prioritisation, and enhancing the clarity and reliability of performance reporting.

The Office remains committed to continuous improvement and accountability and will actively monitor progress against these actions. Through these measures, the Office will continue to uphold its responsibilities and ensure the effective management of assets, including the official residences of the Governor-General, in service of the Australian people.

20. Extracts of the proposed report were provided to the Australian Federal Police, the Department of Home Affairs, the Department of the Prime Minister and Cabinet and Jones Lang LaSalle (ACT) Pty Ltd. Responses to the audit, where provided, are at Appendix 1.

Key messages from this audit for all Australian Government entities

21. Below is a summary of key messages, including instances of good practice, which have been identified in this audit and may be relevant for the operations of other Australian Government entities.

Governance and risk management

- Entities with responsibility for maintaining heritage-listed assets for future generations have a unique responsibility to ensure that asset and heritage management planning is strategic and compliant with legislative requirements. A strategic approach to asset management recognises that limited resources must be managed through setting priorities and implementing these priorities in a disciplined way. A fit-for-purpose asset management framework (including policies, plans, strategies and procedures) helps ensure that the entities with asset-management responsibilities remain appropriately focused on key priorities.
- Risk-based asset management helps ensure that limited resources are used most effectively to achieve intended outcomes. This includes identification and active and meaningful management of asset-related risks. Where risks are identified that are outside the entity's established risk appetite and tolerance levels, they should be managed, treated and appropriately reviewed by key governance committees.

Performance and impact measurement

- High quality performance information facilitates improved decision-making, the efficient use of public resources, transparency, accountability, and public trust. The Australian Government's performance reporting framework ensures entities are accountable for their use of public resources and the results they achieve. Reliable, verifiable and accurate performance information is central to achieving the benefits of the framework.
- Where performance information in the corporate plan or annual report differs from the performance information outlined in the portfolio budget statements, entities should explain these differences to ensure that the Parliament has an appropriate understanding of an entity's performance goals and results.

Audit findings

1. Background

Introduction

1.1 The Office of the Official Secretary to the Governor-General (the Office) supports the Governor-General in the performance of his or her responsibilities. An office to support the Governor-General has existed since 1901. The Office, in its current form, was established in 1984 by an amendment to the *Governor-General Act 1974*.³ The planned outcome for the Office is the facilitation of the performance of the Governor-General's role through:

the organisation and management of official duties, management and maintenance of the official households and properties, and administration of the Australian Honours and Awards system.⁴

1.2 The Office manages non-financial assets valued at \$184.75 million (Table 1.1).

Table 1.1: Non-financial assets of the Office, at 30 June 2024

Type of asset	Description	Value (\$ million)
Administered non-financial assets	Land and buildings (Government House and Admiralty House)	174.968
	Property, plant and equipment	1.329
	Inventories (medals)	6.085
Subtotal		182.381
Departmental non-financial assets	Property, infrastructure and equipment (e.g. for gardening and IT)	1.992
	Intangibles (software)	0.051
	Inventories (liquor)	0.030
	Other non-financial assets, representing pre-payments made by the Office	0.293
Subtotal		2.366
Total		184.747

Source: ANAO presentation of information from Office of the Official Secretary to the Governor-General, *Annual Report 2023–24*, pp. 74 and 79.

1.3 In 2023–24, the Office had 79 ongoing staff employed under the *Governor-General Act 1974*, comprising 76 employees located at Government House in Canberra, and three employees located at Admiralty House in Sydney. The Office is a non-corporate Commonwealth entity and subject to the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). The accountable authority for the Office is the Official Secretary to the Governor-General.

Official residences and properties

1.4 The properties of Government House ('Yarralumla and Surrounds') and Admiralty House ('Admiralty House' and 'Admiralty House Garden and Fortifications') were added to the

³ Prior to 1984, the Governor-General's office was part of the Department of the Prime Minister and Cabinet.

⁴ Office of the Official Secretary to the Governor-General, *Office of the Official Secretary to the Governor-General — Annual Report 2023–24*, Commonwealth of Australia, 2024, p. 5.

Commonwealth Heritage List⁵ in 2004.⁶ The Government House property comprises around 53 hectares, including gardens, Government House and 24 other buildings (Figure 1.1).

Figure 1.1: Government House



Source: ANAO, 2 April 2025.

1.5 The statement of heritage significance for this property states:

[It] dates from the nineteenth century and is historically highly significant ... Acquired by the Commonwealth following the selection of Canberra as the site for the national capital, Yarralumla was chosen as the residence of Australia's Governor General and has operated in this role since 1927 when Parliament opened in Canberra ... Yarralumla, on account of its central and direct association with the [Monarch]'s representative in Australia, has played a highly important role in Australia's political life over many decades. ... Yarralumla, through open days and other functions and through its media presence, has acquired a high degree of social significance for the Australian community.⁷

1.6 The Admiralty House property comprises around two hectares, including gardens, Admiralty House, the Marine Barracks and seven other buildings and fortifications (Figure 1.2).

-
- 5 Australia's Commonwealth Heritage List contains nearly 400 places of Indigenous, historic, and natural value on Commonwealth land. The Australian Government acts as a custodian, working with Commonwealth entities and local communities to 'celebrate and protect' these heritage places. See <https://www.dcceew.gov.au/parks-heritage/heritage/about/commonwealth-heritage> [accessed 3 July 2025].
 - 6 Office of the Official Secretary to the Governor-General, *Management of Official Residences* [Internet], 2024, available from <https://www.gg.gov.au/office-official-secretary-governor-general/management-official-residences> [accessed 4 March 2025].
 - 7 Department of Climate Change, Energy, the Environment and Water, *Yarralumla and Surrounds, Dunrossil Dr, Yarralumla, ACT, Australia* [Internet], 2004, available from https://www.environment.gov.au/cgi-bin/ahdb/search.pl?mode=place_detail&place_id=105381 [accessed 4 March 2025].

Figure 1.2: Admiralty House



Source: ANAO, 1 April 2025.

1.7 Admiralty House has two listings with statements of significance on the Commonwealth Heritage List: ‘Admiralty House and Lodge’; and ‘Admiralty House Gardens and Fortifications’.

Admiralty House is historically significant ... as the Sydney residence of the Governor-General [and] for its association with a substantial number of significant individuals and families ... Admiralty House and Lodge are aesthetically significant ... The House and Lodge have architectural importance; the house as an extension in the Italianate style (1891–2) of the house Wotonga (1842–44); and the Lodge as a gothic style lodge designed as an embellishment to the house ... Admiralty House and Lodge have social value, occupying a place in Sydney's popular consciousness, due to their: visibility and status as the Sydney residence of the Governor General; harbour position; use as a venue for private recreation and outdoor social functions; and periodic accessibility to the general public.⁸

Admiralty House garden is historically significant as the garden of Admiralty House ... The garden and fortifications are aesthetically significant, [having] long been a landmark and feature of ... [Sydney] Harbour. The garden is a rare surviving example of a late 19th century garden on Sydney Harbour, and retains its original form with only minor changes. ... The Kirribilli Point barracks and battery, built for the Royal Artillery in 1857–59, are historically significant as evidence of the fortification works in Sydney Harbour which were constructed or improved in the mid nineteenth century, with only Kirribilli Point and Fort Denison surviving substantially intact.⁹

1.8 The Office reported that in 2023–24, 620 events were hosted and around 33,000 guests and visitors were received at Government House and Admiralty House.¹⁰ The Office advised the ANAO

8 Department of Climate Change, Energy, the Environment and Water, *Admiralty House and Lodge* [Internet], 2004, available from https://www.environment.gov.au/cgi-bin/ahdb/search.pl?mode=place_detail&place_id=105398 [accessed 4 March 2025].

9 Department of Climate Change, Energy, the Environment and Water, *Admiralty House Garden and Fortifications* (Place ID 105399) [Internet], 2004, available from <https://www.dcceew.gov.au/parks-heritage/heritage/places/commonwealth-heritage-list> [accessed 10 July 2025].

10 Office of the Official Secretary to the Governor-General, *Office of the Official Secretary to the Governor-General — Annual Report 2023–24*, Commonwealth of Australia, 2024, p. 20.

in July 2025 that in 2024–25, 487 events were hosted and around 28,000 guests and visitors were received at Government House and Admiralty House.

Rationale for undertaking the audit

1.9 One of the Office's three overarching responsibilities is the maintenance and upkeep of two historic properties of national interest: Government House in Canberra and Admiralty House in Sydney. The properties: are of significant heritage value; receive thousands of visitors each year, including foreign leaders, diplomats, dignitaries, school children and the general public; and host events of national importance including Australian honours, award and citizenship ceremonies. This audit provides assurance to the Parliament on the effectiveness of the Office's management of the official residences and other non-financial assets.

Audit approach

Audit objective, criteria and scope

1.10 The audit objective was to assess the effectiveness of the Office's management of official residences and other assets.

1.11 To form a conclusion against the objective, the ANAO adopted the following high-level criteria:

- Has a fit-for-purpose asset management framework been established?
- Have non-financial assets been effectively managed?
- Has asset management performance been effectively measured, monitored and reported on?

1.12 The audit scope included the management and maintenance of the Governor-General's two official residences and properties (Government House and Admiralty House) and other non-financial assets. The ANAO did not examine the Office's management of: financial assets; inventories (such as medals and liquor stocks); contracts; or payment systems related to asset management.

Audit methodology

1.13 The audit methodology involved:

- examination and analysis of relevant documentation and data held by the Office;
- walkthroughs of Office systems and processes;
- meetings with Office staff and other Commonwealth officers; and
- site visits to Government House in Canberra and Admiralty House in Sydney.

1.14 The audit was open to public contributions. The ANAO did not receive any contributions.

1.15 The audit was conducted in accordance with ANAO Auditing Standards at a cost to the ANAO of approximately \$366,000.

1.16 The team members for this audit were Jennifer Eddie, Jake Farquharson, Lily Engelbrethsen, Ayli Chong and Christine Chalmers.

2. Asset management framework

Areas examined

This chapter examines whether the Office of the Official Secretary to the Governor-General (the Office) has established a fit-for-purpose asset management framework.

Conclusion

The Office's asset management framework is partly fit for purpose. The Office has governance arrangements that support asset management. Records management and risk management are deficient, reducing the ability of the Office to efficiently manage the impact of uncertainty on asset condition. The Office is operating outside its risk tolerance in relation to property management. Asset and heritage management planning arrangements are out of date and not aligned with legislative requirements.

Areas for improvement

The ANAO made two recommendations aimed at strengthening risk management and asset and heritage management planning. The ANAO also suggested that the Office revise its fraud and corruption plan and update standard operating procedures.

2.1 The primary outcomes of effective asset management are the realisation of value and achievement of objectives.¹¹ The implementation of a fit-for-purpose asset management framework can contribute to better governance, accountability, risk management and planning.

2.2 The Australian and international standard on asset management (AS ISO 55000:2024) establishes key principles of asset management, which include a focus on establishing clear roles and responsibilities and transparent decision-making processes.¹²

2.3 The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) requires the accountable authorities of entities to: govern the entity in a way that promotes the proper use and management of public resources (section 15); and establish and maintain appropriate systems of risk oversight and management and internal control for their entity (section 16). Specific to asset management, entities should develop processes to assess: asset-related risks; their management of assets; and their asset management systems.¹³

Have fit-for-purpose governance arrangements been established?

The Office has a management and committee structure to execute and oversee asset management and an internal audit program to provide assurance over governance and asset management arrangements. Elements of the Office's records management practices are not fit for purpose, which reduces transparency over the Office's work and can impact the Office's business continuity, preparedness, decision-making capability and efficiency.

11 *Australian Standards (AS) International Organization for Standardization (ISO) 55000:2024, Asset management — vocabulary, overview and principles*, paragraph 4.3. Standards Australia used 'AS ISO' to refer to an Australian adoption of an ISO standard.

12 *AS ISO 55000:2024 Asset management — Vocabulary, overview and principles*, paragraphs 4.2–4.4.

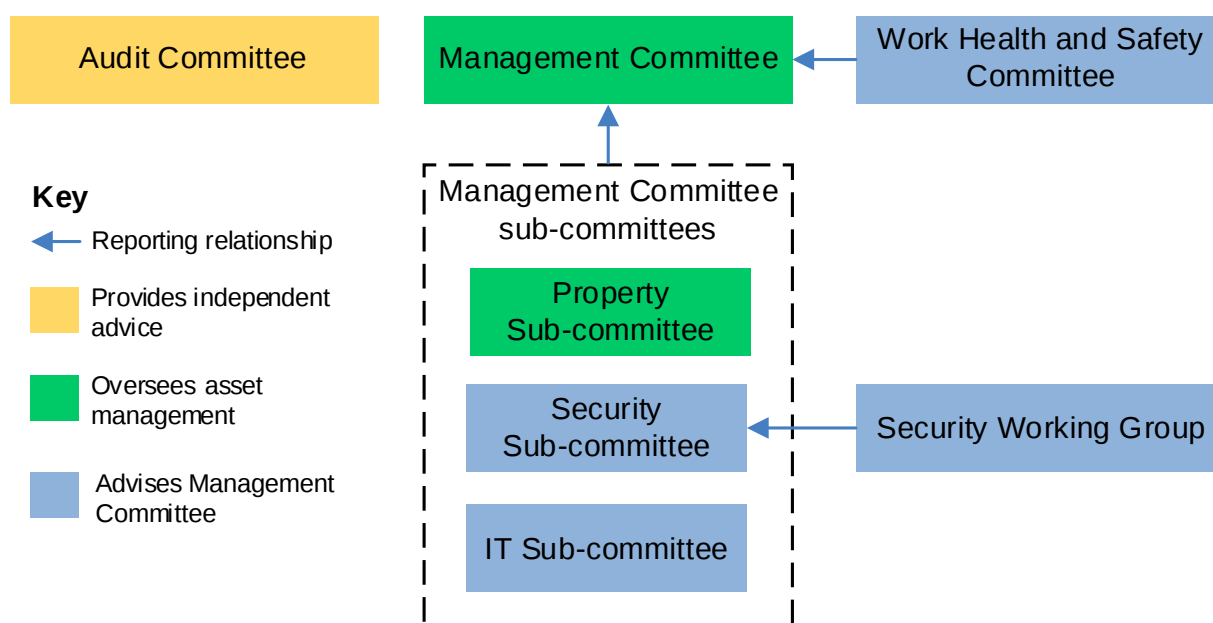
13 *AS ISO 55001:2024 Asset management system — Requirements*, paragraph 6.1.2.

Management and committee structure

2.4 The Office has established roles and responsibilities for the management of properties. The Property and Projects Branch is managed by the Director, Property and Projects, who reports to the Deputy Official Secretary to the Governor-General. The Property and Projects Branch had 21 positions as at 29 January 2025, with one position vacant.

2.5 The Office has working groups and committees to support and oversee its work, including its management of official residences and other assets. The relationships between key committees and working groups referred to in this report are presented in Figure 2.1.

Figure 2.1: Asset management-related working groups and committees



Source: ANAO.

2.6 Two committees have oversight of the management of official residences and other assets.

- **Management Committee** — The Management Committee comprises the Official Secretary, Deputy Official Secretary, Chief Financial Officer, and directors. The Office's 2024–25 corporate plan states the committee 'monitor[s] performance outcomes and consider[s] strategic issues including emerging or ongoing risks'. Terms of reference for the Management Committee were prepared and endorsed in May 2025. Between 1 July 2023 and 30 April 2025, the Management Committee met at least monthly (sometimes fortnightly).
- **Property Sub-committee** — The sub-committee comprises the Deputy Official Secretary, the Chief Finance Officer, and members of the Property and Projects Branch, including the Director of Property and Projects, the Manager of Property and Services and project managers. The Office's 2024–25 corporate plan states that the sub-committee 'provides governance oversight of the property works plan'. Terms of reference were established in May 2025. Between 1 July 2023 and 30 April 2025, the Property Sub-committee met approximately monthly.

2.7 The Work, Health and Safety (WHS) Committee considers and addresses some specific issues related to assets and property management, including safety. Terms of reference for the WHS Committee were in draft as at July 2025. They state that the WHS Committee provides oversight of WHS matters and comprises the Deputy Official Secretary, Director of People and Services, Manager of Human Resources, Manager of Work Health and Safety, and elected staff representatives. A draft WHS Policy requires the WHS Committee to meet every three months. In 2023–24 and 2024–25, the WHS Committee met less frequently than required (five times, at intervals of between two and nine months).

2.8 The Office has an Audit Committee, in accordance with section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).¹⁴ An Audit Committee Charter establishes the functions of the Audit Committee, including that the Audit Committee will provide written advice on the appropriateness of the Office's: financial and performance reporting; system of risk oversight and management; and system of internal control. The Audit Committee met four times in each of 2023–24 and 2024–25, in accordance with its Charter.

Shared asset management arrangements

2.9 The entity has a services schedule with the Department of the Prime Minister and Cabinet (PM&C) for the maintenance of the Kirribilli House property¹⁵, which adjoins the Admiralty House property. The Office is paid by PM&C to maintain the grounds of Kirribilli House under the shared services arrangement.

2.10 The Security Sub-committee and Security Working Group, which include members from the other relevant Commonwealth entities, consider shared security arrangements. A draft letter of exchange for security arrangements at official establishments was circulated by the Department of Home Affairs (Home Affairs) to the Office, the Australian Federal Police (AFP), and PM&C in October 2024 and discussed at a meeting of the Security Working Group in November 2024. Some entities provided comments to Home Affairs in December 2024. As at July 2025, the letter was not endorsed by all four parties and further revisions remained outstanding. The Office wrote to Home Affairs in July 2025 stating that the Office's business as usual arrangements with the AFP and Home Affairs aligned with the draft letter and suggested that if endorsement could not be obtained from all four parties, that Home Affairs consider separating the arrangements for PM&C into a different letter of exchange. Home Affairs advised the ANAO in October 2025 that it had received additional edits from the Office and PM&C and was actively working to finalise the letter of exchange.

Internal audit

2.11 Internal audit is an important tool in providing assurance over an entity's execution of its functions and management of risks. Between 2019 and 30 June 2025, the Office engaged service providers¹⁶ to undertake internal audits and reviews, which included two directly related to asset management in 2024 and 2025 (for an accommodation project) and six covering governance topics

14 Section 45 of the PGPA Act states, 'The accountable authority of a Commonwealth entity must ensure that the entity has an audit committee' and 'The committee must be constituted, and perform functions, in accordance with any requirements prescribed by the rules'.

15 Kirribilli House is the second official residence of the Prime Minister of Australia, and is located in Kirribilli, New South Wales.

16 McGrathNicol from 2019 to 2023; RSM Australia Pty Ltd from 2022 to 2023; and Bellchambers Barrett from 1 March 2024 for a three-year period.

that impact asset management: procurement and contract management (2024), performance measurement and reporting (2023), risk management (2023), legislative obligations (2022), business continuity arrangements (2021), and records management (2019).

Governance and management of records

2.12 Records management obligations are set out in the *Archives Act 1983*, in the PGPA Act, and by the National Archives of Australia (NAA). The NAA's *Building trust in the public record: managing information and data for government and community* policy (Building Trust policy) replaced the *Digital Continuity 2020* policy on 1 January 2021. The Building Trust policy identifies key requirements for managing Australian Government information assets (records, information and data).

2.13 The Office has an Information and Record Management Policy (June 2024) (Record Management policy). The Record Management policy states that the Office is 'committed to ensuring it is meeting policies and standards mandated by [NAA] and other relevant agencies' and that 'all office records should be captured into the approved Records Management System for the Office and support its use over time'. The NAA defines fit-for-purpose information management processes, practices and systems as those that 'meet identified needs for accurate information creation and use', noting that this includes that systems maintain the availability and integrity of data and that information assets have adequate metadata.¹⁷

2.14 Between 2016 and 2024, the Office used Content Manager, an Electronic Document and Records Management System (EDRMS), as its main records management system. In August 2021, the Management Committee decided the Office would investigate changing its main records management system to SharePoint.¹⁸ The Management Committee stated SharePoint would be supplemented with a RecordPoint 'plugin' that would enable compliance with NAA requirements.¹⁹ In 2022, the Management Committee postponed the RecordPoint plugin.

2.15 The Office advised the ANAO in July 2025 that it had been using SharePoint as its records management system for new records since July 2024 while Content Manager was still active on a read-only basis. As at June 2025, the Office's records management arrangements and systems partly aligned with NAA policies and guidance, with issues around metadata, sentencing²⁰ and record availability. The Office advised the ANAO in July 2025 that migration of records from Content Manager to SharePoint/RecordPoint had occurred on 18 July 2025, meaning that the Office's records management system was not configured to meet Australian Government records

17 National Archives of Australia, *Building trust in the public record* [Internet], NAA, 2021, available from <https://www.naa.gov.au/information-management/information-management-policies/building-trust-public-record> [accessed 3 July 2025].

18 SharePoint is a Microsoft web-based platform for document management.

19 The NAA notes that 'while all [Microsoft 365] licences come with some information management functionality, some local configuration or governance may be needed to ensure it continues to be fit-for-purpose'. National Archives of Australia, *Managing Records in Microsoft 365* [Internet], NAA, available from <https://www.naa.gov.au/information-management/managing-information-assets/systems-manage-information/managing-records-microsoft-365> [accessed 5 June 2025].

20 Records sentencing refers to the process of retaining and disposing of records based on their classification and legal and business requirements.

management requirements, particularly in relation to metadata, between July 2024 and July 2025.²¹ The ANAO also found instances where records were incomplete, inaccurate or not held electronically (for example, paragraphs 3.12–3.14, 3.54, 4.13, and 4.19 and Table 4.3).

2.16 In addition to being required by law, the effective management of government records impacts Australian Government performance (including responsive service delivery), integrity, accountability and transparency. Benefits of effective records management include improved decision-making capability using a reliable evidence base to support decisions.²²

Have fit-for-purpose risk management arrangements been established?

An enterprise risk management framework incorporates asset-related risks and largely aligns with Australian Government requirements. A fraud and corruption control plan identifies asset-related fraud and corruption risks, and is not fully aligned with Australian Government requirements. The Office's monitoring and management of risks associated with official residences and other assets could be strengthened. The Office has been operating outside its tolerance for a 'properties risk' since at least July 2023. There was insufficient documentation to support assessments that controls are effective for enterprise risks, including the 'properties risk'. Risk treatments for the high-rated 'properties risk' have not been consistently implemented. Management of enterprise risks shared with other entities is incomplete. Eighteen specific property risks (including three rated high) are identified at the program level; however, these are not considered by the relevant governance committee.

Risk and fraud management framework

2.17 The Office has a risk management framework (May 2024), which covers all nine mandatory elements of the Commonwealth Risk Management Policy.²³

- 21 The NAA has run a mandatory annual information management survey of Australian Government entities since 2011, which is used to monitor the progress of entities in implementing the Building Trust policy and trends in information management maturity (National Archives of Australia, *Check-up survey* [Internet], NAA, available from <https://www.naa.gov.au/information-management/check-survey> [accessed 4 July 2025].) The overall maturity rating incorporates six dimensions: governance and culture; creating information assets; describing information assets (metadata); storing, preserving and managing information assets; appraising and disposing (destruction and transfer); and use, reuse and interoperability. In the 2024 report, the Office self-assessed as being at 3.64 (out of 5) overall information management maturity (where a score of five means high maturity), compared to an average of 3.70 across 169 Australian Government entities (National Archives of Australia, *2024 Whole of government summary report* [Internet], NAA, pp. 5, 80, available from <https://www.naa.gov.au/information-management/check-survey> [accessed 4 August 2025]).
- 22 Australian National Audit Office, *Insights: Records management*, ANAO, Canberra, June 2025, available from <https://www.anao.gov.au/work/insights/records-management> [accessed 22 August 2025].
- 23 Department of Finance, *Commonwealth Risk Management Policy* [Internet], Finance, 2022, available from <https://www.finance.gov.au/government/comcover/risk-services/management/commonwealth-risk-management-policy> [accessed 9 July 2025].

2.18 The Office has a fraud and corruption control plan (last updated May 2025), in accordance with the Commonwealth Fraud and Corruption Control Framework 2024.²⁴ The plan identifies ‘the management and maintenance of the properties and administration of the honours system with administered funds’ as one of four factors that may increase the inherent risk of fraud and corruption. The plan includes a risk register with eight fraud and corruption risks, including ‘misuse of physical assets by misappropriation or theft’. The plan aligns with assessed mandatory requirements of the Fraud and Corruption Rule, except that it does not describe how fraud and corruption risks are taken into account in planning and conducting the Office’s activities. The plan partly aligns with the mandatory requirements of the Fraud and Corruption Policy.²⁵

Opportunity for improvement

2.19 The Office could revise its fraud and corruption control plan to fully align with all mandatory requirements of the Commonwealth Fraud and Corruption Control Framework.

Monitoring and management of asset-related risks

2.20 The Office’s 2024–25 corporate plan states that the Office applies ‘risk management principles to property management through the identification of property related risks in the Office Risk Register ... Property Risk Register and individual project risk assessments.’²⁶

Enterprise property risk management

2.21 ‘Failure to manage and maintain the property portfolio’ has been identified as a strategic risk in the Office’s 2023–24 and 2024–25 corporate plans. The Office has an enterprise risk register, which does not include this strategic risk but includes a similar risk: ‘The properties are degraded because of inadequate management and resourcing leading to the Office not delivering its required outcome’ (the ‘properties risk’).

2.22 The ‘properties risk’ is described as having five potential impacts: financial; reputational; work health and safety; compromising the integrity of the property; and disruption to the wider program and the Office’s capacity to achieve outcomes.

2.23 In its risk management framework, the Office sets its risk appetite as low and states that the Office’s risk tolerance is lower in relation to core activities, including managing and maintaining properties. Between 1 July 2023 and 30 April 2025, the ‘properties risk’ was reviewed four times. The risk rating for the ‘properties risk’ was outside the Office’s risk tolerance at all four reviews, meaning the Office has been operating outside its risk tolerance since at least July 2023. In

24 The framework comprises the Fraud and Corruption Rule (Section 10 of the PGPA Rule), the Fraud and Corruption Policy, and the Fraud and Corruption Guidance (*Resource Management Guidance (RMG) 201 — Preventing, detecting and dealing with fraud and corruption*). The Rule and Policy are mandatory for non-corporate Commonwealth entities. The guidance is considered better practice. See Commonwealth Fraud Prevention Centre, *Commonwealth Fraud and Corruption Control Framework 2024*, Canberra, 2024, <https://www.counterfraud.gov.au/library/framework-2024> [accessed 27 May 2025].

25 The ANAO assessed the Office’s plan against 19 mandatory requirements in the Fraud and Corruption Policy and found it aligned with 58 per cent (11) of these requirements, partly aligned with 21 per cent (four) and did not align with 21 per cent (four).

26 Individual project risk assessments were not included in the scope of the audit.

November 2024, the pre-treatment risk rating was upgraded from 'medium' to 'high', with the post-treatment rating remaining at 'medium'.

2.24 In November 2024, the Office identified 13 controls for the 'properties risk', including a landscape management plan, annual condition audits and surveys, capital projects identified in a property works plan, and reviews of Government House heritage values. Despite the Office operating outside its risk tolerance, controls were assessed as effective. The Office advised the ANAO in June 2025 that controls' effectiveness is assessed by the Management Committee at biannual meetings to review the enterprise risk register. The Office did not retain minutes from these biannual meetings or other evidence to demonstrate the basis upon which effectiveness was determined.

2.25 The Office documented planned risk treatments at each review of the 'properties risk' to reduce the rating of the 'properties risk' to 'medium', with minor amendments and additions. Examples of treatments include seeking additional funding, reviewing Admiralty House heritage values and reviewing heritage management plans.

2.26 The Office's management of the 'properties risk' partly aligns with its risk management framework.

- Some Office risk documentation states that the 'properties risk' is 'within the acceptable risk tolerance level for this category of risk' and that no additional treatments are required. The treatments identified by the Office do not reduce the residual risk rating to within the Office's risk appetite of low.
- The risk management framework states that: risks rated high or above require Management Committee attention and are unacceptable risks that require reviews, strategies and mitigations. Management Committee papers and minutes from 1 July 2023 to 30 April 2025 do not document that the 'properties risk' received Management Committee attention, with one exception: the Property and Projects report to the April 2025 Management Committee meeting stated that one treatment (sourcing additional funding) was underway. This was five months after the rating increased to high.
- The treatments identified by the Office in November 2024 were retained from the previous review, where the target implementation date was 31 December 2024. None of the treatments had been implemented as at July 2025. The Office advised the ANAO in July 2025 that 'risks cannot be treated due to resourcing constraints'.

2.27 Effective risk management leads to improved financial management, informed decision-making and improved organisational performance. A strong risk culture supports entities to effectively manage risks in an environment of resource constraints and competing priorities. Taking appropriate and timely action for risks outside of tolerance is an attribute of a positive risk management culture.²⁷

2.28 The Office's system of documentation of enterprise risks requires risks that are shared with other entities to be identified. For Audit Committee meetings held between 1 July 2023

27 Department of Finance, *Implementing the Commonwealth Risk Management Policy (RMG 211) — Element 3: Risk Culture* [Internet], Finance, 2023, available from <https://www.finance.gov.au/government/managing-commonwealth-resources/managing-risk-internal-accountability/risk-internal-controls/implementing-commonwealth-risk-management-policy-rmg-211/rmg-211-element-3-risk-culture> [accessed 30 July 2025].

and 31 December 2023, where enterprise risk registers were provided to the committee, the Office recorded on the register whether or not enterprise risks were shared. For meetings from March 2024, this practice was discontinued. The ‘properties risk’ was not considered to be shared. Two other shared enterprise risks were identified, one of which was property-related²⁸: damage to people or property caused by physical security incident activity leads to failure to comply with legislation and workplace obligations. The Office considered that it shares this risk with the Attorney-General’s Department (AGD) and the Australian Federal Police (AFP). Respective responsibilities for the management of this risk have not been documented.

Property Risk Register

2.29 The Office’s ‘Program Risk Register’ contains 18 risks and states that it was last reviewed by the ‘Property Project Team’ on 1 March 2025. Three of 18 risks have a residual rating of high following implementation of treatments. The risks relate to the deferral of projects, changes in COVID work restrictions, and the failure to deliver property works program projects quickly enough, due to funding, to address ‘the diminishing condition of the heritage buildings and other facilities due to insufficient maintenance over the asset lifecycle.’ The Office identified treatments for the risks, which included seeking additional funding, closer engagement with stakeholders, improving project planning and closer attention to property condition monitoring. Treatments were partly implemented for the three risks with a residual rating of high.

2.30 The Office advised the ANAO in August 2025 that the Program Risk Register would be discontinued.

Risk oversight and assurance

2.31 Between 1 July 2023 and 30 April 2025, the Management Committee considered risk reporting at its meetings and provided oversight of risk management (Table 2.1).

Table 2.1: Risk oversight by the Management Committee

Type of reporting	Frequency	Information provided
People and Services report	Approximately monthly at Management Committee meetings held between 1 July 2023 and 31 December 2023.	The People and Services Branch update included a section on risk management containing the risk description, the mitigation strategy and the risk rating. During the period examined, three asset-related risks were raised relating to the impact of external resourcing on the property works program and administered capital budget (ACB), and of scheduling conflicts on the ACB.
Director surveys	Monthly at ‘discussion’ meetings (April 2024 to July 2024) ^a Monthly at ‘performance’ meetings (February 2024 to April 2025).	Branch directors responded to survey questions about changes in risk assessments and the identification of emerging risks and whether risks were within acceptable tolerance levels or had treatments.

Note a: Following the July 2024 meeting, the Official Secretary decided to cease ‘discussion’ meetings.

Source: ANAO analysis covering the period 1 July 2023 to 30 April 2025.

28 The other was failure to provide sound advice to the Governor-General on constitutional, policy or contextual matters. The Office considered that it shares this risk with the Department of the Prime Minister and Cabinet (PM&C).

2.32 For Property Sub-committee meetings held between 1 January 2024 and 30 April 2025, available draft minutes²⁹ show that there was no standing agenda item on risk and the Property Risk Register was not tabled or discussed.³⁰

2.33 The Office commissioned an internal audit on risk management in 2023, which concluded that the Office had a developing level of maturity and identified weaknesses relating to risk ownership; risk context setting; risk analysis; assessment of controls; and risk evaluation. Nine recommendations were made, of which the Office agreed to two and 'agreed in principle' to seven. When the Office presented the internal audit report to the Audit Committee in March 2024, the Office noted concerns with 'the appropriateness of recommendations when considering the scale of the Office's resources and activities'. The Office does not produce closure reports for recommendations. The Office advised the ANAO in June 2025 that all nine recommendations were closed and that it considered that: what it already had in place was largely sufficient to address five recommendations; and the revised risk framework resolved the remaining four recommendations.

2.34 The Audit Committee Charter (August 2024) states that one of the committee's responsibilities is to provide advice to the Official Secretary on the appropriateness of the Office's system of risk oversight and management. The Office regularly provided to the Audit Committee: the enterprise risk register, which includes the Office's 'properties risk'; and papers from other governance bodies that include items on risk. During the course of its activities, the Audit Committee commented on or sought further information on aspects of the Office's risk management arrangements. The Office did not consistently record these action items or act on the Audit Committee's observations and requests.

2.35 The Audit Committee provided the Office's accountable authority with letters of advice regarding the Office's system of risk oversight and management. The Audit Committee concluded that the Office's system of risk oversight and management as a whole was appropriate and complied with Section 16(a) of the PGPA Act for 2022–23 and 2023–24.

29 Property Sub-committee meeting minutes were either unavailable or in draft form for all meetings held between 1 July 2023 and 30 April 2025.

30 A 'PWP Risk Register' was referred to in the papers of Property Sub-committee meetings held between 1 October 2023 and 31 December 2023.

Recommendation no. 1

2.36 The Office of the Official Secretary to the Governor-General strengthen its risk management arrangements by:

- (a) ensuring risks that exceed its risk appetite and tolerance levels are considered by the Management Committee in accordance with its risk policy, and that appropriate treatments are applied to these risks;
- (b) to assist with forward planning and resource allocation to risk, documenting the basis upon which risk controls are assessed to be effective;
- (c) documenting responsibilities for risks that are shared with other entities; and
- (d) establishing management arrangements and oversight through the Property Sub-committee and Management Committee for property-specific risks.

Office of the Official Secretary to the Governor-General response: *Agreed.*

2.37 *The Office agrees to this recommendation noting that these are largely already in place and completed as recommended for enterprise risks. Management arrangements and oversight of property-specific risks will be further strengthened.*

- (a) *All risks and treatments, including those rated medium to high, are and have previously been considered by Management Committee at their regular meetings.*
- (b) *The effectiveness of risk controls are and have previously been regularly formally reviewed, assessed and documented. The basis of that assessment will be captured.*
- (c) *Shared risks are and have been previously noted on the risk register along with the other entities.*
- (d) *Property-specific risks will be transferred to the online risk system to facilitate consideration by the Property Sub-committee and Management Committee.*

Is there fit-for-purpose planning for asset and heritage management?

The Office has established asset management policies, plans and procedures, which are out of date and not aligned with current asset management practice. The Office has a heritage management strategy and heritage management plans, which are not aligned with requirements under the *Environment Protection and Biodiversity Conservation Act 1999*, including being overdue for review and not appropriately registered. A review of a 2015 heritage strategy was due in 2018. The Office completed its review of the strategy in 2025 and as at 31 July 2025 had submitted a draft strategy to the Department of Climate Change, Energy, the Environment and Water for consultation.

2.38 An asset management policy should: be fit-for-purpose, documented and communicated to staff; establish an asset management framework; and include a commitment to meet applicable requirements.³¹ An asset management plan should specify the key activities, resources, costs and timelines required to achieve an entity's asset management objectives.³²

31 AS ISO 55001:2024 *Asset management system — Requirements*, paragraph 5.2.

32 AS ISO 55000:2024 *Asset management — Vocabulary, overview and principles*, paragraph 3.2.5.

Asset management policy and plans

2.39 The Office has: Accountable Authority Instructions on managing public property; an asset management policy (2015); and asset management-related standard operating procedures. The Office also has a strategy and plans related to heritage management.

Accountable Authority Instructions

2.40 The Official Secretary's Accountable Authority Instructions (AAIs) on managing public property outline responsibilities and include procedures for procurement and acquisition (including through receipt of gifts and benefits), use and management, loss and recovery, and disposal of property. There are references to Commonwealth policies and other relevant internal policies and instructions on topics such as gifts, risk management, accountability, insurance and fraud control.

Asset management policy

2.41 The Office's asset management policy was established in January 2015. The policy applies to all non-financial assets managed by the Office and covers registering, using, acquiring and disposing of assets. It is available to all staff on the Office's intranet along with asset management flowcharts and training slides, which are based on the 2015 policy. The Office does not have a separate asset management plan; however, the policy largely meets the definition of a plan contained in AS ISO 55000:2024 (see paragraph 2.38).

2.42 The Office's asset management policy aligns with the key elements outlined in AS ISO 55000:2024. However, as the policy has not been updated since 2015, some references to applicable requirements are outdated. The policy contains 34 requirements for managing non-financial assets. Of these, the ANAO found current practices: aligned with 23 requirements (68 per cent); partly aligned with nine requirements (26 per cent); and did not align with two requirements (six per cent). As an example of partial alignment, the policy states 'portable and attractive' assets must be added to a register for control purposes. This was not being done consistently (see paragraphs 3.12–3.15). The ANAO also observed instances of approvals being made by different responsible officers than those identified in the policy. The two areas where current practices did not align with the asset management policy are outlined below.

- The policy states inventory stocktakes will occur every six months each financial year. In practice, the Office conducts stocktakes once annually.
- The policy states that branches are to develop branch operational plans and team plans to complement the strategic plan. This was not being done.

Asset management procedures

2.43 The Office has 70 asset management-related standard operating procedures. Procedures relate to work health and safety (WHS) practices (22), property use and asset management (12), general maintenance and cleaning (10), heritage management (6), use of vehicles (5), and other (such as security, IT and management of contractors).

2.44 The oldest asset maintenance standard operating procedure was established in 2004 and the most recent was established in 2021, with 99 per cent (69 of 70) more than 10 years old. The procedures do not contain a requirement to be reviewed. Reviewing procedures at appropriate intervals helps ensure that an entity's procedures are contemporary and meet regulatory requirements. Many of the procedures included the names and contact details of specific personnel

rather than positions, increasing the chance that the information in the procedures will become outdated and inaccurate and lead to inefficiencies or errors.

Opportunity for improvement

2.45 To help ensure that standard operating procedures remain relevant, the Office could: include in its standard operating procedures the expected review date and relevant positions, rather than the names of individual officials; and review the procedures at set intervals.

Heritage management strategy and plans

Heritage strategy

2.46 As mentioned at paragraph 1.4, Government House and Admiralty House were added to the Commonwealth Heritage List in 2004 as 'Commonwealth owned or controlled places with significant heritage value'.³³ The *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) (s341ZA) requires agencies to prepare a written heritage strategy for managing places to protect and conserve Commonwealth heritage values.³⁴ The Environment Protection and Biodiversity Conservation Regulations 2000 (EPBC Regulations) contain further requirements.

2.47 The Office prepared its first heritage strategy in 2006. As the EPBC Act requires a heritage strategy to be reviewed every three years, the 2006 strategy was due for review in 2009. The review was undertaken in 2015, when a revised heritage strategy was prepared covering the period 2015 to 2018. Of 18 required components under the EPBC Regulations, the 2015 heritage strategy fully addressed 13 and partly addressed five.

2.48 A review of the 2015 strategy was due in 2018. The Office started a review of the strategy in 2020, which was not finalised. The Office recommenced a review of the strategy in 2025. The Office submitted its 2025 draft heritage strategy for consultation to the Department of Climate Change, Energy, the Environment and Water (DCCEEW) on 31 July 2025.

2.49 Under the EPBC Act, entities are required to prepare a report for the Minister for the Environment and Water (the Minister) every three years³⁵ on their review of the heritage strategy. If the reviews of the heritage strategy had been prepared on schedule, the Minister would have received six reports from the Office between 2009 and 2025. The Office prepared a report on its unfinished 2020 review of the 2015 heritage strategy; however, the report was not finalised or submitted to the Minister. The Office has not prepared any reports for the Minister on the heritage strategy since the first strategy was prepared in 2006.

33 Office of the Official Secretary to the Governor-General, *Management of Official Residences* [Internet], 2024, available from <https://www.gg.gov.au/office-official-secretary-governor-general/management-official-residences> [accessed 4 March 2025].

34 A heritage strategy is a written document that integrates heritage conservation and management within an entity's overall property planning and management framework. Its purpose is to help an agency manage and report on the steps it has taken to protect and conserve the Commonwealth Heritage values of properties under its ownership or control. Commonwealth of Australia, *Working Together Managing Commonwealth Heritage Places, A guide for Commonwealth Agencies*, 2019, p. 4.

35 From when the EPBC Act came into force until 2007, the title of the Minister responsible for the EPBC Act was 'Minister for the Environment and Heritage'.

Heritage management plans

2.50 The EPBC Act requires agencies to establish a heritage management plan for Commonwealth Heritage places.³⁶ The EPBC Regulations set out requirements for heritage management plans, including what must be addressed and that plans must be reviewed every five years. In addition, according to the EPBC Regulations and the DCCEEW guide *Working Together: Managing Commonwealth Heritage Places, A guide for Commonwealth Agencies*:

Heritage management plans for Commonwealth Heritage listed places are legislative instruments for the Purposes of the [Legislation Act 2003]. This means that once a plan is made by a responsible Commonwealth agency under section 341S, it must be registered as a legislative instrument on the Federal Register of Legislation (Register) as soon as practicable (s.4 of the Legislation Act). Otherwise, the [entity] may not be compliant with its obligations under the EPBC Act.

2.51 The Office established heritage management plans for Government House and Admiralty House in 2009 and 2010, respectively.³⁷ Although plans existed, there were deficiencies.

- The Office had not reviewed the plans since they were established.
- The 2009 and 2010 plans addressed most of the content requirements, but did not explain how implementation would be monitored for Admiralty House, or how guidance to manage heritage values could be improved.
- Some of the information in the plans was no longer relevant, particularly relating to the condition of heritage values, management goals, and policies.
- The plans were not established under section 341S as they were not reviewed by DCCEEW or endorsed by the Australian Heritage Council.
- The plans had not been registered on the Federal Register of Legislation.

Box 1: Heritage management plan compliance with the EPBC Act^a

2.52 DCCEEW reviews and reports on the status of heritage management plans for all Commonwealth Heritage- and National Heritage-listed places every five years. *Review of the National Heritage List and Commonwealth Heritage List: 1 July 2018 to 30 June 2023* outlined that, as at June 2023, there were 388 places on the Commonwealth Heritage List, of which 372 required a heritage management plan.^b

2.53 For the 372 places that required a heritage management plan, none were reported as meeting all EPBC requirements.

- Eighty-seven per cent (323 places) did not have plans, had non-compliant plans or had out-of-date plans.
- Five per cent (17 places) had compliant up-to-date management plans, except that they had not been registered as a legislative instrument.

36 A heritage management plan is a written document identifying in detail the heritage values of a place and the conservation policies to be followed. It is intended to help managers to conserve and protect the values of a place on the Commonwealth Heritage List. Commonwealth of Australia, *Working Together Managing Commonwealth Heritage Places, A guide for Commonwealth Agencies*, 2019, p. 20.

37 The Office commissioned: Lovell Chen architects & Heritage Consultants to conduct the 2009 Government House heritage management plan; and Tanner Architects to conduct the 2010 Admiralty House heritage management plan.

- Nine per cent (32 places) had management plans that were registered as legislative instruments, but the status of compliance with the EPBC Act was not reported.^c

Note a: Department of Climate Change, Energy, the Environment and Water, *Review of the National Heritage List and Commonwealth Heritage List: 1 July 2018 to 30 June 2023*, 2023.

Note b: Since June 2023, four places had been delisted. As at April 2025 there were 384 places on the Commonwealth Heritage List.

Note c: Percentages do not add up to 100 per cent due to rounding.

Source: ANAO analysis of Department of Climate Change, Energy, the Environment, and Water, *Review of the National Heritage List and Commonwealth Heritage List: 1 July 2018 to 30 June 2023*, Canberra, 2024, pp.34–35.

Landscape heritage management plans

2.54 The Office has a landscape heritage management plan for Government House that was established in 2010, covering the period 2010 to 2015. As at July 2025, it had not been updated. The plan comprises 13 topics including a 'garden master plan', tree management, memorial plantings, garden bed management, turf management, irrigation, hard landscape features, parking, and a long term works plan.

2.55 The Office does not have a landscape heritage management plan for Admiralty House, but it does have a 'landscape program', established in 2006 (of no set duration). The Admiralty House landscape program outlines, at a higher level than for Government House, the maintenance works to be undertaken each year for each precinct of the property. It states that it sets 'landscape principles' for the 'conservation and heritage values' of Admiralty House, but it does not outline principles or values and has not been updated, including since the heritage values for Admiralty House were set out in the 2010 heritage management plan.

Recommendation no. 2

2.56 The Office of the Official Secretary to the Governor-General:

- review and update its asset management policy and ensure practices are implemented in accordance with the agreed policy; and
- update its heritage management plans, in compliance with the *Environment Protection and Biodiversity Conservation Act 1999*.

Office of the Official Secretary to the Governor-General response: *Agreed.*

2.57 *The Office agrees to this recommendation and notes it has already been progressed as outlined below, noting resource constraints have impeded progress.*

- Asset management policy and accompanying procedures have been reviewed and updated, and will be released by December 2025. Implementation of asset management procedures to be reviewed periodically by the Finance and Property team, to ensure compliance.*
- Heritage management plans will be reviewed and updated by 30 June 2026 to ensure compliance with the Environment Protection and Biodiversity Conservation Act 1999. Future reviews will be conducted on an annual basis to ensure ongoing compliance.*

3. Asset management

Areas examined

This chapter examines whether the Office of the Official Secretary to the Governor-General (the Office) has effectively managed non-financial assets.

Conclusion

The Office's management of the official residences and other non-financial assets is largely effective, with most key property elements assessed by the Office to be in good condition (including the main Government House building ('good' condition) and Admiralty House ('very good' condition)). Assets have been registered largely appropriately. The maintenance practices for Government House and Admiralty House buildings and grounds are largely appropriate.

Areas for improvement

The ANAO made two recommendations aimed at strengthening management of gifted assets and its processes and practices for budget prioritisation. The ANAO also suggested that the Office strengthen its gifts and benefits policy, provide heritage management training to staff, and improve property service provider performance reporting arrangements.

3.1 The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) requires the proper use and management of public resources, including assets and property. 'Proper use' is defined as 'efficient, effective, economical and ethical'. The ANAO examined whether assets, including the official properties, have been registered, conserved and maintained effectively.

Have assets been registered appropriately?

The Office has asset registers, which have been appropriately updated, except in relation to gifts received by Office staff or the Governor-General. Official gifts are not registered as portable and attractive items in accordance with Office policy. Record-keeping for gifts could be improved. The Office's gifts and benefits policy could be strengthened to consider security. In 2024–25, the Office did not publicly report the giver of gifts, despite Australian Public Service Commission guidance to do so.

3.2 In order to effectively manage assets, an entity needs an inventory or register outlining which assets it is managing, with details on the attributes of these assets. An effective asset register keeps financial and non-financial information over each asset's life cycle for the purposes of planning; accounting and legislative compliance; and performance monitoring.

Non-current assets

3.3 The Office's asset management policy defines 'non-current assets' as items expected to be used in more than one financial year, with an initial cost of at least \$3,000. The policy states that all non-current assets must be maintained on an asset register and for the asset register to be managed on an accurate and timely basis.

3.4 The Office maintains a fixed asset register that lists non-current assets by category and asset number and includes financial information for accounting purposes. The fixed asset register

includes the Office's land and buildings, IT equipment³⁸, furniture, kitchen and gardening equipment, tableware and motor vehicles (Figure 3.1).

Figure 3.1: Fixed asset example, 1970 Rolls-Royce (Phantom VI)



Source: ANAO, 13 February 2025.

Portable and attractive items

3.5 The asset management policy states that 'the Office shall maintain a separate category of items which, by virtue of their attractiveness and portability are at risk of being stolen, are classified as portable and attractive'. This includes 'items such as IT equipment, other electronic devices, cameras, power tools, artwork, antiques, etc'. The Office's gifts and benefits policy states 'any gifts or benefits surrendered will be considered to be property of the Office and will be treated as portable and attractive items'. The Office maintains a portable and attractive items register, which contains items whose initial cost was between \$250 and \$3,000. While a portable and attractive items register is maintained, it is incomplete (see paragraph 3.14).

Third party assets

3.6 The Office has paintings, sculptures, furniture and other items for public display at Government House and Admiralty House that are on loan from the Australiana Fund³⁹, the National Gallery of Australia, the Australian Institute of Aboriginal and Torres Strait Islander Studies, the Australian War Memorial, and the Department of Parliamentary Services (Figure 3.2:

38 The Office's asset management policy states that grouped assets (such as IT equipment) with a total combined value of \$3,000 or more (and that are managed as a grouped asset) are to be included on the fixed asset register. Individual (non-grouped) IT assets are to be included on the portable and attractive items register.

39 The Australiana Fund was established in 1978 as an independent fundraising body to acquire a national collection of artworks for the four official residences of the Governor-General and Prime Minister of Australia.

Yarralumla ('Dad's') cabinet, on loan from the Australiana Fund). The Office keeps a record of these pieces in a database and through individual loan agreements.

Figure 3.2: Yarralumla ('Dad's') cabinet, on loan from the Australiana Fund



Source: ANAO, 13 February 2025.

Gifted assets

Gifts policy

3.7 The Office's Accountable Authority Instructions (2019) include gifts in the definition of 'relevant property' that is covered by *Public Governance, Performance and Accountability Act 2013* (PGPA Act) (section 15) 'proper use of public resources' requirements. The instructions state that all assets and portable and attractive items must be reported internally through an 'asset addition form' at the time of acquisition.

3.8 The Office established a gifts and benefits policy in 2015, which was updated in July 2020, July 2024, October 2024 and April 2025. The July 2020 gift policy stated that for gifts retained by the Office, the Office should 'assign [an] asset number (if to be registered as a portable and attractive item or otherwise registered as an asset)'. The October 2024 and April 2025 gift policies state any gifts or benefits surrendered to the Office by the Governor-General or staff of the Office will be considered to be property of the Office and will be treated as portable and attractive items.⁴⁰

3.9 The gift policy does not discuss security in relation to gifts, other than for gifted electronic devices, which it states should be destroyed. The Australian Security Intelligence Organisation (ASIO) Annual Threat Assessment 2025 stated:

40 The October 2024 and April 2025 gift policies state that: 'a gift or benefit may be retained [by the Governor-General or staff of the Office] if it does not exceed \$750 (from government/official sources) or \$300 from private/industry sources'; and 'the recipient may retain a gift or benefit that is in excess of the upper value limits if they elect to pay the Office the valuation price less the allowable limit' (plus GST). In the July 2020 gifts policy, the limit was \$1,000 (with no distinction between official sources and private sources), with the same arrangements for purchasing gifts above the allowable limit.

multiple countries are relentlessly seeking information about our military capabilities. Defence personnel are being targeted in person and online. Some were recently given gifts by international counterparts. The presents contained concealed surveillance devices.⁴¹

Opportunity for improvement

3.10 As the Governor-General is the Commander-in-Chief of the Australian Defence Force and conducts high-level meetings at Government House and Admiralty House, precautions should be taken with gifts accepted overseas and retained and displayed by the Office. The Office could amend its gifts and benefits policy to consider security risks from all types of gifts.

Registering gifts

3.11 The July 2020 version of the gifts and benefits policy, which applied to gifts received in 2023–24, included an ‘official gift reporting form’ for gifts (worth over \$100) presented to the Governor-General (or spouse). The form required a description of the gift, date of receipt, name of giver, and estimated value. The form contained a workflow for approval, which included that the Chief Financial Officer assign gifts (that were retained by the Office) an asset number.

3.12 A key requirement of the National Archives of Australia’s (NAA’s) 2021 Building Trust policy (see paragraph 2.12) is that entities ‘reduce areas of information management inefficiency and risk’ which includes that entities ‘work digitally by default and manage information in digital format’.⁴² The Office did not hold digital records of gift forms for 2023–24. The ANAO reviewed the Office’s hardcopy gift forms for 2023–24 and found that these records, in addition to not meeting NAA policy for being in a digital format, were incomplete and inaccurate.

3.13 Hardcopy gift forms and gift registers showed that 11 gifts over \$100 had been retained by the Office in 2023–24 and seven gifts over \$100 were retained by the Office in the first two quarters of 2024–25. The two highest value gifts received in 2023–24 were a Legacy ceremonial torch, valued at \$10,000, and a Herend tea set, valued at \$5,000. There were hardcopy gift forms for both items, which were incomplete and did not include asset numbers. The hardcopy gift forms stated that the gifts were retained by the Office (with the Legacy torch on public display and the Herend tea set in storage). In July 2025, the ANAO confirmed the Legacy torch was on display at Government House. The Office advised the ANAO in July 2025 that contrary to the hardcopy gift form, the Herend tea set was not in storage. The Office produced email records that showed that the tea set had been purchased by the former Governor-General. The purchase was in accordance with the gifts and benefits policy.

3.14 None of the gifted assets retained by the Office (during the period examined) were recorded in the fixed asset register or the register for portable and attractive items.

Gift reporting

3.15 Officials have a duty under the PGPA Act to not improperly use their position to gain, or seek to gain, a benefit or an advantage (section 27) and to disclose details of personal interests (section

41 Office of National Intelligence, *ASIO Annual Threat Assessment 2025*, <https://www.oni.gov.au/news/asio-annual-threat-assessment-2025> [accessed 26 June 2025].

42 National Archives of Australia, *Building trust in the public record*, 2021, <https://www.naa.gov.au/information-management/information-management-policies/building-trust-public-record> [accessed 17 June 2025].

29). Acceptance of a gift or benefit can create a real or apparent conflict of interest that should be disclosed.⁴³

3.16 The October 2024 and April 2025 policies state that the Office had adopted Australian Public Service Commission (APSC) guidance on gifts and benefits. The July 2020 gifts policy (current in 2023–24) required that gifts to the Governor-General valued at over \$100 be publicly disclosed annually. The October 2024 and April 2025 policies required that gifts and benefits over \$100 be publicly disclosed: on a quarterly basis for gifts to the Official Secretary and staff; and annually for gifts to the Governor-General and spouse.

3.17 The Office has published on its website registers of gifts and benefits received by: the Official Secretary and Office staff since January 2020; and the Governor-General (and spouse) since July 2024. There was no public reporting on Governor-General gifts and benefits between 2019–20 and 2023–24.⁴⁴ To meet the policy intent, information on the giver of a gift or benefit should be included when disclosing a gift or benefit and APSC guidance includes a gift register template containing a column to report the gift giver.⁴⁵ The public registers for 2023–24 (which were for the Official Secretary and staff) included a column to disclose who the gift was ‘presented by’, which aligns with APSC guidance. The public registers for 2024–25 (for the Governor-General and/or spouse, the Official Secretary and staff) do not disclose the giver.

43 See Australian Public Service Commission, *APSC Values and Code of Conduct in practice, Section 5: Conflict of Interest* [Internet], 2021, <https://www.apsc.gov.au/publication/aps-values-and-code-conduct-practice/section-5-conflict-interest>. [accessed 3 July 2025].

44 Gifts and benefits received by the Governor-General had been disclosed annually between 2015–16 and 2018–19.

45 See Australian Public Service Commission, *Guidance for Agency Heads — Gifts and Benefits*, 2023, <https://www.apsc.gov.au/working-aps/integrity/integrity-resources/guidance-agency-heads-gifts-and-benefits>, paragraphs 30–33 [accessed 17 June 2025].

Recommendation no. 3

3.18 The Office of the Official Secretary to the Governor-General strengthen:

- (a) controls to ensure gifts retained by the Office are appropriately registered as ‘portable and attractive items’ and managed in accordance with Office policy; and
- (b) public reporting on gifts and benefits, by disclosing the gift giver.

Office of the Official Secretary to the Governor-General response: *Partially agreed.*

3.19 *Action to be taken:*

- (a) *It is not practicable that all gifts retained by the Office are to be recorded in the asset register as “portable and attractive items”. This will create an administrative burden and could make future valuations of the Office’s assets more complex in nature. The Office acknowledges this requirement was shown on the previous manual gift and benefit registration form but notes it was not included in the current system or process – i.e. the Office is adhering to current policies and processes. It is also noted that the Office has in place a standalone governance system which includes a module focused purely on gifts i.e. there is a high degree of confidence in the recording and approval of gifts per the Office policy which is publicly available.*
- (b) *Gifts and benefits will continue to be regularly reported on the Office’s website. Details of the gift giver were shown on the most recent report and will be included going forward.*

Have properties been conserved and maintained appropriately?

In 2023–24, the Office self-assessed that 76 per cent of elements of high heritage significance were in good or very good condition, which was higher than its performance target. For eight key property elements of high heritage significance, assessed condition remained stable or improved between 2009 and 2023–24. Despite the positive outcome relating to condition assessments, there are ways in which the Office could improve its conservation and maintenance of properties.

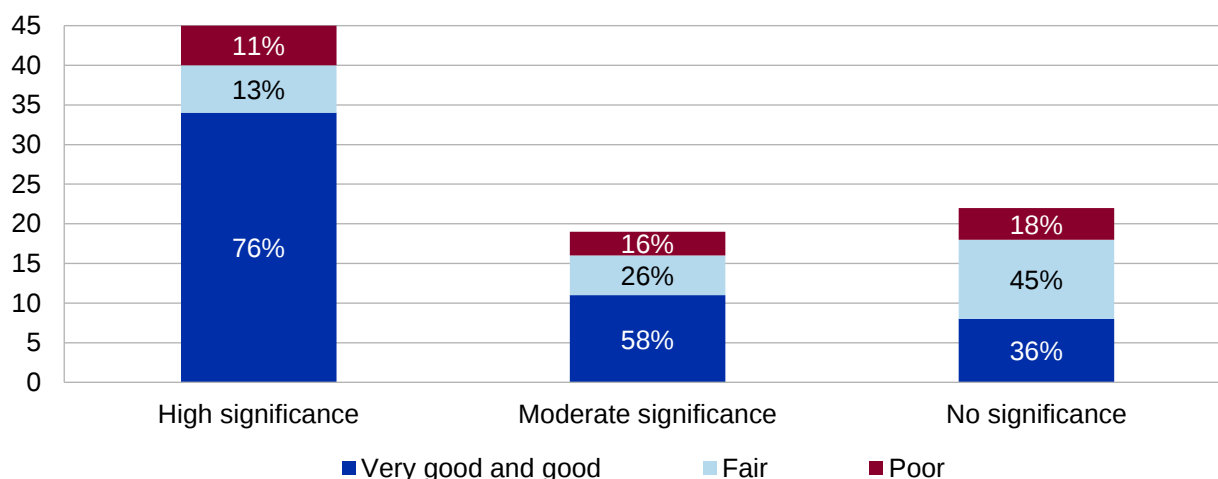
- The Office has not fully implemented its heritage management plans.
- There are weak budget prioritisation practices for capital and maintenance projects.
- The Office does not provide heritage training to staff and none of its staff are trained in heritage management.
- A tree management plan for Government House was first established in June 2025. There is no tree management plan for Admiralty House.

The Office uses a property service provider for reactive and preventative maintenance and provided feedback on the property service provider’s performance to the property service provider and the Department of Finance. Reporting arrangements with the property service provider could be improved to better enable the Office to monitor timeliness and value for money of maintenance services.

Conservation of heritage properties

3.20 The Office undertakes an annual condition assessment of property elements with high, moderate and no heritage significance. For 2023–24: 53 (62 per cent) of all 86 property elements were assessed as being in ‘good’ or ‘very good’ condition, with the remaining 33 elements (38 per cent) in ‘fair’ or ‘poor’ condition. Of the 45 property elements of high heritage significance, 34 (76 per cent) were self-assessed as being in very good or good condition (Figure 3.3). This includes the main Government House building, which was assessed as being in ‘good’ condition and the main Admiralty House building, which was assessed as being in ‘very good’ condition.

Figure 3.3: Condition of property elements, by heritage significance, 2023–24



Source: ANAO analysis.

3.21 A heritage management plan commissioned by the Office in 2009 for Government House included a condition assessment conducted by Lovell Chen Architects and Heritage Consultants for 14 property elements, including eight of high heritage significance. A 2010 Admiralty House plan did not include condition ratings by element. For the eight high heritage items in the 2009 Government House heritage management plan, the assessed condition has stayed at the same level or improved between 2009 and 2023–24. The full list of elements of high heritage significance in 2023–24, the Office’s self-assessed condition in 2023–24, and the 2009 heritage condition of Government House elements (where assessed) is at Appendix 3.

3.22 The Office forecasts the condition of its property elements will deteriorate in forward years. The Office’s 2024–25 corporate plan had declining targets for the condition of property elements, with the target for the condition of all property elements set at 65 per cent being in good (or better) condition by 2027–28 (see paragraph 4.5).

3.23 An independent review of the Office, which was commissioned by PM&C and released in August 2025, concluded in relation to property management:

The property team manage complexities very well within current constraints, but given current funding levels and limitations in capacity, the focus is understandably on patching existing problems rather than taking a strategic view. While the current activity is sufficient to allow such

planning to be postponed year to year, delay does increase the risk of further significant degradation.⁴⁶

3.24 The Office advised the ANAO in February 2025 that its maintenance approach (see paragraphs 3.46–3.47) has meant it reacts to issues when they arise, rather than investing to conserve heritage values, and that it intends to adopt a more considered approach in 2025.

Implementation of heritage strategy and heritage management plans

3.25 As set out at paragraphs 2.46–2.56, the Office has a heritage strategy (2015) and heritage management plans (2009 and 2010). The Office advised the ANAO in February 2025 that its heritage management plans have not been fully implemented, but that it uses information in the plans as a ‘reference’ (for example, to identify the ‘level of significance’ of the properties’ features and structures). The Office has partly implemented the heritage management plans. For example, the 2010 heritage management plan for Admiralty House made six recommendations for the Marine Barracks, of which one was implemented (Case Study 1).

Case study 1. Admiralty House Marine Barracks

The Marine Barracks (Barracks) is a building on the grounds of Admiralty House. It was constructed between 1855 and 1859 as part of the Sydney Harbour defence strategy and was designed to complement existing defence structures at Fort Macquarie and Dawes Point. It generally operated as a separate element from the rest of the Admiralty House site. It is one of two fortifications that remain.

The Barracks is categorised as having ‘exceptional significance’ and the Barracks precinct is categorised as having high significance to the heritage values of Admiralty House in the 2010 heritage management plan. Conservation of its architectural and cultural value is included as a general conservation policy in the plan. The heritage management plan stated that the building was under-used and its setting not well suited for encouraging usage. The plan also noted that usage involves considering legislative requirements such as the *Disability Discrimination Act*, which could require the construction of additional access arrangements to buildings and may impact the fabric of existing buildings at Admiralty House.

The 2010 heritage management plan made six recommendations for the Barracks, including to retain and conserve the presentation and fabric of the building, undertake remedial works on stonework, and determine a strategy to repair damage to the Barracks caused by the root system of a nearby fig tree. In November 2018, the fig tree and root system that were damaging the stonework were removed. A proposal for the restoration of the external stonework was included in the property works program in July 2024. As at February 2025, this proposed project did not have a priority rating. The property works program notes that the Barracks has no functional purpose that would support the allocation of funds to the project.

As at July 2025, five of six recommendations had not been addressed. The Barracks remains in ‘poor’ condition according to the Office’s 2024 condition self-assessment.

46 Dr Vivienne Thom AM, *Independent Review of the Office of the Official Secretary to the Governor-General*, Department of the Prime Minister and Cabinet, published 26 August 2025, p. 23, available from <https://www.pmc.gov.au/resources/independent-review-office-official-secretary-governor-general>.



Source: ANAO, 1 April 2025.

Budget management and prioritisation

3.26 The Office's 2024–25 corporate plan states that given the age and heritage values of the properties, 'ongoing investment of resources' is required 'to ensure the Office meets its obligations to maintain the houses for the Australian public'. In 2023–24, the Office spent about \$4.5 million on asset maintenance and capital expenses, comprising: \$1.133 million on supplier expenses for property maintenance; \$417,000 in departmental capital budget (DCB); and \$2.924 million in administered capital budget (ACB).⁴⁷ This represents about 17 per cent of the Office's total resourcing of \$26.234 million for 2023–24. The Office's 2024–25 portfolio budget statements allocated \$425,000 in DCB and \$3.135 million in ACB. This represents about 12 per cent of the Office's total resourcing of \$30.162 million for 2024–25.⁴⁸

3.27 The Office's 2024–25 corporate plan stated that the Office has 'robust practices, procedures and governance' to 'prioritise identified [ACB] projects having regard to: the current and desired condition of all property assets; their utilisation, and the functional business needs of the assets'. The corporate plan also states that the Office expects the condition of the properties to reduce in the coming years 'due to available resource allocation'.

3.28 The Office maintains a 'Property Works Program — ACB Forward Plan' (property works program), which documents the nature and status of works and maintenance projects to be funded under the ACB. As at February 2025, the property works program included 217 projects. Of these, 100 did not record the creation date of the project. The creation dates for the remaining 117

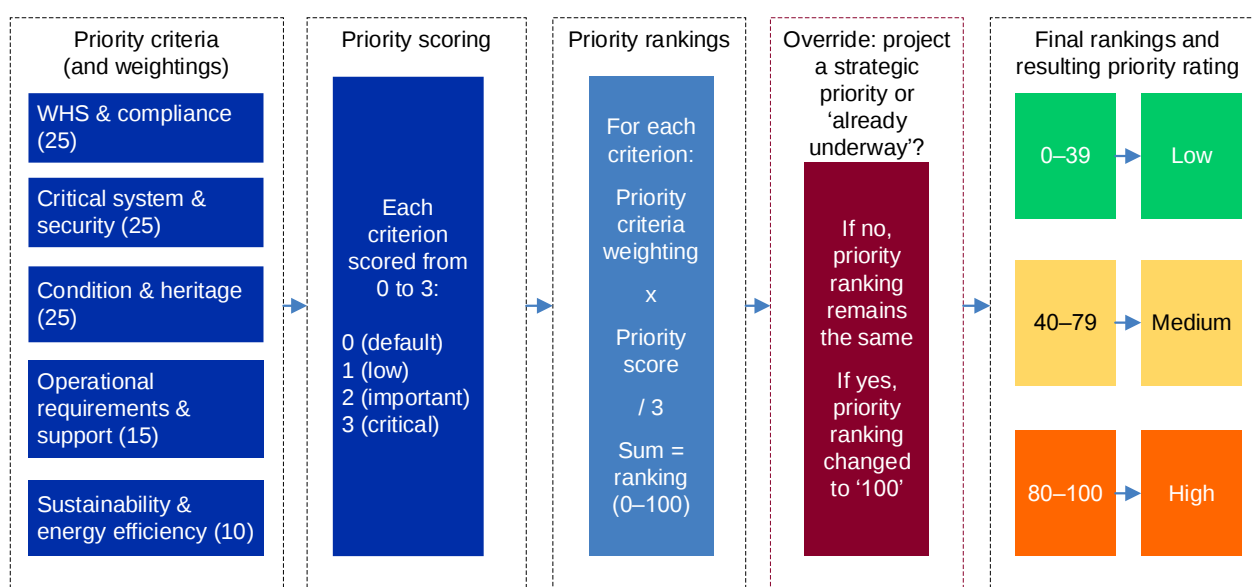
47 The Department of Finance defines DCB/ACB as funding provided to non-corporate Commonwealth entities to meet the costs associated with the replacement of minor assets (assets valued at \$10 million or less) or maintenance costs that are eligible to be capitalised.

48 The United Kingdom's National Audit Office reported that 'the Royal Household's biggest expenditure is property maintenance of the Occupied Royal Palaces', with 49 per cent of its expenditure going to maintenance. See National Audit Office, *Royal Household spending and accountability*, 2023, p. 9.

projects and proposed projects ranged between July 2022 and February 2025, including 21 projects created in 2023–24 and 51 projects created in 2024–25 (as at February 2025). Of the 217 projects, 11 were identified as relating to a property element of high heritage significance. All 11 projects were created on 1 July 2024. As at February 2025, the status of one high heritage project involving the Admiral's Steps at Admiralty House was 'underway' and the status for the remaining 10 projects was 'proposed'.

3.29 The Office's property works program outlines prioritisation criteria, to be scored as critical (3), important (2), low (1) or default (0) for each project, and then weighted to arrive at a priority ranking (0–100) and priority rating of low, medium or high (Figure 3.4). If the prioritisation process is undertaken after a project is already underway or the Office deems it to be 'high priority' (regardless of the scoring), it is assigned a priority ranking score of 100 and a rating of high, overriding all of the other criteria (Figure 3.4).

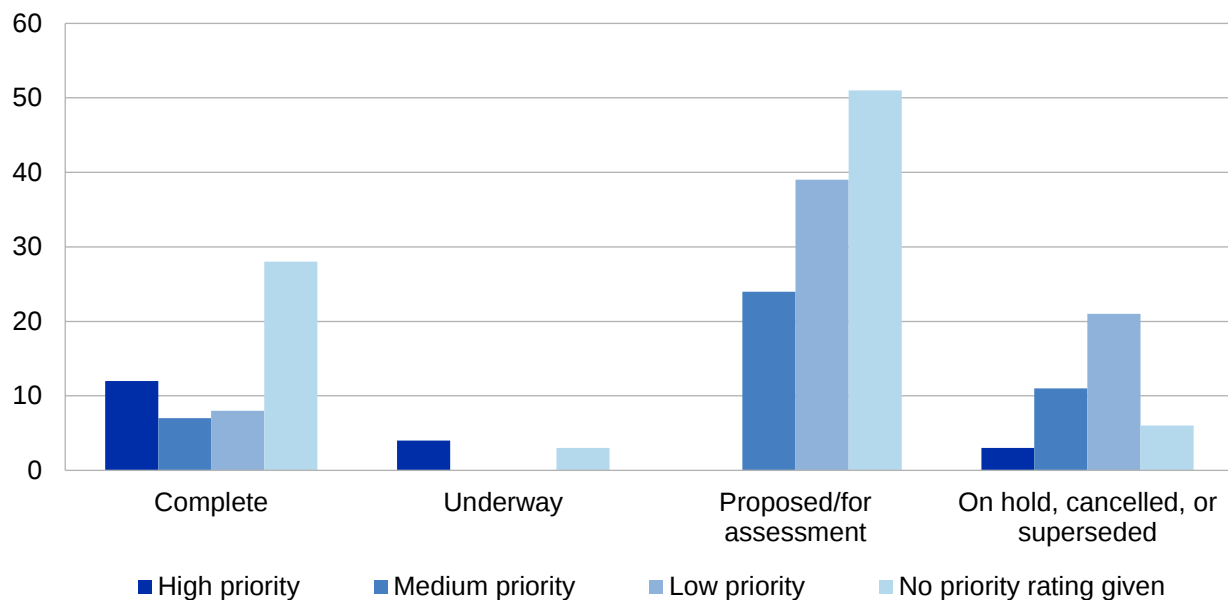
Figure 3.4: Property works project prioritisation process



Source: ANAO analysis.

3.30 The prioritisation procedure outlined in the property works program is not consistently applied and projects are not undertaken based on the assigned priorities. Out of the 217 projects in the property works program, 55 were recorded as completed. Of these, 28 (51 per cent) had not been assessed for priority level, 12 (22 per cent) had been prioritised as 'high' and 15 (27 per cent) had been prioritised as medium or low (Figure 3.5). None of the 55 completed projects related to a property element of high heritage significance.

Figure 3.5: Property works program projects, by status and priority level, 2022–23 to 2024–25^a



Note a: Projects created between July 2022 and February 2025.

Source: ANAO analysis.

3.31 Of all 19 ‘high priority’ projects underway, completed, on hold or cancelled, 17 were rated as high because of the priority override (see paragraph 3.29). Without this override, the ANAO determined that eight of the projects would have been rated as ‘low’ priority and nine would have been rated as ‘medium’ priority. None of these 19 ‘high priority’ projects related to an element of high heritage significance.

3.32 The Property and Projects Branch provides a report on the property works program and ACB spending at Property Sub-committee meetings. These reports do not include the priority level of the projects. The August 2024 report outlined how it intended to spend the \$3.1 million in ACB funding. This included 19 projects, of which 12 were underway and seven were on hold. The report included one large renovation project at Government House, with a budget of \$3 million, which was continued from 2023–24 (Case study 2).

Case study 2. Main House Accommodation Project, Government House

In October 2023, the Office identified a ‘once-in-five-year’ opportunity to undertake disruptive works in the main house, during the transition between outgoing and incoming Governors-General in 2024. In January 2024, an inspection identified several high-priority, condition-based items. The scope included seven suites and rooms, including four elements of high heritage significance. Funding of \$2.6 million was approved in February 2024. In April 2024, a contract for \$2.523 million was awarded to Projex Building Pty Ltd, through a limited tender procurement (AusTender reference CN4053626). The contract was amended in October 2024 to \$3.190 million.

The Office commissioned Bellchambers Barrett to undertake two internal reviews on this project: a phase one ‘health check’ in May 2024; and post-implementation review in April 2025. The post-implementation review found that the project: was largely delivered on time and

budget, with some scope changes, and with minimised disruptions to operations; added value to Government House operations; was supported by good executive engagement; and considered heritage management. The review highlighted the challenge of balancing the specialist nature of heritage, durability, cohesiveness and cost considerations in an aging building, with limited asset condition-based assessment and forward planning in place.

The review identified that gaps in planning and scoping (arising from the absence of a comprehensive condition-based assessment and planning strategy) inhibited comprehensive consideration and prioritisation of end-of-life assets and assets requiring maintenance.

Recommendation no. 4

3.33 The Office of the Official Secretary to the Governor-General strengthen its processes and practices for property works budget prioritisation.

Office of the Official Secretary to the Governor-General response: *Agreed.*

3.34 *Development of a three-year forward plan for anticipated property works, to include a prioritisation rating to be completed by March 2026. Prioritisation criteria to include risk, urgency, heritage value, and cost-benefit analysis. Forward plan to be reviewed annually by the Property Sub-committee before Management Committee endorsement. The Office has been resource constrained for many years. The impacts of which have been significant, and evident as in the example of the Marine Barracks case study [Case Study 1].*

Training on heritage management

3.35 The Office's 2015 Heritage Strategy states:

The Office acknowledges the requirement for staff to be trained about Commonwealth heritage obligations and best practice in heritage management.^[49] Training courses relating to heritage, conservation and the protection of a place's significant values may be made available to key Office staff as part of continuing professional development schemes.

3.36 The Office's 2024–25 corporate plan states that members of the property team 'undergo specific training including ... heritage management'. The Office does not offer heritage training to its staff. The Office advised the ANAO in February 2025 that no current staff members had undertaken heritage management training.

Opportunity for improvement

3.37 The Office could provide training in heritage management to staff responsible for managing and maintaining heritage-listed properties.

Horticulture maintenance

3.38 Of Government House's 53 hectares, 20 are managed as irrigated grounds (gardens and turf). The Office refers to unirrigated grounds as 'dryland'. The irrigated grounds are maintained by

49 The strategy is referring to the requirement in clause 4(a) of Schedule 7C in the EPBC Regulations 2000.

the Office's nine horticultural staff. For Government House, the Office has a landscape heritage management plan (see paragraph 2.51), horticulture schedules, turf management schedules, and a 'horticultural forward plan' (2022). For the two-hectare Admiralty House property, the Office prepared a landscape program in 2006 (see paragraph 2.55) and seasonal horticultural schedules between 2012 and 2014.

3.39 At Government House, there are approximately 600 trees within the irrigated grounds and 1,300 within the dryland, with some estimated to be about 400 years old. The Office did not establish a tree management plan for Government House until June 2025. Prior to this, the Office had an undated 'Trees in Landscaped Areas and Dryland' best practice document that outlined 'how to maintain, preserve and protect, and enhance tree health'. The Office advised the ANAO in March 2025 that there was no tree management plan for Admiralty House.

3.40 The June 2025 Government House tree management plan outlines that tree inspections are to be undertaken with the assistance of a qualified arborist to determine and monitor tree health, with inspections to be conducted annually for most zones.

3.41 The Office procures tree management services. AusTender reporting shows two contracts in 2023–24 for arborist services and tree assessments worth a combined \$76,128; and five contracts in 2024–25 for tree maintenance and tree management system worth a combined \$151,848.

- The Office commissioned Civica Pty Limited (Civica) to conduct an assessment of 580 trees at Government House in March 2024 for \$12,128 (AusTender reference CN4042837).
- Between 1 July 2024 and 3 March 2025, the Office did not have a contract in place for a tree management system.
- The Office executed a two-year contract with Civica for a 'tree management system' on 3 March 2025 for \$79,398 (AusTender reference CN4149604). Under this contract, Civica conducted an assessment of 63 trees in March 2025. The assessment report identified 13 high risk trees⁵⁰ and 50 medium risk trees⁵¹ and recommended that two of the high risk trees be removed. Both trees' probability of failure was 'certain' with a 'moderate' consequence. As at July 2025, the two high risk trees recommended for removal had not been removed.
- The Office advised the ANAO in April 2025 that it also conducts tree inspections following a significant weather event or before a special event, such as an Open Day.

3.42 On 19 February 2025, a tree branch fell from a eucalyptus tree (tree 349) located at the entrance to Government House, causing serious injury. The Office's WHS Manager determined this to be a notifiable incident under the *Work Health and Safety Act 2011*. Tree 349 was last assessed in July 2022, when the arborist rated the tree as medium risk and recommended that deadwood be

50 High risk trees have a possible to certain probability of failure with a moderate to extreme consequence. The tree assessment report stated that recommended work actions for high risk trees should be performed 'as soon as possible'.

51 Medium risk trees have an unlikely to certain probability of failure with a minor to extreme consequence. The tree assessment report stated that recommended work actions for medium risk trees should 'be prioritised at the client's discretion based on resources available'.

removed.⁵² Office records of tree works are not complete and records for tree 349 do not include whether this recommended work was undertaken. On 20 February 2025, the day following the incident, an arborist commissioned by the Office found bird browsing damage and undertook weight reduction. The March 2025 Civica tree assessment report stated that the risk rating for tree 349 remained at 'medium'⁵³, with the arborist recommending that further deadwood be removed. The Office had further deadwood removed from tree 349 on 15 and 20 March 2025, as recommended.

3.43 The 5 April 2025 Government House Open Day was postponed until the high risk tree works could be completed. As at July 2025, works had not been completed and no new date for the Open Day had been set. As at October 2025, a Government House Open Day had been scheduled for 1 November 2025.

3.44 In August 2025, the Office published a Notice of Works on its website stating that between August 2025 and August 2026, security fence replacement works would be undertaken at Government House, involving the removal and replacement of 150 to 300 trees.⁵⁴

Property maintenance

3.45 The Property Services Coordinated Procurement Arrangements (Property Service Arrangements) were announced in 2016, to provide a whole-of-Australian-Government (WoAG) approach to the delivery of leasing and facilities management services for Commonwealth entities (Table 3.1). The Property Service Arrangements are mandatory for all non-corporate Commonwealth entities and are part of the Commonwealth Property Management Framework.⁵⁵

Table 3.1: Roles and responsibilities under Property Services Arrangements

Role	Responsibilities as described by the Department of Finance
Property service providers (PSP)	PSPs are responsible for providing core leasing services and facilities management services to entities and additional services as negotiated.
Department of Finance (Finance)	Finance manages the Property Service Arrangements at a WoAG level, including contract management, in consultation with the PSPs and entities. Finance monitors performance across each PSP's portfolio, including monitoring key performance metrics at an aggregated level; and formal performance management, including decisions in relation to applying service level rebates and dispute resolution.

52 The Office provided a record of earlier remedial tree works that had been undertaken at Government House in September 2024, following a weather event, with winds up to 85 kilometres per hour. Records show that two damaged trees were removed and a third tree was 'tidied'. Although no assessment was documented, staff attested that tree 349 and two other trees had also been assessed during these works, and it was determined that these trees did not require any remediation works.

53 The risk rating was calculated by using a risk matrix comprising a probability and consequence rating. The tree assessment report assigned tree 349 a 'failure possible' probability and 'serious' consequence rating, resulting in an overall medium risk rating.

54 Office of the Official Secretary to the Governor-General, *Management of Official Residences* [Internet], 2025, available from <https://www.gg.gov.au/office-official-secretary-governor-general/management-official-residences> [accessed 22 August 2025].

55 Department of Finance, *RMG 500: Commonwealth Property Management Framework*, Finance, 2024.

Role	Responsibilities as described by the Department of Finance
Participating Commonwealth entities	Commonwealth entities participating in the Property Service Arrangements are responsible for managing engagement with their assigned PSP and directing the PSP's activities in relation to the entity's property portfolio. This includes: - operational management, including providing detail of the services required, monitoring performance, reporting faults (for reactive maintenance jobs) and approving the annual property operating expenses budget; - paying for the services received through the PSP^a; and - providing feedback to Finance on the PSP's performance.

Note a: Payment for services received was not examined in this audit.

Source: ANAO Analysis of Department of Finance, *Property Services Coordinated Procurement* [Internet], Finance, <https://www.finance.gov.au/publications/policy/property-services-coordinated-procurement> [accessed 12 May 2025].

Engagement with property service provider

3.46 The Department of Finance (Finance) assigned property service provider Jones Lang LaSalle (ACT) Pty Ltd (JLL) to the Office. JLL managed the Office's preventative and reactive maintenance for 'fixed maintainable assets' from 2019 to 2025.⁵⁶

- Preventative maintenance — The Office had planned preventative maintenance schedules for Government House and Admiralty House, managed through a JLL-managed system called Corrigo.⁵⁷ Maintenance schedules included work classified as critical, minimum standard, statutory, preventative or recurring. The planned tasks were set up to maintain equipment for (among other things): heating, ventilation and air conditioning (HVAC); fire safety; hot water; water treatment; and electrical safety.
- Reactive (run-to-fail) maintenance⁵⁸ — The Office created work orders through Corrigo for reactive maintenance. Services included: building repair; lighting; plumbing; painting; HVAC and electrical repair; cleaning; and pest control.

3.47 In August 2024, JLL provided the Office with an annual 'asset management report', which noted the Office's mixed reactive (run to fail) and preventative maintenance approach and included analysis on 'maintenance effectiveness'.⁵⁹ JLL stated that reactive maintenance costs of less than 60 per cent of total costs were effective (for items on the Office's preventative maintenance program). The report identified seven HVAC assets where reactive maintenance costs exceeded 60 per cent of total maintenance costs (ranging from 62 to 90 per cent). JLL stated that this could be an indicator of: asset deterioration; insufficient maintenance; ineffective maintenance; high reactive costs; low preventative maintenance costs; and/or another reason. JLL investigated the seven assets and determined no further follow-up was needed. JLL advised the ANAO in October 2025 that in 2023–24, the Office had elected to decrease maintenance/service

56 The Office transitioned on 30 May 2025 to provider Cushman & Wakefield Pty Ltd (Cushman & Wakefield).

57 The Office accessed Corrigo through a customer portal, where it could raise and monitor work order requests. For emergency maintenance requests, the Office could also contact JLL through its helpdesk.

58 Run-to-fail (RTF) maintenance is a deliberate maintenance strategy in which some assets are used until they break down or require repair or replacement.

59 JLL advised the ANAO in October 2025 that it has provided an annual assessment management report to the entities it services under WoAG arrangements since 2023.

frequencies, which reduced the percentage spent on preventative servicing versus reactive maintenance. The August 2024 report included 10-year asset replacement forecasting.

Performance management of property service provider

3.48 The WoAG contract between Finance and JLL (JLL contract) outlines that JLL must provide the services so as to meet or exceed the service levels and specified timeframes. The JLL contract outlines response times by priority level for reactive maintenance (Table 3.2).

Table 3.2: Reactive maintenance definitions and response times, by priority level

Priority level	Definition	Expected response time (to arrive on site)	Expected completion time ^a
P1 — Life threatening	Any fault that is life threatening or may cause immediate injury	1 hour	4 hours
P2 — Urgent	Any fault that is not 'life threatening' but which may: compromise critical operations or cause a significant interruption to business; compromise security or safety; and cause major property damage or injury.	4 hours	1 business day
P3 — High	Events that are less than 'urgent' but which may significantly reduce operational efficiency or comfort.	1 business day	3 business days
P4 — Medium	Events less than 'high' but which may moderately reduce operational efficiency or comfort.	2 business days	5 business days
P5 — Low	Less than 'medium' but which may [cause] annoyances or requests for new work.	3 business days	15 business days

Note a: The JLL contract states 'It is expected that jobs are closed out (completed) as soon as is practicable after the rectification of the fault'. A 'WoAG work order priorities' document also outlines expected completion times.

Source: ANAO analysis.

3.49 The ANAO examined the timeliness of completion for all planned and reactive maintenance work orders from 1 July 2023 to 30 April 2025.

- For planned maintenance, the ANAO examined all 632 planned tasks for Government House and 263 planned tasks for Admiralty House. On average, across all types of work orders, between 75 and 87 per cent of planned maintenance tasks were reported as completed by the due date, depending on the site and year.
- For reactive maintenance, the ANAO examined all 322 reactive work orders for Government House and 88 reactive work orders for Admiralty House. On average, across all priority levels, between 64 per cent and 74 per cent of reactive work orders were completed by the due date.

3.50 Although the majority of reactive work orders were reported completed by the 'due date', the ANAO found that 'due dates' were changed by JLL throughout the evolution of a work order. While there might be a legitimate reason to set a new expected completion date for active management of the work orders (including scheduled functions and ceremonies at the official

residences and availability of relevant buildings), overwriting ‘due dates’ makes this data meaningless for performance monitoring and reporting purposes (Case study 3).

Case study 3. Due dates changing through a reactive work order progression

The ANAO examined a reactive work order that was registered on Wednesday, 4 October 2023 as a high priority (P3), with an expected response time of one business day and completion time of three business days. It involved a leak in Government House, in the Cowan sitting room. The completion/due date was initially set for three business days later (Monday, 9 October 2023). The work was completed on 11 December 2023, which is 49 business days after the work order was created. Corrigo records indicate that the work order was completed by the due date, which is recorded as 14 December 2023. JLL modified the due date four times from its original due date of 9 October 2023. The reasons for the modifications were recorded in Corrigo. These were: moving works to after an Open Day; waiting for the Office to approve the quotation for works; need for a safety review; and rescheduling as agreed with the Office.

3.51 Using the original expected completion time at the time the work order was established, the actual completion times were longer than expected for priority levels one to four in 2024–25. For priority level five, average completion times were within the expected 15 days, but there were instances of work orders taking up to 72 business days to completion (Table 3.3).

Table 3.3: Average and maximum completion times for reactive work orders, 2024–25^a

Priority level	Expected completion time	Admiralty House		Government House	
		Average number of business days to completion	Maximum number of business days to completion	Average number of business days to completion	Maximum number of business days to completion
P1	4 hours	Not applicable	Not applicable	2	3
P2	1 business day	Not applicable	Not applicable	2	3
P3	3 business days	26	109	14	68
P4	5 business days	27	87	13	35
P5	15 business days	12	42	14	72

Note a: To 30 April 2025.
Source: ANAO analysis of work orders from 1 July 2024 to 30 April 2025.

3.52 The JLL contracts state that ‘A failure to achieve the Service Level may result in the Management Fee and Additional Ongoing Services Fee being reduced’. The Office advised the ANAO in July 2025 that this clause had not been invoked.

- 3.53 The WoAG contract between Finance and JLL outlines that JLL must:
- implement measuring and monitoring tools and procedures that are capable of measuring the service provider's performance against service levels on a continuous basis; and
 - keep accurate and auditable records relating to performance.

3.54 JLL provided a quarterly operational report to the Office, which included self-assessments on work order performance (covering performance of sub-contracted service providers, performance of preventative and reactive maintenance work orders, and discussion of compliance

risk). For 2023–24 and the first three quarters of 2024–25, the Office held records for five of seven quarterly operational reports. The Office engaged regularly with JLL by email and telephone and met with JLL approximately quarterly to discuss operational requirements and JLL’s quarterly report.

3.55 JLL quarterly reports identified: no outstanding work orders for 2023–24⁶⁰; and one ‘overdue’ work order for the first three quarters of 2024–25. This is not consistent with the number of work orders that were overdue in this period when analysed on an annual basis, even when based on the modified ‘JLL-adjusted’ due dates over this period, as recorded in Corrigo (Table 3.4).⁶¹ There is evidence of the Office discussing these reports with JLL.

Table 3.4: Number of reactive work orders, completed 15+ days after the ‘JLL-adjusted’^a due date, 2023–24 and 2024–25

Site	2023–24	2024–25 ^b	Total
Government House	10	11	21
Admiralty House	6	4	10
Total	16	15	31

Note a: ‘JLL-adjusted’ due date is the final due date entered in the Corrigo system, which could have been changed multiple times from the original due date.

Note b: To 30 April 2025.

Source: ANAO analysis of work orders from 1 July 2023 to 30 April 2025.

3.56 The actual number of delayed works is higher than reflected in Table 3.4, if original due dates were used for the calculation. Inaccurate performance information could affect the Office’s asset decision-making, risk management and achievement of value-for-money.

Opportunity for improvement

3.57 The Office could ensure: that the arrangements with its new property service provider enable accurate and complete reporting on the provider’s performance, including timeliness; and that the Office verifies the integrity of reported data.

3.58 The Office is required under Finance’s WoAG arrangements to ‘provide feedback to Finance on the PSP’s performance’. As at May 2025, the Office provided feedback to Finance as required in 2023–24 and in 2024–25 (Table 3.5). The Office rated JLL performance on the service level for ‘properties maintained to an acceptable standard and service requests are responded to within agreed timeframes’ as ‘below expectations’ for the period July to December 2024.

60 Based on the two reports provided to the ANAO. The Office did not hold the other two reports.

61 JLL advised the ANAO in October 2025 ‘The quarterly operations report is a retrospective summary of the work completed in that quarter from the 1st of the month to the last day in the quarter. As such, work order status during a quarter may not align with a full year analysis’.

Table 3.5: Office feedback to Finance on JLL performance, July 2023 to December 2024

Reporting period	Office provided feedback to Finance	Service Level (SL) 2: Provision of timely, quality, accurate data, reporting and budgeting (out of 10)	SL9: Properties are maintained to an acceptable standard and service requests are responded to within agreed response timeframes (out of 10)	Overall JLL performance (out of 10)
July to December 2023	✓	8.8	7.8	8.8
January to June 2024	✓	8.4	8.0	8.8
July to December 2024	✓	7.6	7.0	[N/A — question removed from survey]

Key: ■ Meets expectations (9.1 to 10) ■ Meets most expectations (7.6 to 9) ■ Below expectations (7.5 or below).

Source: ANAO analysis.

4. Asset management performance

Areas examined

This chapter examines whether the Office of the Official Secretary to the Governor-General (the Office) has effectively measured, monitored and reported on asset management performance.

Conclusion

The Office's asset-related performance measurement and monitoring is partly effective. Performance results are not fully verifiable. Results for one key asset-related performance measure were inaccurately reported in 2023–24 and should be corrected. The Office's performance targets for the condition of heritage properties have been reduced.

Areas for improvement

The ANAO made one recommendation aimed at improving performance measures. The ANAO also suggested that the Office: ensure that targets are accurate and consistent; and include information in its 2024–25 annual report to correct the record for the 2023–24 performance information that was mis-stated.

4.1 Effective performance measurement, monitoring and reporting is a key aspect of good governance and accountability, including for asset management.⁶² Indicators of an organisation's asset management maturity include: having accurate information about its assets to underpin performance measures; integrating asset management into its overall management and monitoring system; and reporting internally and externally on performance.⁶³

Has asset-related performance been effectively measured and monitored?

The Office has established relevant measures and targets for public reporting and regular monitoring of asset performance. The Office's 2024–25 property condition measure and targets were unclear. The target was reduced from 80 per cent in 2024–25 to 65 per cent in 2027–28, which the Office attributed to a lack of resources. Internal targets did not align with external targets for this measure and were lower. Reliability and verifiability of data sources and methodologies could be improved. The Management Committee and Property Subcommittee monitor asset-related performance.

4.2 Sections 16E and 16EA of the Public Governance, Performance and Accountability Rule 2014 (the PGPA Rule) outline that performance measures included in an Australian Government entity's corporate plan meet requirements if, in the context of the entity's key activities and purposes, they (among other things):

- relate directly to one or more of the entity's purposes or key activities;
- use information and methodologies that are reliable and verifiable;

62 *Public Governance, Performance and Accountability Act 2013* (PGPA Act), section 5; and *AS ISO 55000:2024 Asset Management — Vocabulary, Overview and principles*.

63 *AS ISO 55000:2024 Asset Management — Vocabulary, Overview and principles*, subsection 4.5.

- provide an unbiased basis for the measurement and assessment of the entity's performance;
- provide a basis for an assessment of the entity's performance over time; and
- have specified targets, where reasonably practicable.

Performance measures

External measures

4.3 The Office's 2023–24 and 2024–25 corporate plans outline its purpose as the facilitation of the performance of the Governor-General's role through the organisation and management of official duties, management and maintenance of the official households and properties, and administration of the Australian honours and awards system. The 2023–24 corporate plan listed 20 performance measures, of which four related to the Office's key activity 'management and maintenance of the official properties' (Table 4.1).

Table 4.1: 2023–24 Corporate Plan performance measures and targets for 'management and maintenance of the official properties'

Key measurement ^a	Measurement description	Targets 2023–24	Forward targets 2024–25	Forward targets 2025–26
Governor-General's satisfaction to be assessed	The Governor-General expresses satisfaction with the management of the official properties	Governor-General is satisfied	Governor-General is satisfied	Governor-General is satisfied
Carbon Emissions	The Office achieves Net Zero Carbon Emissions by 2050	Deliver first stage of the 2023 Action Plan	Deliver second stage of the 2023 Action Plan	Deliver third stage of the 2023 Action Plan
Heritage Governance	Appropriate Heritage Governance strategies, plans and policies are developed and maintained	Heritage strategy reviewed with respect to <i>Environment Protection and Biodiversity Conservation Act 1999</i> (EPBC Act), approved and published	Heritage strategy reviewed, approved and published	Heritage strategy reviewed, approved and published
		The Office will review the heritage values for Admiralty House	The Office will review its Commonwealth Heritage listing	The Office will review the Government House Heritage Management Plan
		100%	100%	100%
		of all capital works projects will have a Heritage Values Impact Assessment		

Key measurement ^a	Measurement description	Targets 2023–24	Forward targets 2024–25	Forward targets 2025–26
Ensure the Official Residences are in an appropriate condition for their heritage value and to support the role of the Governor-General	The buildings and landscape precincts at both properties are assessed annually to ensure their condition is appropriate for their heritage value	70%	75%	80%
		of the property elements with High Heritage Significance will be kept at a condition level rating of “Good” or better		
		65%	70%	75%
		of the property elements with Moderate Heritage Significance will be kept at a condition level rating of “Meets minimum operational requirements (Fair)” or better		
		55%	60%	65%
		of the property elements with no heritage significance will be kept at a condition level rating of “Meets minimum operational requirements (Fair)” or better		

Note a: The ANAO took the combined information from the columns ‘key measurement’ and ‘measurement description’ to be the performance measures.

Source: ANAO analysis of the Office’s 2023–24 corporate plan.

4.4 The 2024–25 corporate plan listed a total of seven performance measures across the Office’s three key activities, including two measures for the ‘management and maintenance of the official properties’ (Table 4.2).

Table 4.2: 2024–25 Corporate Plan performance measures and targets for ‘management and maintenance of the official properties’

Performance measure		Targets 2024–25	Forward targets 2025–26	Forward targets 2026–27	Forward targets 2027–28
Compliance with legislation in relation to DDA and WHS legislation in Public realm spaces	Assessment tool revised and 70% compliance in public realm spaces	70% compliance in public realm spaces	75% compliance in public realm spaces	75% compliance in public realm spaces	
Condition assessments undertaken	Assessment tool revised — result of 80%	75%	70%	65% ^a	

Note a: The corporate plan had a footnote stating, ‘condition reduction expected due to available resource allocation’.

Source: ANAO analysis of the Office’s 2024–25 corporate plan.

4.5 The 2023–24 property condition measure (ensure the Official Residences are in an appropriate condition for their heritage value and to support the role of the Governor-General) was an ‘effectiveness’ measure⁶⁴ (Table 4.1). The description of the 2024–25 property condition measure was unclear whether the measure was an output measure (the undertaking of condition assessments) or an effectiveness measure (achievement of the intended outcome) (Table 4.2). The 2024–25 property condition measure targets also lacked clarity. The Office advised the ANAO

64 Measures of effectiveness assess how well an entity has delivered on its purposes. That is, whether the activities of the entity have had the intended impact, policy objective, or contributed to achieving the purpose. See Department of Finance, Resource Management Guide (RMG) 131, *Developing Performance Measures*.

in August 2025 that the intention of the 2024–25 property condition measure and target was unchanged and that it was to be read as an outcome measure of the ‘percentage of property elements that are at the required condition level for their heritage significance’. The target for this measure was reduced from 80 per cent in 2024–25 to 65 per cent in 2027–28 (Table 4.2), with a footnote that stated ‘condition reduction expected due to available resource allocation’.

4.6 The ANAO assessed the four 2023–24 and two 2024–25 performance measures and targets relating to the ‘management and maintenance of the official properties’ against requirements of the PGPA Rule 16E and 16EA (Table 4.3).

Table 4.3: Assessment of corporate plan performance measures and targets for ‘management and maintenance of official properties’, 2023–24 and 2024–25

Requirements	2023–24	2024–25	ANAO assessment
Relate directly	●	●	All performance measures related directly to the key activity of management and maintenance of official properties.
Use information and methodologies that are reliable (trustworthy) and verifiable (able to be substantiated)	◐	◐	Of the four 2023–24 performance measures: - one was based on information and methodologies that were reliable and verifiable; and - three were not (one used information and methodologies that were reliable, but not verifiable; and two were based on information and methodologies that were neither reliable nor verifiable). Of the two 2024–25 performance measures: - one was based on information and methodologies that were reliable and verifiable; and - one was based on information and methodologies that were reliable, but not verifiable.
Unbiased	○ ^a	● ^b	Due to the lack of records, it was not possible to determine if three 2023–24 measures and one 2024–25 measure provided ‘an unbiased basis for the measurement and assessment of the entity’s performance’. While the measure on condition assessment had a documented methodology, it relied on Office staff developing and completing the assessment. As a result, the measure was at risk of self-assessment bias. For the same measure in 2024–25, the Office indicated that it intended to use an independent assessor in alternate years starting in 2024–25.
Basis for assessment over time	●	○	The measures in the 2023–24 corporate plan were the same as those in the 2022–23 corporate plan, which provided a basis for assessment from 2022–23 to 2023–24. ^c The performance measures were replaced in 2024–25 without an explanation. While an entity may choose to replace measures for various legitimate reasons, the rationale should be reported.
Targets specified	●	●	Targets were specified for each measure.

Key: ● Met for all measures ● Met for majority of measures ◐ Met for half of measures ◑ Met for some but less than half of measures ○ Not met for any measures

Note a: Insufficient records to assess three of the four measures. The assessment was based on the one measure

where records existed, which was at risk of self-assessment bias.

Note b: Insufficient records to assess one of the two measures. The assessment was based on the one measure where records existed.

Note c: The Office's performance measures were different in 2021–22, so there had not been a basis for assessment over time from 2021–22 to 2022–23. See Office of the Official Secretary to the Governor-General, *2021–22 Corporate Plan*, pp. 17–19.

Source: ANAO analysis of the Office's 2023–24 and 2024–25 corporate plans.

Recommendation no. 5

4.7 To provide better accountability and transparency to the Parliament on its performance, the Office of the Official Secretary to the Governor-General strengthen:

- (a) clarity of the descriptions of performance measures and targets; and
- (b) reliability and verifiability of the information and methodologies supporting the measures.

Office of the Official Secretary to the Governor-General response: Agreed.

4.8 *The Office agrees to this recommendation and notes that performance information is continuously evolving in accordance with the Office's maturity in this area. Focus on this area is balanced with other priorities, within our resource constraints. The Office will continue to strengthen existing processes in place, as follows:*

- (a) *Performance measures and targets are developed through extensive consultation within the Office. Descriptions of performance measures and targets are continually reviewed for plain language and alignment with strategic objectives.*
- (b) *Continue to strengthen the reliability and verifiability of information and methodology relating to performance measures. Methodologies and data sources continue to be documented and are subject to review annually.*

Internal measures

4.9 In addition to the performance measures outlined in the corporate plan, the Office established internal performance measures in relation to the key activity 'management of the official properties' for 2024–25 (Table 4.4). The measures were similar to the external measures that had been in the Office's 2023–24 corporate plan. These were first presented to the Audit Committee in December 2024.

Table 4.4: Internal performance measures, 2024–25

Performance measures	2024–25 targets
The Office achieves Net Zero Carbon Emissions by 2050 ^a	Establish Policy and an Action Plan
Appropriate Heritage Governance strategies, plans and policies are developed and maintained	Heritage Strategy developed, approved and published ^b
	The Office will review the heritage values for Government House
	100% of all capital works projects will have a Heritage Values Impact Assessment
The buildings and landscape precincts at both properties are assessed annually to ensure their condition is appropriate for their heritage value	75% of the property elements with High Heritage Significance will be kept at a condition level rating of “Good” or better
	70% of the property elements with Moderate Heritage Significance will be kept at a condition level rating of “Meets minimum operational requirements (Fair)” or better
	60% of the property elements with no heritage significance will be kept at a condition level rating of “Meets minimum operational requirements (Fair)” or better

Note a: This measure does not appear in reporting for quarter 2 of 2024–25.

Note b: This component of the measure does not appear in reporting for quarter 2 of 2024–25.

Source: ANAO presentation of information provided by the Office to the Audit Committee.

4.10 The 2024–25 internal targets for the condition of the properties were lower (at 60 to 75 per cent) than the equivalent target in the 2024–25 corporate plan, which was 80 per cent on average (Tables 4.2 and Table 4.4). The inconsistency creates a lack of clarity for staff and external stakeholders about which target the Office is aiming for.

Opportunity for improvement

4.11 Targets for internal and external performance measure should be unambiguous, well considered and accurate. Targets established for Parliamentary consideration in portfolio budget statements and reported publicly in annual reports should be consistent with targets used for internal performance monitoring.

Monitoring of performance

4.12 The Office established an internal performance management framework in March 2024. The framework requires: monthly performance information to be provided to the Management Committee; and the completion of quarterly performance reports, which are signed off by the Management Committee and presented to the Audit Committee.⁶⁵ Internal performance measures related to asset management were monitored through existing governance mechanisms, comprising:

⁶⁵ Quarterly performance reports were being provided prior to the establishment of the performance framework.

- Management Committee: quarterly traffic light reports on performance measures, monthly performance scorecards on whether measures were on track (from February 2024), and branch updates on performance and deliverables; and
- Property Sub-committee: progress updates on individual projects, with monitoring of financial performance against planned spend.

4.13 For the period 1 July 2023 to 30 April 2025, the Office did not hold: two of six quarterly reports; three of 17 performance scorecards; or records of Property Sub-committee meetings between July and September 2023.

4.14 The Audit Committee's terms of reference state that it is required to review the Office's compliance with mandatory requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and PGPA Rule to assess the appropriateness of the Office's performance reporting. The Audit Committee must also provide the accountable authority with written advice on whether the Office's: performance reporting requirements are appropriate and comply with requirements; and performance reporting as a whole is appropriate. The Audit Committee provided this advice in 2023–24 and for the 2024–25 corporate plan and found the Office's performance information and reporting was appropriate.

Has there been effective public reporting of asset-related performance?

The 2023–24 and 2024–25 corporate plans and 2023–24 annual performance statements explained the Office's purpose, key activities and targets for specified performance measures in accordance with the PGPA Rule. The performance measures did not fully meet the requirements of section 16EA of the PGPA Rule. Public reporting was partly inaccurate and should be corrected, with the 2023–24 annual performance statements reporting that 100 per cent of high heritage significance property elements were in 'good' or 'better' condition, instead of the actual result of 76 per cent.

Corporate plan

4.15 Section 16E of the PGPA Rule sets out that an entity's corporate plan must include (among other things): the purposes of the entity; the key activities that the entity will undertake to achieve its purposes; specified performance measures that meet the requirements of section 16EA of the PGPA Rule; and specified targets for each performance measure (where reasonably practicable).

4.16 The Office's corporate plans in 2023–24 and 2024–25 included most mandatory content requirements: the entity's purpose and key activities were outlined. Performance measures and targets were stated; however, the performance measures and targets did not meet the requirements of section 16EA of the PGPA Rule (Table 4.3) and therefore did not fully meet the requirements of section 16E. The 2023–24 corporate plan included additional information (performance criteria, primary stakeholders and objectives), and referred to 'key measurements', and 'measurement descriptions', which together were considered to be the Office's performance measures. Extraneous information and inconsistent terminology reduced the clarity of the performance information. Except for the lack of clarity associated with the property condition measure and target in 2024–25 (see paragraph 4.5), the readability of performance information improved in the 2024–25 corporate plan.

Annual performance statements

4.17 Section 16F of the PGPA Rule states:

In preparing the annual performance statements for a Commonwealth entity for a reporting period, the accountable authority of the entity must measure and assess the entity's performance in achieving the entity's purposes in the reporting period in accordance with the method of measuring and assessing the entity's performance in the reporting period that was set out in the entity's corporate plan, and in any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement, that were prepared for the reporting period.

4.18 The ANAO examined the Office's 2023–24 annual performance statements and found they met all mandatory content requirements for the entity's purpose, key activities, performance measures and targets. In accordance with section 16F of the PGPA Rule, the 2023–24 annual performance statements reported the results of each of the Office's eight performance targets (for the four asset-related measures). The Office reported that it had met five of the eight targets for the management of official residences. Three targets were reported as not fully met.

- One target was reported as 'partially met' ('Deliver first stage of the [Carbon emissions] Action Plan'), with the annual performance statements noting that 'the Office has identified new projects and initiatives as required under the Action Plan; however, they have not yet been approved and implemented'.
- Two targets were reported as 'not met' ('Heritage Strategy reviewed with respect to EPBC Act, approved and published' and 'The Office will review the heritage values for Admiralty House').

4.19 Records to verify that the Office met targets were available for three of the five targets (Table 4.3). One result was inaccurately reported as '100 [per cent] of property elements with High Heritage Significance were kept at a condition level rating of 'good' or 'better' against a target of 70 per cent'. Internal documentation recorded a result of 76 per cent. The PGPA Rule (subsection 17AH(e)) states that where a previous annual report for the entity contains any significant statement on a matter of fact which has proved to be wrong in a material respect, information correcting the record must be included in the annual report.

Opportunity for improvement

4.20 The Office should include information in its 2024–25 Annual Report to correct the record for the inaccurate 2023–24 performance information.

Clear and consistent reporting

4.21 Annual performance statements should include information that demonstrates the connection between the portfolio budget statements (PBS), corporate plan and annual performance statements to enable a clear and consistent read across the three documents.⁶⁶ It is good practice for entities to set out the discussion of performance in their annual performance

⁶⁶ Department of Finance, *Annual Performance Statements for Commonwealth Entities (RMG 134)*, 2024.

statements in the same order as the corporate plan, reinforcing the connection between the documents. Each performance measure should also be expressed in a consistent way.⁶⁷

4.22 The ANAO examined the Office's 2023–24 PBS, corporate plan and annual performance statements for consistency. The annual performance statements aligned with the corporate plan, and there were some minor differences between the corporate plan and the PBS in how the performance measures were expressed. Where performance information (such as performance measures, targets, data sources and methodologies) in the corporate plan or annual report differs from the PBS, entities should explain these changes in their annual performance statements to help the Parliament reconcile the information.⁶⁸ The 2023–24 annual performance statements did not explain the differences.



Dr Caralee McLiesh PSM
Auditor-General

Canberra ACT
24 October 2025

67 *ibid.*

68 *ibid.*

Appendices

Appendix 1 Entity responses

Office of the Official Secretary to the Governor-General



OFFICE OF THE OFFICIAL SECRETARY
TO THE GOVERNOR-GENERAL

20 October 2025

Dr Caralee McLiesh PSM
Auditor-General for Australia
Australian National Audit Office
OfficeoftheAuditorGeneralPerformanceAudit@anao.gov.au

Dear Dr McLiesh,

Thank you for your email of 22 September 2025 attaching the proposed audit report on *Management of official residences and other assets*.

The Office of the Official Secretary to the Governor-General (the Office) acknowledges the findings of the report. The Office agrees to all the recommendations and opportunities for improvement and will address what is appropriate and possible within existing available resources noting that some items were in progress prior to the audit.

The Office is committed to serving the Australian public including supporting the Governor-General, management and maintenance of official residences and administration of the Australian Honours and Awards system. We appreciate and welcome the opportunity to improve our performance and outcomes as recommended in your report.

I have attached a summary response, as well as detailed responses to each of the recommendations made in your report. I have no suggested editorial edits.

Yours sincerely,

Gerard Martin PSM
Official Secretary to the Governor-General

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Australian Federal Police



Tuesday, 14 October 2025

Dr Caralee McLiesh PSM
Auditor-General
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

Dear Dr McLiesh,

Management of Official Residences and Other Assets

Thank you for providing the Australian Federal Police (AFP) with an opportunity to respond to the proposed Australian National Audit Office (ANAO) report on the Management of Official Residences and Other Assets audit.

The AFP acknowledges the work conducted by the Security Sub-committee and Security Working Group and the importance of having an endorsed Letter of Exchange for Security Operations Official Establishments between the Australian Federal Police, the Office of the Official Secretary to the Governor-General, the Department of the Prime Minister and Cabinet and the Department of Home Affairs.

The AFP remains committed to providing input as required to enable endorsement of the Letter of Exchange.

Yours sincerely,

Katherine Van Gurp
Chief Operating Officer

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Department of the Prime Minister and Cabinet



Australian Government Department of the Prime Minister and Cabinet

SECRETARY
Dr Steven Kennedy PSM

Ref: EC25-000623

Dr Caralee McLiesh PSM
Auditor-General for Australia
Australian National Audit Office
GPO Box 707
Canberra ACT 2601

By email: OfficeoftheAuditorGeneralPerformanceAudit@anao.gov.au

Dear Dr McLiesh

A handwritten signature in cursive script that reads 'Caralee'.

ANAO S19 EXTRACT – MANAGEMENT OF OFFICIAL RESIDENCES AND OTHER ASSETS – DEPARTMENT OF THE PRIME MINISTER AND CABINET RESPONSE

Thank you for the opportunity to comment on the extract of the proposed audit report on the *Management of official residences and other assets – Prime Minister and Cabinet portfolio* provided on 23 September 2025.

I have considered the audit report extract and I note that the content is factually accurate and do not propose any amendments.

My department will continue to work with the Official Secretary to the Governor-General and other relevant parties on shared asset management arrangements relating to official residences and other assets.

I look forward to reading the final audit report in due course.

Yours sincerely

A handwritten signature in cursive script that reads 'Steven Kennedy'.

Steven Kennedy
13 October 2025

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Appendix 2 Improvements observed by the ANAO

1. The existence of independent external audit, and the accompanying potential for scrutiny improves performance. Improvements in administrative and management practices usually occur: in anticipation of ANAO audit activity; during an audit engagement; as interim findings are made; and/or after the audit has been completed and formal findings are communicated.
2. The Joint Committee of Public Accounts and Audit (JCPAA) has encouraged the ANAO to consider ways in which the ANAO could capture and describe some of these impacts. The ANAO's corporate plan states that the ANAO's annual performance statements will provide a narrative that will consider, amongst other matters, analysis of key improvements made by entities during a performance audit process based on information included in tabled performance audit reports.
3. Performance audits involve close engagement between the ANAO and the audited entity as well as other stakeholders involved in the program or activity being audited. Throughout the audit engagement, the ANAO outlines to the entity the preliminary audit findings, conclusions and potential audit recommendations. This ensures that final recommendations are appropriately targeted and encourages entities to take early remedial action on any identified matters during the course of an audit. Remedial actions entities may take during the audit include:
 - strengthening governance arrangements;
 - introducing or revising policies, strategies, guidelines or administrative processes; and
 - initiating reviews or investigations.
4. In this context, the below actions were observed by the ANAO during the course of the audit. It is not clear whether these actions and/or the timing of these actions were planned in response to proposed or actual audit activity (Table A.1). The ANAO has not sought to obtain assurance over the source of these actions or whether they have been appropriately implemented.

Table A.1: Improvements observed by the ANAO

Improvement	Report reference
In May 2025, the Office of the Official Secretary to the Governor-General (the Office) established terms of reference for its Management Committee and Property Sub-committee.	Paragraph 2.6
A draft letter of exchange for security arrangements at official establishments was circulated by the Department of Home Affairs (Home Affairs) to the Office, the Australian Federal Police (AFP), and the Department of the Prime Minister and Cabinet (PM&C) in October 2024 and discussed at a meeting of the Security Working Group in November 2024. As at July 2025, the letter was not endorsed by all four parties and further revisions remained outstanding. Home Affairs advised the ANAO in October 2025 that it had received additional edits from the Office and PM&C and was actively working to finalise the letter of exchange.	Paragraph 2.10
In July 2025, the Office implemented a plug-in to support compliance with Australian Government requirements for records management systems.	Paragraphs 2.14–2.15
In May 2025, the Office updated its fraud and corruption control plan.	Paragraph 2.18

Improvement	Report reference
A review of the Office's 2015 heritage strategy that was due in 2018 was commenced and paused in 2020 and recommenced and finalised in 2025. In July 2025, the Office submitted a revised heritage strategy to the Department of Climate Change, Energy, the Environment and Water for consultation.	Paragraphs 2.47–2.48
The Office drafted a tree management plan for Government House in March 2025, which was finalised in June 2025.	Paragraph 3.39

Appendix 3 Heritage condition assessments, 2009 and 2023–24

1. The Office of the Official Secretary to the Governor-General (the Office) conducts annual condition assessments of its property elements. Tables A.2 and A.3 outline 45 property elements of high heritage significance by site. Heritage management plans were commissioned by the Office in 2009 (Government House) and 2010 (Admiralty House). The Government House plan included a condition assessment for 14 property elements, including eight of ‘primary’ significance. For these eight items, the condition in 2023–24 has stayed at the same level or improved. The 2010 Admiralty House plan did not include condition ratings by element.

2. Heritage management plans outlined significance levels for Government House (‘primary’, ‘contributory’, and ‘little or no’); and for Admiralty House (‘exceptional’, ‘high’, ‘little’, and ‘intrusive’). The Office simplified condition assessments and performance reporting by classifying the following heritage management plan significance levels as ‘high’: ‘primary’ (Government House); and ‘exceptional’ and ‘high’ (Admiralty House).

Table A.2: Condition of elements with high heritage significance, Government House

Element	Heritage management plan significance level	2009 condition level	2023–24 condition level
Government House (Building 1)	Primary	 Good	 Good
Government House Cottage (Building 2)	Primary	 Good	 Good
Peace Officer’s Cottage (Building 4)	Primary	  Fair to Good	 Good
Main Gate (5a)	Primary	 Good	 Good
Caretaker’s Residence (Building 6)	Primary	 Good	 Good
Butler’s Residence (Building 8)	Primary	 Good	 Very good
Overseer’s Cottage (Building 11)	Primary	 Good	 Very good
Stables — Garage (Building 14)	Primary	 Good	 Good
Parade Lawn (E1)	Primary	Not assessed	 Good
East (Eucalypt) Lawn (E2)	Primary	Not assessed	 Good

Element	Heritage management plan significance level	2009 condition level	2023–24 condition level
Main Gate and Peace Officer's Garden (E4)	Primary	Not assessed	 Good
South Arrival (Turning) Circle (S1)	Primary	Not assessed	 Good
South Central Lawn (S3) (Northern Vista Lawn)	Primary	Not assessed	 Good
Main Axis Lawn and Woodlands (S4)	Primary	Not assessed	 Good
Gowrie Woodland Garden (SE1)	Primary	Not assessed	 Good
Tennis Courts (SW1)	Primary	Not assessed	 Poor
Yellow Box Native Garden (SW3)	Primary	Not assessed	 Good
Orchard and Picking Garden (SW5)	Primary	Not assessed	 Poor
North (Lakeside) Lawn (N1)	Primary	Not assessed	 Good
Watergate (N5) (Jetty and Stone Stair)	Primary	Not assessed	 Fair
Service Entry Lawn (W1)	Primary	Not assessed	 Good
Service Entry Avenue (W2)	Primary	Not assessed	 Good
Axial Grasslands (P3) (Lookout lawn)	Primary	Not assessed	 Good
The Yarning Circle	Not applicable	Not applicable	 Good

Key:  Very good or Good  Fair  Poor

Source: ANAO analysis.

Table A.3: Condition of elements with high heritage significance, Admiralty House

Element	Heritage management plan significance level	2023–24 condition level
Admiralty House	Exceptional	 Very good
Marine Barracks	Exceptional	 Poor
Cultural Plantings	Exceptional	 Very good
Precinct 2 — South Lawn	Exceptional	 Good
Views from the site	Exceptional	 Very good
Views to the site	Exceptional	 Very good
1850s Water Tank	Exceptional	 Fair
Waterfront elements	Exceptional	 Good
Gate Lodge	High	 Very good
Entry Gates	High	 Fair
Summer House	High	 Fair
Admiral's Walk and Steps	High	 Poor
Entry Drive	High	 Good
Precinct 1 — North Lawn	High	 Very good
World War II Fortifications	High	 Fair

Element	Heritage management plan significance level	2023–24 condition level
Precinct 6 — South Waterfront	High	 Poor
Precinct 3 — East Waterfront	High	 Good
Garage	High	 Good
Views within Precinct 1	High	 Very good
Archaeological evidence — Precinct 9	High	 Fair
Precinct 5 — Pool and Marine Barracks Gardens	High	 Good

Key:  Very good or Good  Fair  Poor

Source: ANAO analysis.