



GOVERNMENT HOUSE  
QUEENSLAND



ANNUAL REPORT  
2008 – 2009





GOVERNMENT HOUSE  
QUEENSLAND

The Honourable John Mickel MP  
Speaker of the Legislative Assembly  
Parliament House  
George Street  
BRISBANE QLD 4000

Dear Mr Speaker

I am pleased to present to you the 2008 – 2009 Annual Report of the Office of the Governor.

The Report is submitted as a standing requirement of the *Financial Administration and Audit Act 1977*.

The Report reflects the achievements of the Office in providing an effective and accountable agency which supports the Governor of Queensland.

Yours sincerely

**Mark Gower OAM**

Official Secretary

September 2009





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# SUMMARY OVERVIEW



The Office of the Governor (the Office) provided a comprehensive range of support services to the Governor, Her Excellency Ms Penelope Wensley AO and Mr Stuart McCosker during 2008 - 2009, the Governor's first year in office. This included planning and logistical support for the Governor's program of activities across Queensland, as well as welcoming a range of visitors to Government House during the year.

In 2008 - 2009 the Governor had an active program to fulfil her constitutional, ceremonial and community roles. In particular, Her Excellency gave strong support and encouragement to the more than 160 organisations for whom she is patron. The Governor and Mr McCosker also travelled extensively throughout Queensland, undertaking 36 regional trips, which afforded them the opportunity to meet a large number, and diverse range, of Queenslanders.

In 2008 - 2009, the Governor participated in more than 337 civic and community events at which Her Excellency delivered some 206 speeches and messages. This year Government House has also supported 22 receptions, 37 formal lunches, dinners and morning/afternoon teas and the call of 124 official visitors. Staff of the Office of the Governor sustained a high level of activity and commitment behind the scenes, in support of these activities.

Government House is recognised for its historical significance and the whole property is entered on the Queensland Heritage Register. The severe drought conditions of the past few years presented particular challenges, leading to new approaches to horticulture management, which are now delivering results. The QBuild team that works in partnership with the Office are to be commended on an outstanding result with the successful management of the gardens under very difficult circumstances.

Under the *Financial and Audit Administration Act 1977*, the Office is required to meet all of the accountability and management requirements of a public sector agency. The Office takes positive steps to ensure compliance, equity and flexibility in the workplace, with reference to public sector best practice. The Office has undergone two independent reviews this year aimed at improving accountability and efficiency in several of the key parts of the Office's organisation.

As Official Secretary, I would like to thank staff of the Office of the Governor for their efforts.

# INTRODUCTION



The *Constitution of Queensland 2001* provides that there must be a Governor of Queensland who is appointed by the Sovereign. The Governor, Her Excellency Ms Penelope Wensley AO is authorised and required to do and execute all matters that pertain to her office, according to law.

The powers of the Governor are derived from the Commission of Appointment, from the provisions of various pieces of Constitutional legislation and from a number of Acts of the State Parliament.

Queensland's Constitution allows the Governor to appoint Ministers; to summon and dissolve Parliament, and establishes the Executive Council, over which the Governor presides.

While the Governor, as the representative of the Queen and as Queensland's Head of State, does not participate in the political process, it is the main constitutional responsibility of the Governor to ensure that the state continues to have a stable government that commands the popular support of the Parliament.

## Aim of Report

The annual report is an integral part of the Office of the Governor's corporate governance framework describing the achievements, performance, outlook and financial position of the Office for each financial year. This Annual report is a key accountability document and the principal way in which the Office reports on its activities in order to provide a full and complete picture of the Office's performance to Parliament and the wider community.

This report covers the objectives, activities and performance of the Office of the Governor during the period 1 July 2008 to 30 June 2009. The report will address:

- mission statement and corporate objectives;
- organisational structure;
- major achievements and activities;
- budget and associated outcomes;
- works and maintenance; and
- outlook for 2009 - 2010.

## Mission

The Office of the Governor provides personal, administrative and logistical support to the Governor and manages the Government House Estate.



# INTRODUCTION



## Corporate Objectives

The corporate objectives of the Office of the Governor were initially defined in the 2005 - 2008 Strategic Plan. The plan was revised this year through a series of workshops and was updated to become the 2009 - 2013 Strategic Plan. This plan established six goals:

### a. Constitutional and Legal

Provide administrative support enabling the Governor to fulfil her constitutional and legal responsibilities, including assenting to legislation, issuing writs for State elections, considering petitions for the Governor to exercise the power of the Royal Prerogative of Mercy, and presiding over meetings of Executive Council.

### b. Ceremonial

Support the Australian Honours and Awards System and other awards programs, the swearing-in of Government Ministers, the opening of Parliament, and reviewing parades and military ceremonies.

### c. Community Engagement

Provide an expanded range of opportunities for Queensland organisations and members of the community to visit Government House. Facilitate the Governor's travel to regional and remote centres and support organisations for whom the Governor is patron.

### d. Promoting Queensland

Assist the Governor in activities that highlight and promote Queensland business, regional produce, culture and trade by offering hospitality and attending events. Support the Governor to host international dignitaries and undertake occasional overseas travel to promote Queensland's interests.

### e. Effective Management

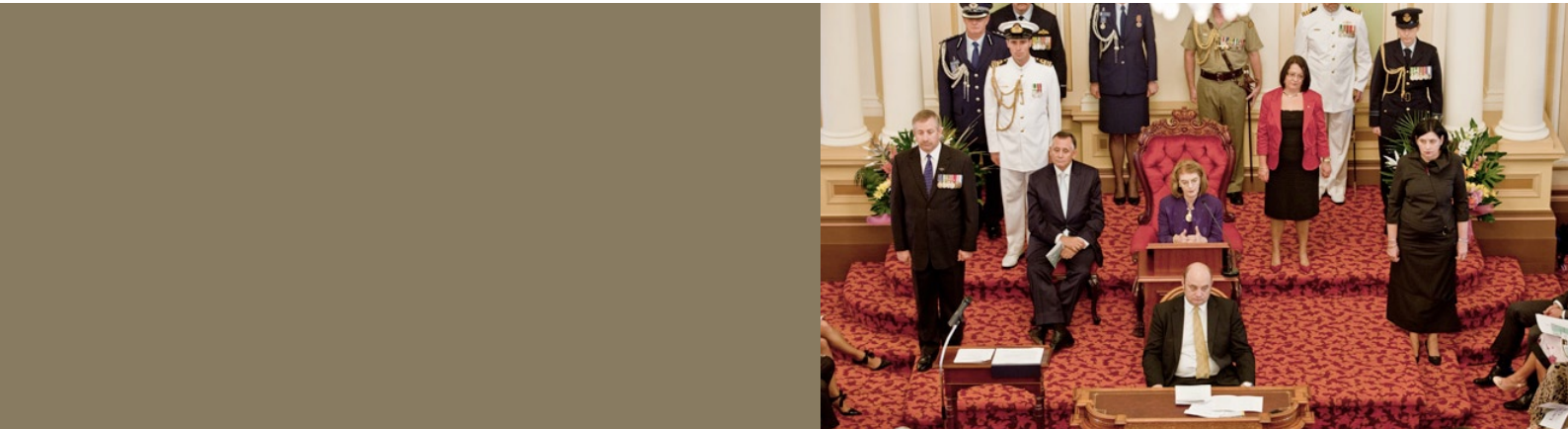
Strengthen the corporate governance framework to utilise emerging technologies and continuously improve performance, capability, accountability and value for money service delivery.

### f. Preserving Government House

Maintain Government House as an official State residence including conserving its heritage-listed facilities and ensuring maintenance, security, occupational health and safety and horticultural services.

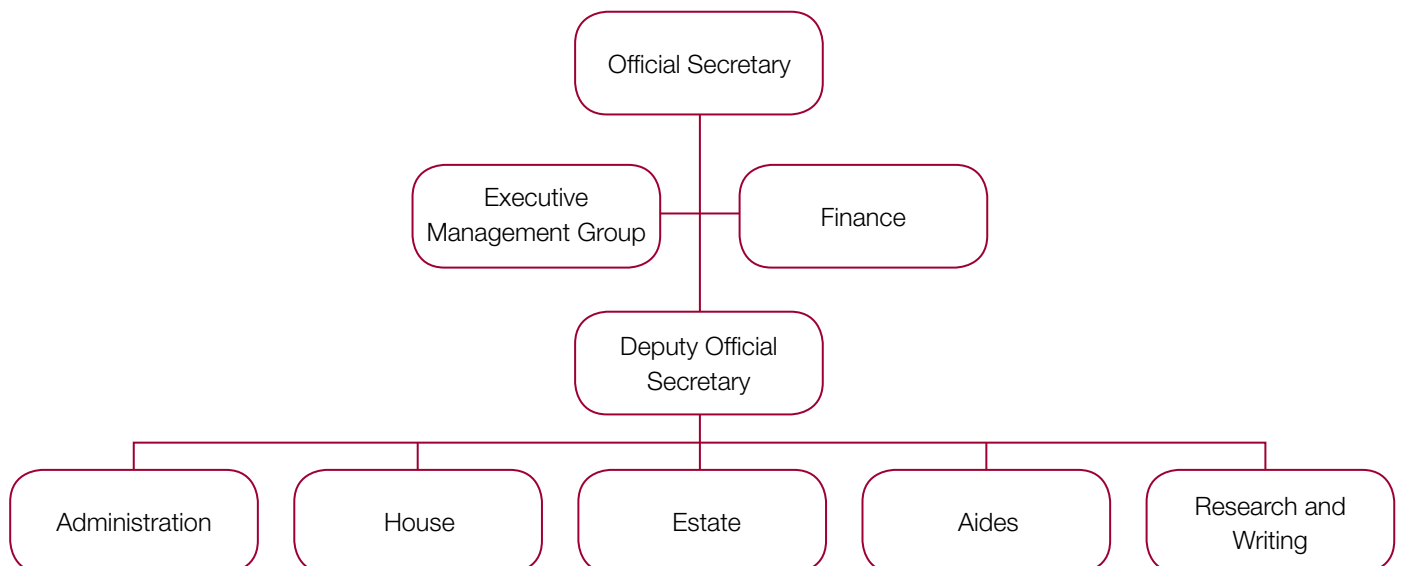


# ORGANISATIONAL STRUCTURE



As an independent entity, the Office of the Governor provides administrative and logistical support which enables the Governor to exercise effectively the constitutional powers and responsibilities of office, and to undertake official, ceremonial and civic duties. The autonomous nature of the Office enables the Governor to function independently of the Government and to remain separate from the political process.

By enabling the Governor to exercise independently her constitutional powers and responsibilities and to undertake duties as Head of State, the Office of the Governor directly contributes to effective government.



# MAJOR ACHIEVEMENTS AND ACTIVITIES



During this reporting period, the Office managed the transition of Her Excellency Ms Quentin Bryce AC from the role of Governor at the end of her prescribed term of office as the 24th Governor of Queensland. The Office also managed the transition of Her Excellency Ms Penelope Wensley AO as the 25th Governor. The reporting period was the current Governor's first year in office. During this period the Office of the Governor assisted the Governor in achieving the following.

## **Constitutional**

- Provided assistance to the 52nd Parliament of Queensland.
- Dissolved the 52nd Parliament and issued an election writ.
- Swore in 18 Ministers and 9 Parliamentary Secretaries.
- Opened the 53rd Parliament.
- Presided at 47 Meetings of Executive Council.
- Assented to 29 Bills presented by the Legislative Assembly of Queensland.
- Considered a number of petitions for pardon, commutation of sentence, or remission of a fine or penalty.

## **Ceremonial**

- Award ceremonies recognise and celebrate the outstanding achievements and contributions of many Queenslanders to the community. The Governor conducted investiture ceremonies to

present honours and awards to 209 recipients at 14 Honours and Awards ceremonies at Government House and in regional centres. North Queensland investiture ceremonies were conducted in Cairns and Townsville this year.

- The Governor also presented awards at 31 other ceremonies. Those held at Government House included Winston Churchill fellows, members of the Order of St John and the Royal Humane Society, St John Ambulance, Scouts and Guides and the Boys' and Girls' Brigades.
- Her Excellency addressed the Dawn Service, reviewed the ANZAC Day Parade in Brisbane and attended the Vietnam Veteran's Memorial Service.
- The Governor participated in a number of remembrance ceremonies representing the people of Queensland including the national memorial ceremony for the Victorian Bushfires held in Melbourne.
- During the year the Governor received official calls from a number of Australian and international military commanders. Her Excellency also attended a wide variety of military events and parades throughout the state.
- As Honorary Colonel of the Army's Royal Queensland Regiment, Her Excellency attended the Regiment's Annual Council and presented the Passendaele Shield. The Governor is also Honorary Air Commodore of No 23 City of Brisbane Squadron.

# MAJOR ACHIEVEMENTS AND ACTIVITIES



## Community Engagement

The Governor's program reflects a commitment to supporting and providing a voice to individuals, organisations and communities. In 2008 – 2009 the Governor engaged with a wide range of community and not-for-profit organisations for whom Her Excellency is Patron, with emphasis on those that focus on supporting the Queensland community. This included visits, letters of support and introduction, hospitality, and participation in ceremonies of various kinds. A significant initiative this year was to provide an opportunity for many of the Governor's patron organisations to occupy a stall at the Open Day event on Queensland Day, 6 June 2009. In excess of 30 organisations participated in this activity and displayed organisational information in a 'market stall' style arrangement to a wide cross section of the community visiting Government House for this event.

As part of her representational duties in the wider community, the Governor delivered formal and informal speeches, provided written messages and forewords, and opened a range of buildings and facilities.

In 2008 - 2009 the Governor:

- participated in 337 civic and community events;
- undertook 160 patronage commitments;
- presented 206 speeches and official messages;
- received calls from Heads of State, spiritual leaders, dignitaries, members of the Diplomatic and Consular Corps;
- sent 1,457 letters of congratulations for 50th and 60th wedding anniversaries and 100th birthday celebrations, and
- hosted 21 formal receptions, with many of these dedicated to recognising in the State's sesqui-centenary year, Queensland excellence in particular fields of work and endeavour.

The Governor also encouraged the cultural, trade and tourism initiatives of public and private sectors in Queensland by providing access, hospitality and personal support to events of significance.

Examples of such events included:

- hosting international delegations to discuss bilateral, trade or cultural matters;
- hosting receptions on behalf of community and not-for-profit organisations supporting the wider Queensland community;
- opening trade, industry, business, professional, education and philanthropic conventions and conferences;
- providing public access to the facilities of Government House and grounds on a regular basis; and

# MAJOR ACHIEVEMENTS AND ACTIVITIES



- leading and championing Queensland Government and industry input to the Australian Government's overseas G'day USA and G'day UK programs.

Public access to Government House and its grounds was enhanced through scheduled Open Days. The two Open Days in 2008 – 2009 attracted approximately 1700 visitors.

Throughout the year guided tours were provided to community and school groups, consisting of 2,033 visitors, including visits from staff and students of local and regional special schools and community groups such as Probus, Apex and Rotary.

## Regional Travel

The Governor's program of regional travel in Queensland was designed to acknowledge, encourage and assist regional communities and centres, while at the same time informing the Governor of issues facing rural and remote communities.

Regional visits are either overnight or longer and cover a series of events and activities.

In 2008 – 2009 the Office of the Governor organised a total of 36 regional visits for the Governor, at a direct cost of \$88,944. Major visits included Townsville, Cairns, Cloncurry, Winton, Mount Isa, Longreach

and the Torres Strait Islands. Additionally smaller visits were made to other regional areas of northern and western Queensland, the Gold Coast, Sunshine Coast and Darling Downs districts. Where feasible, the Governor's visits were hosted by local government authorities, and the Governor's program included inspections, calls and speaking commitments at industry, education, health, cultural, military, police and community facilities.

## Interstate Travel

The Governor and Mr McCosker undertook the following interstate travel:

- participated in a meeting of State Governors convened by the Governor General in Canberra on 17-18 February 2009; and
- attended as a Queensland representative the Remembrance Service for the Victorian Black Saturday Bushfires on 22 February 2009 in Melbourne, Victoria.

## Overseas Travel

The Governor and Mr McCosker completed the following overseas travel:

- at the invitation of the Queensland Government, represented Queensland at the Australian



# MAJOR ACHIEVEMENTS AND ACTIVITIES



Government led 'G'Day USA' trade development program in Los Angeles and New York over the period 6 - 17 January 2009; and

- at the invitation of the Queensland Government led the Queensland contribution to the Australian Government 'G'day UK' trade development program over the period 21 - 26 June 2009. While in London Her Excellency had an audience with Her Majesty the Queen and visits were also made to several organisations of which Her Excellency is the Queensland Patron. During this overseas travel Her Excellency was accompanied by the Official Secretary Mark Gower OAM.

## Horticulture Management

In September 2008 Government House concluded a three year Service Level Agreement with QBuild for the continued maintenance and conservation of the estate. The Office of the Governor regularly convenes the Horticulture Committee which makes a range of recommendations for preservation and improvements to horticulture management of the historically significant Government House estate.

The Committee consists of representatives from the Office, QBuild and the Department of Public Works. This year the horticultural focus has been on conserving the historically significant gardens during

the drought conditions, with some minor work on renewing and refreshing some older gardens.

## Water Conservation

Since October 2007, Government House has purchased recycled water in lieu of mains water, in accordance with an earlier *WaterWise* Audit of the Government House estate conducted by the Brisbane City Council. This year recycled water for horticultural use was purchased at a cost of \$47,074 in an effort to preserve the cultivated and historical areas of the estate. This represents a decrease in costs of more than 10% compared to last year largely resulting from improved horticultural practices and increased rainfall during the period.

In consultation with the Department of Public Works, a long-term water sustainability plan was developed in an effort to diminish further dependence on both mains and recycled water. Additionally a Water Efficiency Management Plan is being developed for short term use on the estate.

The Office of the Governor maintains a policy of strict compliance with all state and local government water regulations with respect to the conservation of water.

# FINANCIAL AND ASSOCIATED OUTCOMES

## Financial Overview

The Office of the Governor has finalised another successful year with a positive operating result of \$6,000 and a solid cash position of \$227,000.

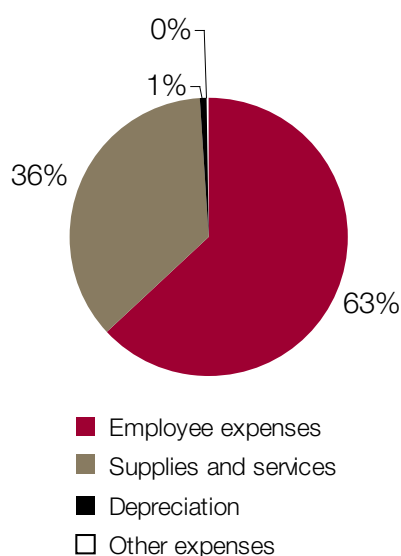
Our total income for 2008-09 was \$4,859,000 all of which was provided through Queensland Government appropriation.

Actual gross operating costs for the Office increased by 9% compared with the previous year. Salaries and employee related expenses represented the largest expenditure item at \$3,041,000.

The Office of the Governor has an active program to embrace flexible work practices, including flexible hours, part-time work, a work-from-home scheme and other contemporary practices to encourage productivity and job satisfaction.

Our operating expenses for 2008-09 are outlined in the graph below

## Expenditure 2008 – 2009



The Office of Governor's net asset position as at 30 June 2009 was \$1,144,000 (up from \$1,138,000 in 2007-08)

The Queensland Audit Office undertook an independent audit of financial management in 2008 - 2009. The audit report concluded that the Office of the Governor had complied with the prescribed requirements in respect of the establishment and keeping of accounts in all material respects. The financial statements have been drawn up to present a true and fair view in accordance with the prescribed accounting standards.

## Consultancies

The Office of the Governor engaged consultants during the reporting period at a total cost of \$12,000.

In 2008-09, the Office expended \$243,195 on professional services (including the consultancy fee above), which was made up of the sesquicentenary project, payroll services, audit fees, legal fees, financial / other services, design services and media services. Procurement at the Office of the Governor is guided by State Government Purchasing Policy.

## Works and Maintenance

In 2008-09 the Office of the Governor undertook minor new works at a cost of \$45,299.

Work included the refurbishment of office accommodation for the Cottage, minor refurbishment of the vice regal suite and landscaping works.

Government House has an Estate Conservation Committee which is comprised of representatives from Government House and the Department of Public Works. This committee is responsible for the planning and implementation of any work to the historically significant buildings.

# FINANCIAL AND ASSOCIATED OUTCOMES

## Professional Development

Performance management and development processes focus on one-on-one and team planning and review methods. This involves personal performance and development plans negotiated by individual staff with their immediate supervisor. In 2008-09 all staff employed by the Office of the Governor undertook training and development. This included formal courses in hospitality (TAFE and university level), cooking master-classes, first aid (including senior first aid and defibrillator training), supervisory skills, team building workshops, leadership forums, accounting courses (CPA), public safety and building warden training.

## Workplace Initiatives

The Office has an affirmative policy of flexible working hours and leave arrangements where practical. A work-from-home initiative which was initiated in 2005 has continued.

## Public Liability

The Office of the Governor maintains liability insurance cover (property and general liability) against insurable risks with the Queensland Government Insurance Fund (QGIF). The current policy cover provided by QGIF, which has few exclusions and no upper limit on claims, covers the Office of the Governor for any legal liability which may ensue as a result of activities conducted by the Office.

## Waste Management

The Office of the Governor's Waste Management Policy is contained in the agency's *Code of Conduct*.

## Outlook for 2008-2009

The outlook for 2009 - 2010 is for continued effective support to the Governor and the Vice-Regal program.

The following tasks or significant projects are proposed for 2009 - 2010:

- in conjunction with the Department of Public Works, improve the disabled access to public areas at Government House. This work is already under way, with an equitable access audit of the estate undertaken in 2006-2007 containing recommendations bringing Government House up to the standards of contemporary best practice.
- continue the rolling program of restoration of major artworks of historical significance.
- finalise Service Level Agreement with the Department of the Premier and Cabinet.
- implement organisational changes as required by the new *Financial Accountability Act 2009*; and
- inclusion of the Office of the Governor staff into the State Departments' Core Enterprise Bargaining Agreement.

# OFFICE OF THE GOVERNOR FINANCIAL REPORT 2008-09



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# GENERAL INFORMATION

These general purpose financial statements cover the Office of the Governor.

The Office is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the Office is:

168 Fernberg Road  
Paddington, Queensland 4064

A description of the nature of the Office's operations and its principal activities is included in the notes to the financial statements. For information in relation to the Office's financial statements please call:

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Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

# OFFICE OF THE GOVERNOR

## INCOME STATEMENT

For the year ended 30 June 2009

		<b>2009</b>	<b>2008</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>			
<i>Revenue</i>			
Output revenue	2	4,859	4,483
Other revenue	3	23	-
<b>Total Income</b>		<b>4,882</b>	<b>4,483</b>
<b>Expenses</b>			
Employee expenses	4	3,041	2,793
Supplies and services	5	1,779	1,596
Depreciation	6	37	29
Other expenses	7	21	17
<b>Total Expenses</b>		<b>4,876</b>	<b>4,435</b>
<b>Operating Surplus</b>		<b>6</b>	<b>48</b>

The accompanying notes form part of these statements.

# OFFICE OF THE GOVERNOR BALANCE SHEET

as at 30 June 2009

		<b>2009</b>	<b>2008</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current Assets</b>			
Cash and cash equivalents	8	227	474
Receivables	9	81	27
Inventories	10	27	23
Other	11	35	1
<b>Total current assets</b>		<b>370</b>	<b>525</b>
<b>Non-current assets</b>			
Plant and equipment	12	1,057	1,058
<b>Total Non-Current Assets</b>		<b>1,057</b>	<b>1,058</b>
<b>Total Assets</b>		<b>1,427</b>	<b>1,583</b>
<b>Current Liabilities</b>			
Payables	13	227	254
Accrued employee benefits	14	5	191
<b>Total Current Liabilities</b>		<b>282</b>	<b>445</b>
<b>Net Assets</b>		<b>1,144</b>	<b>1,138</b>
<b>Equity</b>			
Contributed equity		764	764
Retained surpluses		(88)	(94)
Asset revaluation reserve	15	468	468
<b>Total Equity</b>		<b>1,144</b>	<b>1,138</b>

The accompanying notes form part of these statements.

# OFFICE OF THE GOVERNOR

## STATEMENT OF CHANGES IN EQUITY

*For the year ended 30 June 2009*

	Retained Surpluses		Asset Revaluation Reserve		Contributed Equity	
	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance 1 July</b>	(94)	(142)	468	496	764	764
Operating Surplus	6	48	-	-	-	-
Non-Owner changes in equity:						
- Decrease In Asset Revaluation Reserve	-	-	-	(28)	-	-
<b>Balance 30 June</b>	<b>(88)</b>	<b>(94)</b>	<b>468</b>	<b>468</b>	<b>764</b>	<b>764</b>

*The accompanying notes form part of these statements.*



# OFFICE OF THE GOVERNOR

## CASH FLOW STATEMENT

For the year ended 30 June 2009

		<b>2009</b>	<b>2008</b>
	<b>Notes</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Output receipts		4,859	4,483
GST input tax credits from ATO		177	177
GST collected from customers		5	-
Interest receipts		-	-
Other		3	-
<i>Outflows:</i>			
Employee expenses		(3,275)	(2,799)
Supplies and services		(1,761)	(1,690)
GST paid to suppliers		(191)	(170)
GST remitted to ATO		-	-
Other		(27)	(7)
<b>Net cash provided by (used in) operating activities</b>	<b>16</b>	<b>(212)</b>	<b>(6)</b>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Sales of plant and equipment		24	-
<i>Outflows:</i>			
Payments for plant and equipment		(59)	(53)
<b>Net cash provided by (used in) investing activities</b>		<b>(35)</b>	<b>(53)</b>
Net increase/(decrease) in cash held		(247)	(59)
Cash at beginning of financial year		474	533
<b>Cash at end of financial year</b>	<b>8</b>	<b>227</b>	<b>474</b>

The accompanying notes form part of these statements.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

## **Objectives and Principal Activities of the Office**

Note 1: Summary of Significant Accounting Policies

Note 2: Reconciliation of Payments from Consolidated Fund to Output  
Revenue Recognised in Income Statement

Note 3: Other Revenues

Note 4: Employee Expenses

Note 5: Supplies and Services

Note 6: Depreciation

Note 7: Other Expenses

Note 8: Cash and cash equivalents

Note 9: Receivables

Note 10: Inventories

Note 11: Other Current Assets

Note 12: Plant and Equipment

Note 13: Payables

Note 14: Accrued Employee Benefits

Note 15: Asset Revaluation Reserve by class

Note 16: Reconciliation of Operating Surplus to Net Cash Provided by (Used in) Operating Activities

Note 17: Financial Instruments

Note 18: Commitments for Expenditure

Note 19: Contingencies

Note 20: Events Occurring after Balance Date

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

## **Objectives and Principal Activities of the Office**

The Office is responsible for providing the following output -

*"Personal, administrative and logistical support to the Governor and management of the Government House Estate."*

The provision of personal, administrative and logistical support to the Governor enables the Governor to exercise her statutory and constitutional, official and ceremonial, and civic and social duties. As a separate entity, the Office enables the Governor to provide independent, non-political authority to the parliamentary process.

The Office also has a custodial responsibility for the management of the Government House Estate.

## **1. Summary of Significant Accounting Policies**

### **(a) Basis of Accounting**

The financial statements comply with Australian Accounting Standards. In addition, the financial statements comply with the Treasurer's Minimum Reporting Requirements for the year ending 30 June 2009, and other authoritative pronouncements.

These financial statements constitute a general purpose financial report.

Except where stated, the financial statements have been prepared in accordance with the historical cost convention. The accounting policies adopted are materially consistent with those adopted in the prior year.

The Office is not responsible for administering any resources, which it does not control, on a whole-of-Government basis. The accrual basis of accounting has been adopted for the controlled transactions of the Office.

### **(b) The Reporting Entity**

The financial statements include all assets, liabilities, equities, revenues and expenses of the Office.

The Office has no controlled entities.

### **(c) Output Revenue**

The Office is funded by parliamentary appropriations. Appropriation payments to the Office under the *Annual Appropriations Act* are recognised as revenue when received.

### **(d) Grants and Contributions**

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the Office obtains control over them. Where grants are received that are reciprocal in nature, revenue is accrued over the term of the funding arrangements.

Contributed assets are recognised at their fair value. Contributions of services are recognised only when a fair value can be determined reliably and the services would have been purchased if they had not been donated.

### **(e) Cash and Cash Equivalents**

For the purposes of the Balance Sheet and the Cash Flow Statement, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions.

### **(f) Receivables**

Receivables are recognised at the nominal amounts owed to the Office at the end of the financial year, where an invoice has been issued or where an amount is determined to be owing to the Office.

### **(g) Inventories**

Inventories held for distribution comprise household supplies purchased and are measured at the lower of cost and current replacement cost.

### **(h) Acquisitions of Assets**

Actual cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given in consideration plus costs incidental to the acquisition, including all other

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

Assets acquired at no cost or for nominal consideration are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

## (i) Plant and Equipment

Items of plant and equipment (including cultural and heritage assets) with a cost or other value equal to or in excess of \$5000 are recognised for financial reporting purposes in the year of acquisition.

Items with a lesser value are expensed in the year of acquisition.

## (j) Revaluations of Non-Current Physical Assets

Heritage and cultural assets are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment* and Queensland Treasury's *Non-Current Asset Accounting Policies for the Queensland Public Sector*.

Plant and equipment, are measured at cost. The carrying amounts for plant and equipment at cost should not materially differ from their fair value.

All non-current physical assets measured at fair value are comprehensively revalued every five years. Those assets that meet or are above the asset recognition threshold as determined by the Queensland Treasury's Non-Current Asset Accounting Policies for the Queensland Public Sector, are subject to a desktop valuation on an annual basis.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation reserve of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation reserve relating to that class.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

## (k) Depreciation of Plant and Equipment

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the Office.

Where assets have separately identifiable components that are subject to regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the depreciable amount is depreciated over the remaining useful life of the asset.

For each class of depreciable asset the following depreciation rates are used:

Class	Depreciation Rate
<i>Plant and Equipment</i>	
Furniture and Fixtures	15%
Motor Vehicles	20%
Office Equipment	15%
Plant and Machinery	9%

## Heritage and Cultural Assets

The service potential of heritage and cultural assets held by the Office of the Governor is not expected to diminish with time or use and accordingly depreciation is not charged against this class of assets.

## (l) Impairment of Non-Current Assets

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Office of the Governor determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

Income Statement, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation reserve of the relevant class to the extent available.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Refer also note 1(j).

## **(m) Payables**

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

## **(n) Financial Instruments**

### *Recognition*

Financial assets and financial liabilities are recognised in the Balance Sheet when the Office becomes party to the contractual provisions of the financial instrument

### *Classification*

Financial instruments are classified and measured as follows:

- Cash and cash equivalents - held at fair value through profit and loss
- Receivables - held at amortised cost
- Payables - held at amortised cost

The Office does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Office holds no financial assets classified at fair value through profit and loss.

All other disclosures relating to the measurement and financial risk management of financial instruments

held by the Office are included in Note 17.

## **(o) Employee Benefits**

### *Wages, Salaries and Sick Leave*

Wages and salaries due but unpaid at reporting date are recognised in the Balance Sheet at the remuneration rates expected to apply at the time of settlement and include related on-costs such as long service leave levies and employer superannuation contributions. Workers Compensation insurance is a consequence of employing employees and as such is not counted in an employee's total remuneration package. It is not an employee benefit and is recognised separately as an employee related expense.

For unpaid entitlements expected to be paid within 12 months the liabilities are recognised at their undiscounted values.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to recur in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

### *Annual Leave*

The Queensland Government's Annual Leave Central Scheme (ALCS) became operational on 30 June 2008 for departments, commercialised business units and shared service providers. Under this scheme, a levy is made on the Office to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

Effective from 30 June 2008, no provision for annual leave has been recognised in the Office's financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements pursuant to AASB 1049 - *Whole of Government and General Government Sector*

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

## *Financial Reporting.*

### *Long Service Leave*

Under the Queensland Government's long service leave scheme, a levy is made on the Office to cover this expense. Levies are expensed in the period in which they are paid or payable. Amounts paid to employees for long service leave are claimed from the scheme as and when leave is taken. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

No provision for long service leave is required in the financial statements, the liability being held on a whole-of-Government basis and reported in the financial report prepared pursuant to AASB 1049 - *Whole of Government and General Government Sector Financial Reporting*.

### *Superannuation*

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Office's obligation is limited to its contribution to QSuper.

Therefore no liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements prepared pursuant to AASB 1049 - *Whole of Government and General Government Sector Financial Reporting*.

### *Executive Remuneration*

The executive remuneration disclosures in the employee expenses note (Note 4) in the financial statements include:

- the aggregate remuneration of all senior executive officers (including the Official Secretary) whose remuneration for the financial year is \$100,000 or more; and
- the number of senior executives whose total remuneration for the financial year falls within each successive \$20,000 band, commencing at \$100,000. The remuneration disclosed is all remuneration received or receivable, directly or indirectly, from the

entity or any related party in connection with the management of the affairs of the entity or any of its subsidiaries, whether as an executive or otherwise. For this purpose, remuneration includes:

- wages and salaries;
- accrued leave (that is, the increase/decrease in the amount of annual and long service leave owed to an executive, inclusive of any increase in the value of leave balances as a result of salary rate increases or the like);
- accrued superannuation (being the value of all employer superannuation contributions during the financial year, both paid and payable at 30 June);
- the cost of motor vehicles, such as fuel costs, registration/insurance, and repairs/maintenance incurred by the Office during the financial year, both paid and payable as at 30 June, net of amounts subsequently paid by executives;
- fringe benefit tax included in remuneration agreements.

The disclosures apply to all senior executives appointed by Governor in Council and classified as SES 1 and above, with remuneration above \$100,000 in the financial year. 'Remuneration' means any money, consideration or benefit, but excludes amounts:

- in payment or reimbursement of out-of pocket expenses incurred for the benefit of the Office.
- In addition, separate disclosure of separation and redundancy/termination benefit payments is included.

## **(p) Provisions**

Provisions are recorded when the Office has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate. The amounts recognised as provisions in relation to the dismantling and removal of assets and the restoration of land on which the assets have been located have been included in the cost of those assets.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

## **(q) Contributed Equity**

Appropriations for equity adjustments are designated in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

## **(r) Insurance**

The Office's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. In addition, the Office is covered by WorkCover Queensland in respect of its obligations for employee compensation.

## **(s) Services Received Free of Charge or for Nominal Value**

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and expense.

## **(t) Taxation**

The Office is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). As such, GST credits receivable from/payable to the Australian Taxation Office (ATO) are recognised and accrued.

## **(u) Issuance of Financial Statements**

The financial statements are authorised for issue by the Official Secretary at the date of signing the Management Certificate.

## **(v) Judgements and Assumptions**

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the

estimate is revised and in future periods as relevant. Estimates and assumptions that have a potential significant effect are outlined in the following financial statement notes:

"Valuation of Property, Plant and Equipment - note 12 Contingencies - note 19."

## **(w) Rounding and Comparatives**

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where the amount is \$500 or less, to zero. Sub-totals and totals may not add due to rounding, but the overall discrepancy is no greater than two.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

## **(x) New and Revised Accounting Standards**

The Office did not voluntarily change any of its accounting policies during 2008-09. The significance of those new and amended Australian accounting standards that were applicable for the first time in the 2008-09 financial year and have had a significant impact on the Office's financial statements is as follows.

A review has been undertaken of revised accounting standard AASB 1004 - Contributions, and it is considered the financial statements adequately reflect the matters required to be disclosed, given the Office's present operating circumstances.

The Office is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from the Treasury Department. Consequently, the Office has not applied any Australian accounting standards and interpretations that have been issued but are not yet effective. The Office will apply these standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, a number of new or amended Australian Accounting Standards with future commencement dates will have a significant impact on the Office. Details of these impacts are set out below.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

The Office will need to comply with a revised version of AASB 101 Presentation of Financial Statements as from 2009-10. This revised standard does not have measurement or recognition implications. However in line with the new concept of 'comprehensive income' in the revised AASB 101, there will be significant changes to the presentation of the Office's income and expenses that are currently presented in the Income Statement and the Statement of Changes in Equity. Ignoring other potential impacts on the operating result, if the revised AASB 101 was applied by the Office for 2008-09 reporting, there would not be a significant change in comprehensive income for 2008-09. In addition where there have been retrospective accounting policy changes, retrospective re-statement of items in the financial statements or re-classifications of financial statement items during the current reporting period, the revised AASB 101 will require a statement of financial position to be presented as at the beginning of the earliest comparative period included in the financial statements.

All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the Office or have no material impact on the Office.

<b>2. Reconciliation of Payments from Consolidated Fund to Output Revenue Recognised in Income Statement</b>	<b>2009 \$'000</b>	<b>2008 \$'000</b>
Budgeted output appropriation	4,934	4,443
Less - Lapsed appropriation	(75)	-
Plus - Unforeseen expenditure	-	40
<b>Output revenue recognised in income statement</b>	<b>4,859</b>	<b>4,483</b>

The lapses in departmental services reflect funding carried forward from 2008-09 to 2009-10 relating to Fringe Benefits Tax interest expense, maintenance of property, plant and equipment and costs associated with upgrading existing systems for records management, the Governor's database and financial management system.

### 3. Other Revenues

Sale of goods & services	3	-
Other*	20	-
<b>Total</b>	<b>23</b>	<b>-</b>

\* See note 5

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

<b>4. Employee Expenses</b>	<b>2009</b>	<b>2008</b>
	\$'000	\$'000
<b>Employee Benefits</b>		
Wages and salaries	2,392	2,356
Employer superannuation contributions*	231	210
Long service leave levy*	38	32
Annual leave levy*	181	-
<b>Employee Related Expenses</b>		
Workers compensation premium**	7	7
Salary related taxes	154	145
Other	38	43
<b>Total</b>	<b>3,041</b>	<b>2,793</b>

\* Employer superannuation contributions, annual leave levy and long service levy are regarded as employee benefits.

\*\* The cost of workers' compensation insurance is a consequence of employing employees, but is not counted in employees' total remuneration package. It is not an employee benefit, but rather an employee related expenses.

<b>Number of Employees</b>	<b>35.1</b>	<b>35.4</b>
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*The number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis.*

## **Executive Remuneration**

The number of senior executives who received or were due to receive total remuneration of \$100,000 or more:

\$120,000 to \$139,999	-	2
\$160,000 to \$179,999	1	-
<b>Total</b>	<b>1</b>	<b>2</b>
<b>Total remuneration of executives shown above***</b>	<b>\$175,206</b>	<b>\$164,022</b>

Total amount of separation and redundancy / termination benefit payments during the year to executives shown above

Nil

In 2008, one executive position was held by two executives in different periods. Their combined remuneration is included above.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

\*\*\* The amount calculated as executive remuneration in these financial statements includes the direct remuneration received, as well as items not directly received by senior executives, such as the movement in leave accruals and fringe benefits tax paid on motor vehicles. This amount will therefore differ from advertised executive remuneration packages which do not include the latter items.

## 5. Supplies and Services

	2009	2008
	\$'000	\$'000
Contracted services	684	642
Household costs	286	316
Administration costs	489	378
Estate operations	133	127
Travel*	134	77
Archival Services	0	0
Motor vehicle running costs	30	31
Repairs and maintenance	23	25
<b>Total</b>	<b>1,779</b>	<b>1,596</b>

\* Travel includes overseas travel expenditure amounting to \$43,948.54 paid by the Office for travel to the United Kingdom in June 2009, of which \$20,000 (shown as other revenue) is to be reimbursed by the Department of the Premier and Cabinet. An additional \$56,434 was paid for directly by the Department of the Premier and Cabinet for travel to the United States in February 2009.

## 6. Depreciation

Depreciation was incurred in respect of:

### Plant and Equipment

Motor Vehicles	28	23
Furniture and Fixtures	1	-
Office Equipment	4	3
Plant and Machinery	4	3
<b>Total</b>	<b>37</b>	<b>29</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

## 7. Other Expenses

External audit fees*	16	13
Insurance	5	4
<b>Total</b>	<b>21</b>	<b>17</b>

\* Total external audit fees relating to the 2008-09 financial year are estimated to be \$15,700 (2007-08: \$14,000). There are no non-audit services included in this amount.

<b>8. Cash and Cash Equivalents</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank	227	474
<b>Total</b>	<b>227</b>	<b>474</b>

## 9. Receivables

### Current

GST receivable	26	18
Sundry debtors	22	4
Long service leave reimbursements	6	5
Annual leave reimbursements	27	-
<b>Total</b>	<b>81</b>	<b>27</b>

## 10. Inventories

### Current

Household supply inventories held for distribution - at cost	27	23
<b>Total</b>	<b>27</b>	<b>23</b>

## 11. Other Current Assets

Prepayments*	35	1
<b>Total</b>	<b>35</b>	<b>1</b>

\* Includes salary and wage prepayment of \$29,619.54

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

## 12. Plant and Equipment

	2009 \$'000	2008 \$'000
Heritage and cultural assets	926	926
Less: Accumulated impairment losses	(11)	(11)
	915	915
Plant and equipment	285	253
Less: Accumulated depreciation	(143)	(110)
	142	143
<b>Total</b>	<b>1,057</b>	<b>1,058</b>

At 30 June 2006 a comprehensive valuation was undertaken of the heritage and cultural assets of the Office. An independent valuation of the heritage and cultural assets was performed as at 30 June 2009 by Pickles Valuation Services using "fair value" principles. The valuation of heritage and cultural assets is based on current market values. For those assets for which there is no reliable market information available, the asset has been valued the lesser of depreciated replacement cost and depreciated reproduction cost.

Plant and equipment is valued at cost in accordance with Queensland Treasury's *Non-Current Asset Accounting Policies for the Queensland Public Sector*.

## Plant and Equipment Reconciliation

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current reporting period.

	Heritage & Cultural		Plant & Equipment		Total	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Carrying amount at 1 July	915	936	143	126	1058	1062
Acquisitions	-	7	59	46	59	53
Disposals	-	-	(24)	-	(24)	-
Revaluation increments	-	-	-	-	-	-
Revaluation decrements	-	(17)	-	-	-	(17)
Impairment losses recognised in equity	-	(11)	-	-	-	(11)
Depreciation	-	-	(37)	(29)	(37)	(29)
<b>Carrying amount at 30 June</b>	<b>915</b>	<b>915</b>	<b>142</b>	<b>143</b>	<b>1057</b>	<b>1058</b>

The Office of the Governor has plant and equipment with an original cost of \$66,969 that has been written down to zero still being used in the provision of services.



# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

## 13. Payables

	2009	2008
<i>Current</i>	\$'000	\$'000
Trade creditors	194	78
Sundry accruals	83	176
<b>Total</b>	<b>277</b>	<b>254</b>

## 14. Accrued Employee Benefits

<i>Current</i>		
Annual Leave Central Scheme (ALCS) payable	-	125
Wages outstanding	5	66
<b>Total</b>	<b>5</b>	<b>191</b>

## 15. Asset Revaluation Reserve - Heritage and Cultural Assets

Balance 1 July 2009	468	496
Revaluation decrements	-	(17)
Impairment losses through equity	-	(11)
Balance 30 June 2009	468	468

The asset revaluation reserve represents the net effect of upwards and downwards revaluations of assets to fair value.

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

<b>16. Reconciliation of Operating Surplus to Net Cash Provided by (Used in) Operating Activities</b>	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating surplus/deficit	6	48
<i>Non-cash items:</i>		
Depreciation expense	37	29
Net loss on sale of plant and equipment	-	-
Gain on sale of plant and equipment	-	-
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in net receivables	(46)	(3)
(Increase)/decrease in GST input tax credits receivable	(8)	5
(Increase)/decrease in inventories	(4)	5
(increase)/decrease in prepayments	(34)	4
Increase/(decrease) in payables	23	(97)
Increase/(decrease) in accrued employee benefits	(186)	2
<b>Net Cash provided by operating activities</b>	<b>(212)</b>	<b>(6)</b>

## 17. Financial Instruments

### (a) Categorisation of Financial Instruments

The Office of the Governor has categorised the financial assets and financial liabilities held as:

<b>Category</b>	<b>Note</b>	<b>2009</b>	<b>2008</b>
Financial Assets			
Cash	8	227	474
Receivables	9	81	27
<b>Total</b>		<b>308</b>	<b>501</b>
Financial Liabilities			
Payables	13	277	254
<b>Total</b>		<b>277</b>	<b>254</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

## (b) Financial Risk Management

Due to the nature of the Office of the Governor's financial assets and liabilities, the exposure to credit, liquidity and market risk is minimal.

## (c) Risk Exposure

Credit risk exposure refers to the situation where the Office may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment.

Liquidity risk refers to the situation where the Office may encounter difficulty in meeting obligations associated with financial liabilities. The Office is exposed to liquidity risk in respect of its payables.

The Office does not trade in foreign currency and is not exposed to commodity price changes. The Office does not have interest bearing investments and is therefore not exposed to interest rate risk.

The following table sets out the credit, liquidity and interest risks of financial instruments held by the Office of the Governor.

<b>2009</b>						
<b>Credit, Liquidity and Interest Risk Tables</b>						
<b>Maturity Date:</b>						
	<b>Less than 1 month</b>	<b>1-3 months</b>	<b>3 months to 1 year</b>	<b>1 to 5 years</b>	<b>greater than 5 years</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Financial Assets						
Non-interest bearing	308	-	-	-	-	308
<b>Total</b>	<b>308</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>308</b>
Financial Liabilities						
Non-interest bearing	277	-	-	-	-	277
<b>Total</b>	<b>277</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>277</b>

# NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2008-09

**2008**

## **Credit, Liquidity and Interest Risk Tables**

### **Maturity Date**

	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	greater than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Non-interest bearing	501	-	-	-	-	501
<b>Total</b>	<b>501</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>501</b>
Financial Liabilities						
Non-interest bearing	254	-	-	-	-	254
<b>Total</b>	<b>254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>254</b>

### **18. Commitments for Expenditure**

The office currently has no material commitments.

### **19. Contingencies**

A possible contingent liability exists at 30 June 2009 in the form of penalties payable to the Australian Taxation Office (ATO) in relation to Fringe Benefits Tax (FBT). The Office of the Governor submitted an amended Fringe Benefits Tax return to the ATO for the 2005 FBT year. However, it is not known whether the ATO will apply a penalty in relation to this return.

### **20. Events Occurring after Balance Date**

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operation or financial performance of the Office or the financial position of the Office in subsequent financial years.

# OFFICE OF THE GOVERNOR

These general purpose financial statements have been prepared pursuant to Section 40(1) of the *Financial Administration and Audit Act 1977* (the Act), and other prescribed requirements. In accordance with Section 40(3) of the Act I certify that in my opinion:

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Office of the Governor for the financial year ended 30 June 2009 and of the financial position of the Office at the end of that year.



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Mark Gower OAM  
**Official Secretary**  
7 August 2009



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Rosie Turnbull CPA  
**Accountant**  
7 August 2009



# INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Office of the Governor

## **Matters Relating to the Electronic Presentation of the Audited Financial Report**

The auditor's report relates to the financial report of the Office of the Governor for the financial year ended 30 June 2009 included on the Office of the Governor's website. The Accountable Officer is responsible for the integrity of the Office of the Governor's website. I have not been engaged to report on the integrity of the Office of the Governor's website. The auditor's report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report, available from the Office of the Governor, to confirm the information included in the audited financial report presented on this website.

These matters also relate to the presentation of the audited financial report in other electronic media including CD Rom.

## **Report on the Financial Report**

I have audited the accompanying financial report of the Office of the Governor, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity, and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the certificates given by the Official Secretary and the Accountant.

### *The Accountable Officer's Responsibility for the Financial Report*

The Accountable Officer is responsible for the preparation and fair presentation of the financial report in accordance with prescribed accounting requirements identified in the *Financial Administration and Audit Act 1977* and the *Financial Management Standard 1997*, including compliance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

My responsibility to express an opinion on the financial report based on the audit is prescribed in the *Auditor-General Act 2009*. This Act, including transitional provisions, came into operation on 1 July 2009 and replaces the previous requirements contained in the *Financial Administration and Audit Act 1977*.

The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. These auditing standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

# INDEPENDENT AUDITOR'S REPORT

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report and any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

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

## *Independence*

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

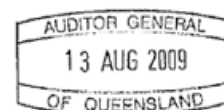
## *Auditor's Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Office of the Governor for the financial year 1 July 2008 to 30 June 2009 and of the financial position as at the end of that year.



G G POOLE FCPA  
Auditor-General of Queensland



Queensland Audit Office  
Brisbane

# OFFICE OF THE GOVERNOR

## Independence

The Financial Administration and Audit Act 1977 promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

## Auditor's Opinion

In accordance with s.40 of the *Financial Administration and Audit Act 1977* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report has been drawn up so as to present a true and fair view, in accordance with the prescribed accounting standards of the transactions of the Office of the Governor for the financial year 1 July 2007 to 30 June 2008 and of the financial position as at the end of that year.



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**G G POOLE FCPA**  
Auditor-General of Queensland

Queensland Audit Office  
Brisbane

# OFFICE OF THE GOVERNOR, QUEENSLAND

## Contact Officer

For enquiries about this Report, please contact:

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