

#### GOVERNMENT HOUSE Queensland



**OFFICE OF THE GOVERNOR** ANNUAL REPORT 2015 – 2016



#### Cover image

The cover illustration by Brisbanebased botanical artist and designer Anne Hayes depicts the blossom of *Delonix regia* - the royal Poinciana. A mature Poinciana takes pride of place in front of the Cottage, the administration block that houses the Office of the Governor.

The late Colin Campbell, 'gardening guru' and champion of Queensland gardeners, once wrote: "If asked to name a single tree that's helped shape the character of Brisbane, it would be the magnificent Poinciana."

Native to Madagascar, the Poinciana has a wide canopy and fernlike foliage that provides welcome respite from the heat of the Queensland sun. Its bright orange flowers herald the coming of the Brisbane summer, which also signals the start of the storm season. To obtain information about the content of this report, please contact:

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Information about the activities of the Queensland Governor and the operations of the Office of the Governor is available at the following internet address: www.govhouse.qld.gov.au

Internet annual report: www.govhouse.qld.gov.au/office-of-thegovernor/news-publications/annual-reports. aspx

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#### Aim of Report

The Office of the Governor Annual Report 2015/2016 is an integral part of the Office of the Governor's corporate governance framework and describes the achievements, performance, outlook and financial position of the Office for the financial year. The Annual Report is a key accountability document and the principal way in which the Office reports on activities and provides a full and complete picture of its performance to Parliament and the wider community.

The Report details the objectives, activities and performance of the Office during the period 1 July 2015 to 30 June 2016 and includes information and images which illustrate the many activities the Office undertakes to provide executive, personal, administrative and logistical support to the Governor and to manage the Government House estate.

The Office of the Governor advises Aboriginal and Torres Strait Islander people that this Annual Report may contain images of people who have died. The Office does not wish to cause distress to any Aboriginal and Torres Strait Islander community members.



#### GOVERNMENT HOUSE Queensland

The Honourable Peter Wellington MP Speaker of the Legislative Assembly Parliament House George Street BRISBANE QLD 4000

Dear Mr Speaker

I am pleased to present to you the Office of the Governor Annual Report 2015–2016.

I certify that this Annual Report:

- complies with the prescribed requirements of the *Financial Accountability Act* 2009 and the *Financial and Performance Management Standard* 2009; and
- reflects the achievements of the Office in providing an effective and accountable agency which supports the Governor of Queensland.

Yours sincerely

Joes

Mark Gower OAM Official Secretary

24 September 2016



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# I Official Secretary's Summary



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Mark Gower OAM Official Secretary

The 2015/16 financial year marked the second year of His Excellency the Honourable Paul de Jersey AC's tenure as Governor of Queensland. During the past 12 months, the Office of the Governor has focused on ensuring that His Excellency receives professional and timely support in exercising important constitutional/ legal, ceremonial, and community duties. The touchstone of the program remains fulfilling the commitments made by His Excellency during his formal speech upon his swearing-in as Governor on 29 July 2014, particularly around regional engagement and Indigenous support.

To this end, the Office facilitated the Governor's extensive program of travel to regional and remote areas of Queensland, including Aurukun and Doomadgee. While the program involves considerable reach into Queensland's diverse and farflung communities, this year, the Office also sought to facilitate a greater depth of engagement with regional Queensland, exemplified through the innovation of Regional Government House, a week-long undertaking in Cairns in October.

Drought-affected communities in the West and North remained an important focus of the visit program. The Office also supported the Governor's international travel program in furtherance of Queensland's trade, investment and cultural objectives, and also supported a number of domestic and international engagements linked to military commemorations, especially to the centenary of major World War One battles.

Such ceremonial and community roles complement the Governor's central constitutional obligations. At a Queensland level, these included issuing and receiving the writ for the State referendum for fixed four-year parliamentary terms; at a Federal level, these included issuing, as required under the Australian Constitution, the writ for the election of 12 Queensland Senators to the Parliament of the Commonwealth of Australia. The Office is custodian of a large repository of Queensland's gubernatorial heritage, and, resulting from its management of the bushland estate, is also custodian of a substantial knowledge base of local flora and fauna. In order to share these resources with the wider community, the Office produced two books: one features a collection of portraits of the 26 Governors of Queensland; the other focuses on the birds of the Government House estate. Both publications are freely available on the Government House website.

Along with Mrs de Jersey, His Excellency is proudly serving as Patron of 160 charitable, community, and non-government organisations for the length of his tenure as Governor. The Office works closely with these organisations to ensure that correspondence, briefings, and events at which there is vice-regal attendance are managed in a timely and professional manner.

The Office also continued to solidify its use of social media and online platforms to provide additional support to patronage organisations, to enhance community engagement, to promote Queensland's interests, and to increase understanding of the role of Governor. As well as building community engagement, the Office utilises social media as means of creating greater transparency around the exercise of the Governor's duties and the management of the Government House estate.

The employees in the small team of the Office of the Governor continued to provide high-level service and support to facilitate the Governor's responsibilities during the reporting period.

The ongoing management of Fernberg in a manner consistent with the heritage, cultural and natural values of the estate is a complex undertaking. Working with the Queensland Government, the Office successfully oversaw the relocation of the bronze statue of Her Majesty Queen Elizabeth II from the Queen's Wharf precinct to Fernberg, and the completion of the refurbishment of the Heritage Quarters building. His Excellency acted as Administrator of the Government of the Commonwealth of Australia on six occasions during the past 12 months. The Office has developed a close working relationship with Government House in Canberra, ensuring the proper and effective fulfilment of the Administrator's duties to the Commonwealth. During Administrator periods, and at other times, the Office also supported the Honourable Chief Justice Catherine Holmes, the Honourable Justice Margaret McMurdo AC, the Honourable Justice Hugh Fraser, the Honourable Justice Robert Gotterson AO, and the Honourable Justice John Byrne AO RFD in fulfilling the duties of Acting Governor as required.

#### HIGHLIGHTS OF THE OFFICE'S WORK DURING 2015/16 INCLUDE:

- Coordinating an extensive program of travel and engagement, particularly with regional and remote communities throughout Queensland;
- Coordinating the inaugural Regional Government House in Cairns;
- Facilitating the patronage of, and support for, 160 community groups through visits, speeches and messages, receptions and celebrations of milestones and anniversaries;
- Coordinating receptions and events hosted at Government House, including a program of investiture ceremonies and the associated administration, logistics and hospitality of these events;
- Providing high-level advice and support to the Governor in exercising his constitutional duties, including presiding over weekly Executive Council meetings, granting Royal Assent to bills, issuing and receiving writs, handling petitions, processing correspondence relating to constitutional and legal requirements, and conducting the swearing-in of Ministers;

- Providing public access to the Government House estate through a planned public engagement strategy that included tours of the estate with volunteer guides and, for the first time, participation in Brisbane Open House;
- Implementing a program of work to manage, maintain, and improve facilities across the heritage-listed Government House estate, in conjunction with the Department of Housing and Public Works;
- Providing ongoing implementation of the Bushland Management Plan to preserve and enhance the bushland areas of the estate;
- Continuing to implement the recommendations of the Safety Management System audit reports;
- Updating the 2015–2020
  Strategic Plan and facilitating its ongoing implementation;
- Continuing to deliver administrative, financial management, customer relationship management and corporate governance improvements by modernising processes, systems, and policies;
- Equipping staff with contemporary knowledge and skills that reflect the core values of the Office of the Governor through professionaldevelopment and core-skills training; and
- Producing two free, publicly available books: one that documents the history of Queensland's Governors through their portraits; and one that focuses on the birds of the Government House estate, utilising the historical observations and photographs taken by the horticultural team in the course of implementing the Bushland Management Plan.





In December 2015, the State Library of Queensland acquired an original oil painting of Queensland's eighth Governor, the second Baron Lamington. The portrait's subsequent long-term loan to Government House represents a significant addition to Fernberg's collection of historical items related to the Governors of Queensland.

The portrait hangs proudly just off the Drawing and Dining Rooms, where it can be appreciated by the thousands of people who visit Government House each year.







Fernberg has been the official residence of Queensland Governors since 1910, and its 14-hectare grounds, including 10 hectares of remnant Australian bushland, are an important sanctuary for many species of flora and fauna.

As part of His Excellency's commitment to conservation and protecting the natural values of the estate, the Office of the Governor commissioned the book 'Birds of Fernberg Estate', which details 55 avian species that are residents or visitors to Government House, including the Bush Stone-Curlew, Burhinus grallarius, photographed on the estate. The book is freely available online at the Government House website.

#### **OUTLOOK FOR 2016/17**

During 2016/17, the Office will continue to provide high-level executive support to enable the Governor and Acting Governor and/or Deputy Governors to fulfil their constitutional, ceremonial, and community duties.

Specifically, the Office will:

- Provide expert and responsive advice to the Governor in support of his constitutional, civic, and ceremonial duties as the representative of Queensland's Head of State;
- Maximise opportunities for Queenslanders to meet their Governor through an extensive program of regional travel and community engagements, including taking Government House operations to a regional part of the State;
- Support opportunities for the Governor to promote Queensland to high-level State visitors;
- Preserve and protect the heritage and horticultural assets of the Government House estate for current and future Queenslanders;
- Arrange an overseas visit program to support Queensland's trade, investment, and cultural objectives;
- Support activities around Queensland commemorating the Centenary of World War One;

- Implement a communication strategy to increase community understanding of the Governor's role and associated program;
- Continue to provide a strong corporate governance framework to ensure that best practice organisational and fiscal standards are met;
- Enhance organisational capability through the ongoing review and development of the Business Continuity Plan; and
- Support the Governor during periods when His Excellency is Administrator of the Government of the Commonwealth, and support the Acting Governor to fulfil duties as required.

The Office will continue to work in conjunction with the Department of Housing and Public Works to prioritise the preservation and conservation of Government House and the estate and to implement a program of capital works and maintenance.

The Office will refine operational and audit plans and undertake further work on the Business Continuity Plan to ensure ongoing improvements are made to corporate governance.

#### SUPPORTING REGIONAL QUEENSLAND

"To this end, I make the pledge customary on these occasions, and importantly so, which is to visit the people of all communities within the State over my term as Governor."

—His Excellency the Honourable Paul de Jersey AC

Tuesday, 29 July 2014, at Parliament House, Queensland

His Excellency is supported by the Office of the Governor to ensure that as many Queenslanders as possible have the opportunity to engage with their Governor.

During the 2015/16 financial year, His Excellency visited regional centres 52 times. Careful planning has ensured an annual visit to most areas of the State. Notable visits included Maryborough, to support and encourage the staff and students of Albert State School where His Excellency was a student, and an official visit to the Gulf Region, including Normanton, Burketown, and Karumba.

Additionally, from 16 to 22 October 2015, His Excellency hosted the inaugural Regional Government House in Cairns. Its objectives were for the Governor to recognise, promote, and encourage Queenslanders in regional areas; be accessible, fostering unity and mutual respect; and to better understand the strengths, challenges, and contributions of the regions to the State of Queensland. In a busy program of events, His Excellency hosted an investiture ceremony for North Queensland recipients of awards and honours under the Australian honours system; visited Aurukun with the Royal Flying Doctor Service and visited the local Men's Shed to present awards; launched the Crocodile Trophy – one of



Australia's most iconic mountain bike races; visited HMAS Cairns; officiated at the Peninsula School Sport 14 Years and Under Boys Cricket Regional Championship; and officially opened the Central Queensland University Cairns Campus. Regional Government House allowed for an enhanced level of engagement in the community life of Cairns and the surrounding region, and plans are underway to replicate the event in other centres, with the first in Longreach in October 2016.

As part of his outreach to community leaders across the State, His Excellency also hosted a North Queensland Dinner at Government House, where guests stayed in the newly refurbished Heritage Quarters.

A distinctive feature of the past year has been the celebration of 150 years of rail in Queensland. This included the Governor and Mrs de Jersey travelling from Emerald to Longreach in the historic Vice-Regal and Heritage Carriages attached to the 'Spirit of the Outback'. Community events were held at Emerald, Barcaldine, and Longreach to help connect rural Queenslanders and lift the spirit of the drought-stricken areas. During his visit to the Gulf Region in April 2016, His Excellency stopped to meet members of the 51st Far North Queensland Regiment who were in the region on a

training exercise.

# 🔀 Office Overview



The interior of many of Fernberg's rooms feature decorative cornices with botanical embellishments. Ceiling roses surrounding the lights and chandeliers have been restored and painted in pastel colours to highlight the complexity of their design.



The Queensland Constitution provides that there must be a Governor of Queensland who is appointed by the Sovereign. As such, the Governor is the personal representative of Her Majesty Queen Elizabeth II who is Queensland's Head of State, and the Governor is authorised and required to do and execute all matters which pertain to the Office, according to law.

The powers of the Governor are derived from the Commission of Appointment issued by The Queen and are prescribed in legal or constitutional terms in various pieces of constitutional legislation and in a number of Acts of the State Parliament.

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

The Governor's primary constitutional responsibility is to ensure the continuance of a stable government in Queensland which commands the support of the Parliament. The Governor does not participate in the political process.

Similarly, the Office of the Governor is a non-political, independent entity, established to provide executive, personal, administrative and logistical support to the Governor's constitutional, representational, ceremonial and civic responsibilities. The Office also maintains the Government House estate, in partnership with the Department of Housing and Public Works.

The Office of the Governor directly contributes to maintaining a stable and effective government by providing professional support, which enables the Governor to undertake the constitutional responsibilities as the representative of the Head of State.

#### **CORPORATE OBJECTIVES**

The corporate objectives of the Office of the Governor reflect the six goals central to the Office's Strategic Plan 2015-2020:

#### • Constitutional and Legal

Provide executive support to enable the Governor to fulfil constitutional and legal responsibilities, including granting assent to legislation, issuing writs for elections, swearing-in Ministers of the State and members of Executive Council, opening Parliament, considering petitions for the Governor to exercise the power of the Royal Prerogative of Mercy, and presiding over meetings of Executive Council.

#### Ceremonial

Support the Australian honours and awards system and other award programs, and attend military and commemorative ceremonies.

#### Community Engagement

Provide a diverse range of opportunities for Queensland organisations and members of the community to visit Government House and to learn about the Governor's role. Facilitate the Governor's travel to regional and remote centres and support organisations of which the vice-regal couple are Patrons.

#### Preserving Government House and the Estate

Maintain Government House as an official State residence by conserving its heritage-listed buildings, grounds and gardens, and undertaking appropriate maintenance, security, workplace health and safety, and horticultural tasks.

#### Effective Management

Strengthen the Corporate Governance Framework to continue to improve performance, capability, accountability, and value-for-money service delivery using effective technology and resources.

#### Promoting Queensland

Assist the Governor's activities that highlight and promote Queensland business, produce, culture, and trade through hospitality and attendance at events. Support the Governor in hosting international dignitaries and undertaking interstate and international travel to promote Queensland's interests.

#### **PROMOTING RECONCILIATION AND TOGETHERNESS**

"I also particularly thank our Indigenous fellow citizens for their important participation, acknowledging their ancient attachment to these lands. My mission is to serve all our fellow Queenslanders, service which will, I hope, be seen to be characterised by a spirit of reconciliation and togetherness."

—His Excellency the Honourable Paul de Jersey AC, 29 July 2014, at Parliament House, Queensland

The Office of the Governor supports His Excellency to promote reconciliation, acknowledge the contributions of Indigenous Queenslanders, and to ensure that they are represented and acknowledged at significant community events.

During the reporting period, His Excellency attended the official opening of the Cairns Indigenous Art Fair as its Patron. In February 2016, the Governor opened the Hymba Yumba Community Hub 'Embedding Indigenous Knowledge' Showcase in Springfield, where the national anthem was sung in the Yugambeh language. During his visit to Gulf communities in April 2016, His Excellency recognised the important work of Indigenous rangers who care for the land and sea country when he received a comprehensive briefing by Gangalidda and Garawa Indigenous Land and Sea Rangers on the Albert River. Indeed, wherever possible, His Excellency meets with Elders to listen and to support them as respected community leaders.

In 2015/16, the Governor visited many schools in remote communities, such as Aurukun and Doomadgee, as well as visiting metropolitan and regional schools with high proportions of Indigenous students. In October 2015, His Excellency hosted students from the Murri School at Acacia Ridge on a return excursion from Roma Street Station to Yeerongpilly on a train pulled by the Q150 steam engine, including the Vice-Regal and Heritage Carriages. In his remarks, His Excellency acknowledged the historic role of Aboriginal and Torres Strait Islander people in laying the tracks of the State's rail network.

The Office of the Governor continues to work with community leaders to ensure that Indigenous Queenslanders are represented at engagements throughout the State and at Government House.





Celebrating Queensland Rail's 150th year, students from the Murri School joined His Excellency on a steam train journey from Roma Street Station's heritage platform on 7 October 2015.

# 🔀 Corporate Governance



The Coat of Arms of the Royal family is displayed on the gates to the Government House estate as a symbol that the Governor is The Queen's representative in this State. The Arms features a shield supported by a lion and a unicorn with the sovereign's motto Dieu et mon Droit ("God and my right") displayed on the base.

To provide effective support to the Governor, the Office of the Governor uses a Corporate Governance Framework, which guides organisational structure, planning and decision making, management standards and policies, and monitoring, reporting, and evaluation processes.

The Framework:

- ✤ Sets out management processes;
- Establishes a management structure; and
- Promotes continuous improvement by measuring the implementation of the Framework.

#### MANAGEMENT PROCESSES

The Office of the Governor's management processes provide the basis for effective corporate governance. They include the following:

#### Planning

- Strategic Plan the organisation's mission statement, goals, and objectives;
- Operational Plan the annual program of activities that delivers the objectives of the Strategic Plan;
- Business Plan each Business Unit's contribution to achieving the objectives of the annual Operational Plan;
- Specific plans for example, the Communication and Engagement Plan and a Business Continuity Plan; and
- Collaborative plans developed and delivered with external partners – the Bushland Management Plan, Strategic Maintenance Plan, Conservation and Curatorial Plan, and Water Efficiency Management Plan.

#### Performance Management and Evaluation

- Key Performance Indicators reporting actuals against planned results/outcomes;
- Implementing Standard Operating Procedures across work divisions;
- ➢ Quarterly Business Unit Reports;
- Risk Matrix and Annual Audit Plan; and
- ✤ Project Evaluation Reporting.

#### **Resource Management**

- Policies and procedures for managing financial, human, and information resources;
- 🔊 Annual Procurement Plan;
- ✤ Monthly/Quarterly Budget Reports;
- Employee Performance Planning and Development Plans;
- ✤ Annual Core Training Plan;
- Asset Management through an Assets Register; and
- Record-keeping Operating Procedures.

#### MANAGEMENT STRUCTURE

As at 30 June 2016, the Office of the Governor employed 44 full-time equivalent employees across executive, professional, administrative, and operational bands.

In accordance with the *Financial Accountability Act 2009,* the Official Secretary is the Office of the Governor's Chief Executive and accountable officer. This position is supported by two strategic advisory groups, a management group, and various project-specific working groups. The Office employs a Chief Financial Officer and a nominated head of Internal Audit, who is the Deputy Official Secretary.

Two strategic advisory groups, a management group, and various projectspecific working groups support the Official Secretary.

- The Executive Management Group is the Office's strategic agenda-setting and decisionmaking body.
- The Internal Audit and Risk Management Committee (chaired by the Deputy Official Secretary) provides advice on the efficiency and effectiveness of internal controls, the implementation of audit recommendations, and systems and processes to address risk.
- The Workplace Health and Safety Committee (chaired by the Facilities and Operations Manager) advises and monitors workplace health and safety issues.
- The Management Group is composed of managers who provide specialist knowledge and guidance on the Office's key service-delivery areas and who represent the views of staff at meetings, contribute to strategic decision making, and communicate information and decisions to their teams.
- In addition, project-specific working groups and sub-committees are assembled, as required, to work through major operational and strategic issues relevant to the day-today functioning of the Office of the Governor. In 2015/16, these included the Open Day and Brisbane Open House Working Groups.

#### **EXECUTIVE MANAGEMENT GROUP**



Membership of the Executive Management Group is:

- 🌮 Official Secretary Air Commodore Mark Gower OAM
- Deputy Official Secretary Ms Cecily Pearson
- Chief Financial Officer Ms Rosie Turnbull

#### Air Commodore Mark Gower OAM, MAICD

Air Commodore Gower was appointed to the role of Official Secretary in 2008 following a successful 30-year career as a senior officer in the Royal Australian Air Force. He has held a number of company director appointments on government, commercial and not-for-profit boards. Air Commodore Gower is the Governor's most senior adviser and is the designated accountable officer within the Office.

#### Ms Cecily Pearson MAICD, MIIA (Aust)

Ms Pearson has been the Deputy Official Secretary of the Office of the Governor since July 2008 and is responsible to the Official Secretary for the corporate, administrative and operational activities of the organisation. Ms Pearson has a background in policy, projects and administration in state and federal government.

#### Ms Rosie Turnbull CPA, GAICD

Ms Turnbull joined the Office of the Governor in March 2009, and was appointed Chief Financial Officer in 2010. Ms Turnbull previously held various roles in state and federal government.



#### MEASURING CORPORATE GOVERNANCE

To measure the impact of the Corporate Governance Framework and to facilitate ongoing improvements, the Office uses the following performance standards:

- Routinely reviewing and updating policies and standard operating procedures;
- Ensuring staff complete their mandatory training each year;
- Formalising risk management approaches, including through the Internal Audit Ccommittee;

- Mitigating any risks identified during internal and external audits;
- Complying with the requirements of the Financial Accountability Act 2009 and Financial Performance Management Standard 2009; and
- Managing and monitoring the number of injuries or WorkCover claims, and ensuring compliance with workplace health and safety regulatory frameworks.

#### **RELOCATION OF STATUE OF HER MAJESTY QUEEN ELIZABETH II**



As a consequence of the Queen's Wharf redevelopment, the bronze statue of Her Majesty Queen Elizabeth II in Queen's Place required relocation. The Government consented to His Excellency's request for the statue to be relocated to the Government House estate.

The statue has a strong vice-regal history. It was unveiled by Queensland's 21st Governor, Sir Walter Campbell, in 1986, at a ceremony that His Excellency and Mrs de Jersey both attended. The statue has national significance as one of two bronze statues of Her Majesty by the acclaimed South Australian artist Dr John Dowie. The other was gifted by the Order of Australia Association to the people of Australia and unveiled by Her Majesty at the official opening of new Parliament House in Canberra in 1988.

Careful consideration was given to both the estate's heritage overlay and the historic and cultural significance of the statue in deciding where it should be situated. Given the relocation was to occur in Her Majesty's 90th birthday year, it was determined that the site should reflect the role of the Crown in Queensland's constitutional infrastructure. Accordingly, the statue is placed on one of the higher points of the estate, oriented towards Parliament and the Executive Building in central Brisbane. It can also be seen from His Excellency's office, a visible reminder of the Governor's role as Her Majesty's representative in Queensland and as a unifying symbol of constitutional continuity. The statue has been incorporated into the tours conducted by the Government House volunteer guides for community and school groups, and its prominence ensures that it will be enjoyed by the thousands of people who visit the estate every year.

A time-lapse video of the lowering of the statue onto its plinth at Fernberg was viewed more than 400 times on the Governor's Facebook page. It gave the community a rare glimpse of the logistical process involved in siting a large and heavy artwork of heritage and cultural significance.

#### **CONSTITUTIONAL DUTIES**

"... the touchstone of the Governor's role remains constitutional: not as a mere constitutional bystander, but as a non-political decision-maker applying constitutional principle in an independent manner."

—His Excellency the Honourable Paul de Jersey AC, 29 July 2015, Government House, Brisbane

The focus of the Governor and Government House remains on the proper and effective discharge of His Excellency's constitutional duty to ensure Queensland enjoys stable government.

During the 2015/16 financial year, His Excellency signed the writ which enabled the Queensland people to vote in the referendum that decided on fixed fouryear parliamentary terms. The issuing of referenda writs is a rarely exercised constitutional duty – referenda have occurred only seven times previously in Queensland, the last time in 1992. His Excellency later assented to the bill giving effect to the decision by a majority of electors voting in the referendum to approve this change to the Queensland Constitution.

The Governor attended 51 Executive Council meetings in the reporting period. On a number of occasions, the Fernberg Dining Room, refurbished during the previous financial year, was used for these meetings. The room is well suited to this purpose, and it is envisaged that it will continue to be periodically used for Executive Council Meetings in the future.



In February 2016, His Excellency received the Parliament of Queensland's Address-in-Reply at a ceremony at Government House. It is the traditional parliamentary reply to the Governor's Opening Speech, which was delivered on 25 March 2015 at the opening of the First Session of the 55th Parliament of Queensland. After the Address-in-Reply has been agreed to by the House, it is usually the Speaker, accompanied by the Sergeant-at-Arms with the Mace, the two movers of the debate, and any other members who so wish, who present the Address to the Governor at Government House. However, in this instance, the Speaker, who also attended the ceremony at Government House, had requested that the Honourable Leeanne Enoch MP present the Address to the Governor on behalf of the Queensland Parliament. This was the first time in Queensland's history that a Governor has received the Parliament of Queensland's Address-in-Reply from an Aboriginal Member of Parliament.

On 8 February 2016, His Excellency signed the writ for the referendum, which was held on 19 March 2016, on fixed four-year terms for the Legislative Assembly. The writ empowered the Electoral Commission of Queensland to conduct the referendum in accordance with the details contained in the writ and the laws of Queensland.

# 🔀 Report on Performance





#### CONSTITUTIONAL AND LEGAL

The Governor of Queensland's primary responsibilities are to ensure that Queensland enjoys stable government and is governed in accordance with the Constitution.

While not directly participating in the political process, the Governor performs a number of key constitutional duties, including presiding over meetings of the Executive Council and providing the approval required within the Constitution and Acts of Parliament to give legal effect to many of the decisions and actions of government.

The Governor is also responsible for granting Royal Assent to bills passed by Parliament, summoning and dissolving Parliament, appointing all Ministers of the State, and issuing writs for elections and State referenda.

His Excellency is the representative of Her Majesty Queen Elizabeth II, Queensland's Head of State. To mark Her Majesty's 90th birthday, His Excellency and Mrs de Jersey hosted a reception at Government House in April, where four of The Queen's 11 Queensland representatives during her reign were in attendance.

In 2015/16, the Office provided high-level support for the Governor's constitutional responsibilities, including researching, planning, and coordinating briefing materials, and liaising with a range of organisations and government agencies. The Office provided support for the exercise of the Governor's duties in relation to the State referendum on fixed four-year terms for the Legislative Assembly. Following the calling of the Federal election, the Office provided support for the Governor to fulfil his duties under section 12 of the Australian Constitution by issuing a writ for the election of Queensland Senators. His Excellency acted as Administrator of the Government of the Commonwealth of Australia on six occasions during 2015/16. The Office has developed a close working relationship with Government House in Canberra, ensuring the smooth and seamless exercise of the Administrator's duties to the Commonwealth. The Office provides equivalent support to the Acting Governor when His Excellency is acting as Administrator; in this regard, the Office has continued to strengthen its relationship with the Chambers of the Chief Justice in particular.

During 2015/16, the Office supported the Governor (or Acting Governor) in fulfilling the following constitutional and legal duties:

- Swearing-in, on 8 December 2015, 11 Ministers of the State and two Assistant Ministers, and appointing four members to the Executive Council of Queensland;
- Issuing, on 8 February 2016, upon the advice of Executive Council, the writ that caused the State referendum on 19 March 2016 for fixed four-year parliamentary terms;
- Receiving, on 19 February 2016, Queensland Parliament's Address-in-Reply;
- Receiving, on 14 April 2016, the Electoral Commissioner of Queensland who returned the writ for the State referendum;

- Issuing, on 16 May 2016, upon the advice of Executive Council, the writ and proclamation for the election, to be held on 2 July 2016, at which 12 Senators from Queensland were elected to serve in the Senate of the Parliament of the Commonwealth of Australia;
- Presiding over 51 meetings of the Executive Council (including five special meetings);
- ₽ Granting Assent to 65 bills of the Queensland Parliament;
- Signing delegations for Acting Ministers;
- Considering 147 complaints or requests for the Governor's intervention, including petitions for pardon, commutation of sentence, remission of a fine or penalty, and protests; and
- Administering the Government of the Commonwealth of Australia on six occasions.

The Office supported the Honourable Chief Justice Catherine Holmes, the Honourable Justice Margaret McMurdo AC, the Honourable Justice Hugh Fraser, the Honourable Justice Robert Gotterson AO, and the Honourable Justice John Byrne AO RFD in fulfilling the duties of Acting Governor as required.

The Office also supported the Governor in hosting and attending numerous official functions and events in support of all levels of government during the year. Events included:

- The funeral of Cr Steve Jones AM, Mayor, Lockyer Valley Regional Council;
- Calling upon the Honourable Peter O'Neill MP, Prime Minister of Papua New Guinea; and
- Briefings from local government authorities and government agencies throughout the State.





For the first time in Queensland's history, a Governor received the Parliament's Address-in-Reply from an Aboriginal Member of Parliament, the Honourable Leeanne Enoch MP.





His Excellency represents the people of Queensland at services of remembrance for those who have served our country in all conflicts, to reflect the State's gratitude for their service and sacrifice. In August 2015, he laid this wreath at the 2015 Vietnam Veterans Day Remembrance Service.



#### CEREMONIAL

The Governor regularly officiates at a range of important ceremonial and celebratory occasions and commemorations, many of which recognise the outstanding contributions of Queensland citizens and organisations to their communities.

Report on Performance

Each year, the Office provides extensive administrative and logistical support to the Governor to host a series of investiture ceremonies at Government House to confer awards and honours under the Australian honours system, recognising and encouraging outstanding Queenslanders. In 2015/16, as an initiative to broaden the number of people able to watch the ceremonies, each ceremony was livestreamed.

The Governor's ceremonial role also includes his representation at military parades, remembrance ceremonies, and special occasions of State and national significance. The Governor and the Office remain focused on the Centenary of World War One, and the upcoming centenary of key battles on the Western Front, to honour the Queenslanders who served their country and those who made the ultimate sacrifice.

The Office supported the Governor, and representative Honorary Aides-de-Camp, in attending 40 Australian Defence Force-related activities, commemorations, anniversaries, openings, and presentations, including the Anzac Day Dawn Service, ANZAC Square, Brisbane; the 70th Anniversary of the Victory in the Pacific Parade in Townsville; Vietnam Veterans Day Remembrance Service, ANZAC Square, Brisbane; a Civic Reception following the Exercising of Freedom of Entry to the City of Brisbane by the 6th Battalion RAR; and the Commissioning Ceremony of *HMAS Moreton*. His Excellency regularly receives Heads of State, High Commissioners, Ambassadors and diplomatic representatives from other countries, and hosts an annual reception for the Queensland consular corps. The Office provides briefings and support to His Excellency to strengthen the positive relationships between Queensland and our international friends and partners.

A large number of special ceremonies and receptions are hosted at Government House or in the grounds of the estate. In 2015/16 year, a number of these events were also hosted elsewhere in the State, including investiture ceremonies in Cairns and in Townsville.

The Office has a vital role in ensuring these events are well organised and strike an appropriate level of dignity, ceremony, and hospitality.

During 2015/16, the Office supported the Governor in the following ceremonial duties:

- Attending and officiating at the 2016 Australia Day Flag Raising Ceremony in Townsville;
- Hosting an Australian Citizenship Ceremony at Government House to mark Australia Day 2016; and
- Hosting and officiating at 13 investiture ceremonies, including one in Townsville and one in Cairns, for 253 Queensland recipients of Australian honours, awards and bravery decorations and 1,205 guests.

His Excellency attended, hosted, or supported an additional 32 award ceremonies and events, including the following:

- ≈ 2015 Winston Churchill Fellowship Awards;
- ≥ 2015 National Trust Queensland Heritage Awards;
- Spinal Injuries Association 2015 Inclusive Community Champions State Awards;
- Townsville City Council Australia
  Day Award Ceremony;

- Wesley-St Andrew's Research Institute Annual Achievements Function;
- Endeavour Australia Cheung Kong Awards;
- The United Nations of Australia Association (Queensland Division) Queensland Community Awards; and
- 70th Anniversary of the Barbara Sisley Awards.

#### POLICE RECRUIT DOG GAVEL

The Queensland Police Service (QPS) provides wide-ranging support to the Office of the Governor to assist the Governor in fulfilling his civic and ceremonial duties around the State. So His Excellency was delighted when an opportunity arose to support the QPS – even when it came with four paws, a shiny coat, and a fondness for tennis balls!

Police Recruit Dog 'Gavel' entered Government House in April 2016 as a 10-week-old German Shepherd puppy and a new recruit to the Queensland Police Dog training program. This is the first time that a recruit dog has been fostered outside the home of a QPS member. Gavel lives on site, where he is undertaking a 12-month training and socialisation program. As part of his training, Gavel attends official functions and undertakes basic obedience training. To assist him in becoming accustomed to crowded and noisy environments, Gavel and his handler greet visitors at Open Days and community groups who tour the estate. Gavel also attends the Dog Squad complex on a regular basis for extra training and development, including tracking imprinting.

At the conclusion of 12 months, Gavel will be assessed for suitability to progress to the next level of Police Dog training. During formalities, Gavel wears an official ceremonial dog coat, which displays his name, the Governor's Standard, and the emblem of the QPS.

As well as providing a loving home and first-class socialisation environment for a young police dog, the fostering of Gavel promotes the beneficial service that the Dog Squad, and the wider Police Service, provides to Queensland.





#### COMMUNITY ENGAGEMENT



His Excellency officiates at significant community events throughout the State, including a number of milestone community shows that exemplify Queensland's agricultural and industrial prowess. Here, the Governor is pictured at the 125th Laidley Agricultural and Industrial Show, which he officially opened in July 2015.



The Office supports the Governor in participating in and implementing a meaningful program of community engagement, including extensive travel to regional centres.

In 2015/16, the Office coordinated 52 visits to regional centres, including to drought-affected areas such as Townsville, Barcaldine, Mitchell, and Cunnamulla, This included a visit by train in the historic Vice-Regal and Heritage Carriages from Emerald to Longreach, where community events were held to help connect rural Queenslanders and lift the spirits of drought-stricken areas. His Excellency also visited rural and remote Indigenous communities, including Aurukun and Doomadgee. The latter was part of an official visit to the Gulf region, where the Governor also visited schools and hosted community morning/afternoon events in Kurumba, Normanton, and Burketown.

The Office supported His Excellency to host the inaugural Regional Government House in Cairns from 16 October to 22 October 2015. Regional Government House was a complex organisational exercise, involving multiple teams within the Office. More than 26 activities over seven days took His Excellency from Cairns to Kuranda and the Daintree in the North, to Aurukun in the remote North West, Gordonvale in the South, and Green Island in the East, where he delivered seven speeches and presented 28 awards. This represents a level of engagement not able to be achieved through multiple shorter visits, and planning is underway for the next Regional Government House, which will be held in Longreach in late 2016.

To ensure that Government House is, to use His Excellency's words, truly a "people's house" and to deepen community understanding of its heritage values, it was included in Brisbane Open House for the first time in 2015, with 363 people participating in tours. The Office also coordinated a public Christmas lights display in December 2015 and an Open Day on 4 June 2016.

As strong advocates for equality and inclusivity, and for enhancing the welfare and standing of the people of Queensland, the Governor and Mrs de Jersey accept patronage of community organisations. Vice-regal patronage generally spans the length of a Governor's term. In 2015/16, the Office coordinated, maintained, and developed extensive networks through Queensland, including with patron organisations. The Governor and Mrs de Jersey are Patron of 160 organisations, and attended or hosted 113 events at Government House in support of these organisations.

The Office continued to support the Governor in hosting community events at Government House, and undertaking a high volume of planning, administrative, and logistical work associated with each Open Day and visits by community organisations.

During 2015/16, more than 9,000 people came through the gates of Fernberg, including:

- ✤ 3,998 people who attended the Government House Christmas Lights display;
- ₽ 550 people who attended the June Open Day;
- ✤ 1,475 tour group participants;
- Those who attended the swearing-in ceremony for Ministers of the State; and
- Invited guests at formal dinners and receptions in support of Queenslanders who contribute to the advancement of the State.



The overall number of visitors is significantly less than last year's, when more than 12,600 people visited Fernberg. The disparity reflects the extremely poor weather at the June Open Day, with heavy rain deterring many from making the visit.

The Office incorporates a wide range of community events in the Governor's official program to seek to support, encourage and inspire all Queenslanders, and to promote and uphold the advancement of Queensland. In 2015/16, as part of a program of community engagement, the Governor attended 255 community and civic events, including milestone events, particularly those in regional areas, such as the Esk Centenary Campdraft.

The reporting period coincided with a number of significant anniversaries for Queensland's iconic agricultural shows at which the Governor officiated, including the 125th Laidley Agricultural and Industrial Show; the 100th Mt Gravatt Show; the Royal Agricultural Society of Queensland's 152nd Anniversary Toowoomba Royal Show; and the 100th Mitchell Agricultural Show.

The Office continues to support the Governor to manage vice-regal social media accounts as a means of engaging with the Queensland community. As at 30 June 2016, His Excellency had 4,229 Facebook followers and 4,020 Twitter followers. Planning began in 2015/16 to utilise the Instagram platform as a means of extending the Governor's engagement with the broader community. The Vice-Regal News is published daily on the Government House website (www.govhouse.qld. gov.au), and each element is Tweeted in real time as a means of ensuring the transparency of the Governor's program.

In 2015/16, the Office also coordinated the dispatch of 1,260 congratulatory letters to Queenslanders celebrating milestone birthdays and anniversaries, and assisted the Governor to prepare 309 speeches and messages.



In October, the Governor and Mrs de Jersey joined a Royal Flying Doctor Service run to Aurukun as part of Regional Government House.



In furtherance of preserving the heritage of the Government House estate, recycled timber from the old Staff Quarters was used for nameplates during the refurbishment of the Heritage Quarters – each suite has been named after a previous Queensland Governor.



### Report on Performance

#### PRESERVING THE GOVERNMENT HOUSE ESTATE

The official residence of Queensland Governors since 1910, Queensland's Government House, also known as Fernberg, is a heritage-listed State-owned residence surrounded by 14 hectares of gardens and grounds. Steeped in historical, cultural, and environmental significance, the grounds have accommodated the functions of Government House for more than 100 years.

During 2015/16, the Office of the Governor's small team of horticultural specialists, in partnership with the State Government's Department of Housing and Public Works, continued to work carefully to maintain and preserve the natural heritage of the gardens and grounds for the enjoyment of Queenslanders and visitors to Government House.

During 2015/16, the Office also undertook the following key estate-related activities:

- Relocated the bronze statue of Her Majesty The Queen from George Street to Government House and its placement in a position consistent with both the heritage values of the estate and the cultural and heritage significance of the statue;
- Completed the Heritage Quarters project, which expands the accommodation options available to State visitors;
- Employed an additional contract Bushland Assistant to assist in the practical delivery of the Bushland Management Plan to preserve and enhance the natural bushland areas of the estate;

- In partnership with government agencies, removed 11 Cadaghi trees (Corymbia torelliana), which are classified as weeds, along the Fernberg Road boundary of the estate;
- Installed sub-surface drainage on the lower Ridge to improve stormwater management and reduce erosion;
- Commenced the refurbishment of the horticultural precinct, including new staff office, chemical shed, and shade tunnel/nursery;
- In partnership with government agencies, commenced a fire services upgrade project;
- Renewed artwork loan agreements with key cultural institutions;
- Replaced, like-for-like, two vehicles to support the transport requirements of the vice-regal program;
- Undertook routine maintenance to The Cottage, and, in partnership with other government agencies, undertook repairs to roof membrane and exterior painting; and
- Continued to implement the recommendations of the Safety Management System audit, including an assessment of the Office of the Governor's general compliance with the requirements of the Work Health and Safety Act 2011.

#### **EFFECTIVE MANAGEMENT**

The Office of the Governor's Strategic Plan provides a framework to guide and measure the performance of the Office and its service delivery in supporting the Governor and providing effective stewardship of the Government House estate. The Strategic Plan also articulates the Office's corporate values, goals, strategic activity, and performance measures.

During 2015/16, the Office of the Governor carried out the following activities:

- Delivered and reviewed its Operational Plan, ensuring its alignment with the goals, objectives, and values of the updated Strategic Plan (2015–2020);
- Adopted best practice approaches and instilled a culture of continuous improvement;
- Renewed key policies to ensure consistency with relevant legislative frameworks;
- Continued to update priority Standard Operating Procedures to define roles, enhance coordination between business units, and provide effective succession planning;
- Identified risks to feed into an ongoing Business Continuity Plan;
- Implemented additional elements of the Bushland Management Plan, which guides sensitive development and regeneration of the significant natural bushland on the estate;
- Provided training and development to ensure all employees are well equipped to deliver and develop their role in the Office and used a standardised approach to Equal

Employment Opportunity, Workplace Health and Safety, and Code of Conduct policies and procedures;

- Monitored the estate-wide Safety Management System to meet legislative obligations to provide a safe work environment for employees and visitors to Government House;
- Continued to use data derived from IT systems to inform program planning considerations, budget decisions, workloads, and staffing; and
- Enhanced the public accountability of the Governor's role and program through an increased online presence, including social media.

The ongoing development, implementation and review of management practices will ensure that the Office is well placed to operate in the current business environment and meet the expectations of the Governor and contemporary Queensland society.

During 2015/16, staff turnover was approximately 7 percent. One employee received a redundancy package during the reporting period.

Targeted recruitment practices, appropriate induction processes, a performance planning and development framework (including complaints and grievanceresolution policies), industrial agreements, human resource policies consistent with those in the public sector, and a structured annual training program continued to provide a stable working environment for Office of the Governor employees.



### PROMOTING QUEENSLAND



Each year, the Office of the Governor organises the hospitality for hundreds of receptions and events at Government House. The Government House kitchen designs seasonal menus to showcase the outstanding variety of fresh produce available from all over Queensland.



The Office of the Governor assists the Governor to promote Queensland's trade, business, and cultural interests for the advancement of the State, and to strengthen bilateral trade, community, and cultural ties within Australia and overseas.

These objectives are met by the following ongoing activities:

- Hosting international delegations and visiting dignitaries, and events facilitating bilateral trade, business and cultural opportunities, at Government House;
- Attending external events that promote Queensland interests;
- Supporting Queensland trade, business, cultural, and agricultural interests through overseas visits; and
- Promoting Queensland produce, including by serving Queensland wine at all dinners, receptions and lunches held at Government House during 2015/16, and by ensuring that the freshest of produce is showcased by sourcing it, wherever possible, from local producers.

As the representative of Queensland's Head of State, the Governor received 20 calls from Heads of State, High Commissioners, Ambassadors, Ambassadors-Designate and foreign dignitaries at Government House during the reporting period.

The Governor also hosted a range of events facilitating bilateral trade, business and cultural opportunities, including a reception for finalists in the 2015 Premier of Queensland's Export Awards.

During 2015/16, the Governor travelled to Hong Kong/South Korea, and to Papua New Guinea, in support of Queensland's trade, business and cultural objectives. In Hong Kong and South Korea, the Governor, with Mrs de Jersey witnessed the ceremonial re-signing of a Memorandum of Understanding between QIMR Berghofer and the University of Hong Kong; received briefings from the Hong Kong Police Force and at the Seoul Emergency Operations Centre; received a briefing from international partners in the Queen's Wharf precinct redevelopment; addressed the Australian Association of Hong Kong Networking Reception; visited the Gapyeong Memorial; met the Mayor of Gapyeong; visited and met officials in Daejeon, host city of the 2017 Australian Pacific Cities Summit; and addressed the 'Friends of Queensland' Reception hosted by Trade and Investment Queensland.

In Papua New Guinea, the Governor, with Mrs de Jersey: was received by the Honourable Peter O'Neill MP, Prime Minister of Papua New Guinea; received a briefing on operations at a Royal Papua New Guinea Constabulary Family and Sexual Violence Unit Facility in Port Moresby; officially launched the Sport Fishing for Sustainable Livelihoods Research Hub and attended a reception hosted by James Cook University and PNG National Fisheries Authority; met Papua New Guinea National and Supreme Court Judges; attended a reception in support of Queensland's trade, investment and cultural interests in PNG hosted by the Australian High Commissioner, His Excellency Mr Bruce Davis; laid a wreath at Bomana War Cemetery; met and farewelled tour groups departing on the Kokoda Trail; and received briefings on operations at the Papua New Guinea National Museum and Art Gallery and the National Football Stadium, the latter of which is being redeveloped by a Queensland-based company.

## 🐹 Financial Overview

The Office of the Governor has finalised another successful year, with a positive operating result of \$95,000 and a solid cash position of \$983,000.

Total appropriation revenue for 2015/16 was \$6,526,000, all of which was provided through Queensland Government appropriation.

Actual expenses from continuing operations of the Office increased by 6.3 percent compared with the previous year. Salaries and employee related expenses represented the largest expenditure item at \$4,532,000.

#### **EXPENDITURE 2015/16**

The operating expenses for 2015/16 are outlined in the graph.

The Office of the Governor's net asset position as at 30 June 2016 was \$2,839,000 (up from \$2,504,000 in 2014-15).

The Queensland Audit Office undertook an independent audit of the Office of the Governor's financial report for 2015/16. The audit report states that the Office of the Governor has complied with the prescribed requirements in respect of the establishment and keeping of accounts in all material respects. The financial report has been drawn up to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Office for the year 1 July 2015 to 30 June 2016, and of the financial position as at the end of that year.

#### CONSULTANCIES

The Office did not engage any consultants during the reporting period.

#### **OVERSEAS TRAVEL**

During 2015/16, His Excellency and Mrs de Jersey travelled overseas on two occasions to foster and promote Queensland's trade, business and cultural interests in key markets: firstly, to Hong Kong and South Korea; secondly, to Queensland and Australia's closest neighbour, Papua New Guinea. Details of these visits are contained on page 20. The Governor was accompanied on these occasions by the Official Secretary and an Aide. The total cost of this travel was \$69,526.22.

#### 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 Code of Conduct.

### 2015/16 STATEMENT OF ASSURANCE

As required by the *Financial Accountability Act 2009*, the Chief Financial Officer provided a statement to the accountable officer, the Official Secretary, assuring him of the efficiency, effectiveness, and economy of the Office's financial operations and governance. This statement indicated no deficiencies or breakdowns in internal controls which would impact adversely on the financial statements or governance for the year.



### Office of the Governor FINANCIAL STATEMENTS

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For the financial year ended 30 June 2016

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**GENERAL** 

#### Statement of Comprehensive Income

For the year ended 30 June 2016

OPERATING RESULT	Notes	2016 \$'000	2015 \$'000
INCOME FROM CONTINUING OPERATIONS		0000	0000
Appropriation revenue User charges and fees Total revenue	B1-1	6,526 10 <b>6,536</b>	6,148 13 6,161
Gain on disposal of assets		23	
Total Income from Continuing Operations		6,559	6,161
EXPENSES FROM CONTINUING OPERATIONS Employee Expenses Supplies and Services Depreciation and amortisation Other expenses Total Expenses from Continuing Operations	82-1 82-2 C3,C4 82-3	4,532 1,733 174 25 <b>6,464</b>	4,268 1,629 162 24 <b>6,082</b>
Operating Result from Continuing Operations		95	79
Operating Result for the Year		95	79
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to Operating Result			
Increase (decrease) in asset revaluation surplus Total for Items that will not be reclassified to Operating Result		163 163	
Total Other Comprehensive Income		163	
TOTAL COMPREHENSIVE INCOME		258	79

#### **Statement of Financial Position**

As at 30 June 2016

Current Assets Cash and cash equivalents Receivables Inventories Prepayments Total Current Assets	Notes C1 C2	2016 \$'000 983 158 39 28 1,207	2015 \$'000 847 91 23 16 977
Non-Current Assets Intangible assets Plant & equipment Total Non-Current Assets	C4 C3	155 1,824 <b>1,979</b>	233 1,529 <b>1,762</b>
Total Assets Current Liabilities Payables Accrued employee benefits Total Current Liabilities	C5 C6	190 157 347	2,739 109 126 235
Total Liabilities Net Assets		<u>347</u> 2,839	235
Equity Contributed equity Accumulated surpluses Asset revaluation surplus Total Equity	C7-1 C7-3	1,702 383 754 <b>2,839</b>	1,625 288 591 <b>2,504</b>

#### Statement of Changes in Equity

For the year ended 30 June 2016

	Contributed Equity \$'000	Accumulated Surplus \$'000	Asset Revaluation Surplus \$'000	TOTAL \$'000
Balance as at 1 July 2014 Operating Result	1,538	209	591	2,338
Operating Result from Continuing Operations		79	-	79
Total Comprehensive Income for the Year		79		79
Transactions with Owners as Owners:				
Net transfers in/(out) from other Queensland Government entities (Note C7-2)	(53)	-		(53)
Appropriated equity injections (Note C7-2)	140	-	-	140
Net Transactions with Owners as Owners	87			87
Balance as at 30 June 2015	1,625	288	591	2,504
Balance as at 1 July 2015	4 005	000	504	
Operating Result Operating Result from Continuing Operations	1,625	288 95	591	2,504 95
Other Comprehensive Income - Increase/(Decrease) In Asset Revaluation Surplus			163	163
Total Comprehensive Income for the Year		95	163	258
Transactions with Owners as Owners:				
Net transfers in/(out) from other Queensland Government entities (Note C7-2)	(53)		-	(53)
- Appropriated equity injections (Note C7-2)	130	· -	-	130
Net Transactions with Owners as Owners	77	-	-	77
Balance as at 30 June 2016	1,702	383	754	2,839

#### **Statement of Cash Flows**

For the year ended 30 June 2016

CASH FLOWS FROM OPERATING ACTIVITIES	Notes	2016	2015
Inflows:		\$'000	\$'000
Service appropriation receipts		6,526	6.148
User charges and fees		0,526	6,148
GST input tax credits from ATO		187	166
GST collected from customers		8	5
Outflows:		0	5
Employee expenses		(4,554)	(4,253)
Supplies and services		(1,711)	(1,604)
GST paid to suppliers		(181)	(169)
GST remitted to the ATO		(4)	(5)
Other		(16)	(32)
Net cash provided by operating activities	CF-1	265	268
CASH FLOWS FROM INVESTING ACTIVITIES			
Inflows:			
Sales of property, plant and equipment Outflows:		45	17
Payments for property, plant and equipment		(250)	(162)
Net cash provided by (used in) investing activities		(205)	(146)
CASH FLOWS FROM FINANCING ACTIVITIES	-	· · · ·	
Inflows:			
Equity Injections		130	
Outflows:		130	140
Equity withdrawals		(53)	(53)
Net cash provided by (used in) financing activities	-	77	87
	-		
Net increase (decrease) in cash and cash equivalents		137	209
Cash and cash equivalents at beginning of financial year	-	847	638
Cash and cash equivalents at end of financial year	-	983	847
NOTES TO THE STATEMENT OF CASH FLOWS			
CF-1 Reconciliation of Operating Result to Net Cash Provided by Operati	ng Activities		
		2016	2015
		\$'000	\$'000
Operating Surplus/(deficit)		95	79
Non-Cash items included in operating result:			
Depreciation and amortisation expense		174	162
Net gains on disposal of property, plant and equipment		(23)	-
Change in assets and liabilities			
(Increase)/decrease in receivables		(66)	3
(Increase)/decrease in inventories		(16)	5
(Increase)/decrease in prepayments Increase/(decrease) in accounts payable		(12)	(16)
Increase/(decrease) in accounts payable Increase/(decrease) in accrued employee benefits		82	34
indicaser(decrease) in accided employee denents		. 31	1
Net Cash Provided by Operating Activities	_	265	268
	_		

#### Accounting Policy – Cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions. Departmental bank accounts grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

#### **Notes to the Financial Statements**

For the year ended 30 June 2016

#### SECTION 1 - ABOUT THE OFFICE AND THIS FINANCIAL REPORT

#### A1 BASIS OF FINANCIAL STATEMENT PREPARATION

#### A1-1 GENERAL INFORMATION

These financial statements cover the Office of the Governor. The Office of the Governor is a Department under the Financial Accountability Act 2009.

#### A1-2 COMPLIANCE WITH PRESCRIBED REQUIREMENTS

The Office of the Governor has prepared these financial statements in compliance with section 42 of the Financial and Performance Management Standard 2009. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2015.

The Office of the Governor is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flow which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

New accounting standards adopted early and/or applied for the first time in these financial statements are outlined in Note F2.

#### A1-3 PRESENTATION

#### Currency and Rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

#### Comparatives

Comparative information reflects the audited 2014-15 financial statements.

#### Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Office does not have an unconditional right to defer settlement. All other assets are classified as non-current.

#### A1-4 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

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

#### A1-5 BASIS OF MEASUREMENT

Historical cost is used as the measurement basis in this financial report except for the following:

- Heritage and cultural assets are measured at fair value; and
- Inventories held for distribution are measured at cost; adjusted, where applicable, for any loss of service potential.

#### A1-6 THE REPORTING ENTITY

The financial statements include all income, expenses, assets, liabilities and equity of the Office of the Governor. The office has no controlled entities.

#### A2 OBJECTIVES OF THE OFFICE

The Office is responsible for providing the following service -

Executive, administrative, logistical and personal support to the Governor and management of the Government House Estate.

The provision of executive, administrative, logistical and personal support to the Governor enables the Governor to exercise his 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.

As the Office is responsible for the provision of a single service as outlined in the above statement, the Statement of Comprehensive Income by major services and the Statement of Assets and Liabilities by major services have not been prepared. The Office is funded for the service it delivers principally by parliamentary appropriations.

#### **Notes to the Financial Statements**

For the year ended 30 June 2016

#### SECTION 2 - NOTES ABOUT OUR FINANCIAL PERFORMANCE

### B1 REVENUE

B1-1	APPROPRIATION REVENUE		
		2016	2015
		\$'000	\$'000
RECON	CILIATION OF PAYMENTS FROM CONSOLIDATED FUND TO		
APPRO	PRIATION REVENUE FOR SERVICES RECOGNISED IN OPERATING		
RESUL	г		
	Budgeted appropriation revenue	6,575	6,263
	Transfers from/to other headings - Variation in Headings		(115)
	Treasurer's Transfers	(49)	-
	Total Appropriation Revenue Receipts (cash)	6,526	6,148
Approp	riation Revenue of Services recognised in Statement of Comprehensive		
Income	-	6,526	6,148
			the second de second

#### Accounting Policy - Appropriation Revenue

The Office is funded by Parliamentary appropriation. Appropriations are recognised as revenue when received. Transfers from departmental services to equity adjustment were applied to offset the redirection to equity (C7-2).

#### B2 EXPENSES

B2-1 EMPLOYEE EXPENSES

	2016 \$'000	2015 \$'000
Employee Benefits:		
Wages and salaries	3,516	3,300
Employee superannuation contributions	361	342
Long service leave levy/expense	69	66
Annual leave levy/expense	253	259
Employee Related Expenses:		
Workers' compensation premium	20	16
Fringe Benefits Tax	237	217
Other	76	68
Total	4,532	4,268
	2016 No.	2015 No.
Full-Time Equivalent Employees	44	44

#### Accounting Policy – Wages and Salaries

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates. As the Office expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

#### Accounting Policy - Sick Leave

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue 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.

#### Accounting Policy - 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.

#### **Notes to the Financial Statements**

For the year ended 30 June 2016

#### B2-1 EMPLOYEE EXPENSES (cont'd)

#### Accounting Policy – Long Service Leave

Under the Queensland Government's Long Service Leave Scheme, a levy is made on the Office to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

#### Accounting Policy – Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation scheme 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. The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

#### Accounting Policy – Workers' Compensation Premiums

The Office pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses. Key management personnel and remuneration disclosures are detailed in Note F1.

#### B2-2 SUPPLIES AND SERVICES

	2016 \$'000	2015 \$'000
Contracted Services	280	257
Household costs	348	391
Administration costs	454	410
Estate Operations	363	210
Travel	179	236
Motor vehicle running costs	46	53
	64	72
Total	1,733	1,629
OTHER EXPENSES		
	2016 \$'000	2015 \$'000
Queensland Audit Office - external audit fees for audit of the financial statements <sup>(1)</sup>	18	18
Insurance Premiums – QGIF	5	6
Special Payments (2)		
Ex-gratia payments - payments to former Core Agreement employees	3	
Total	25	24

#### Audit Fees:

B2-3

<sup>(1)</sup> Total audit fees quoted by the Queensland Audit Office relating to the 2015-16 financial statements are \$17,800 (2014-15: \$17,800). There are no non-audit services included in this amount.

#### Special Payments:

<sup>(2)</sup> Special payments represent ex gratia expenditure and other expenditure that the Office is not contractually or legally obligated to make to other parties. Special payments during 2015-16 below \$5,000 include the following:

As part of the settlement officer to finalise negotiations for the State Government Entities Certified Agreement in 2015, an undertaking was made that a one-off payment of \$1,300 (or pro-rata) would be extended to those employees who resigned, retired or otherwise moved to other employment arrangements after 1 April 2016, but before the agreement was certified on 1 June 2016. These payments attracted applicable salary on-costs.

#### **Notes to the Financial Statements**

For the year ended 30 June 2016

#### SECTION 3 - NOTES ABOUT OUR FINANCIAL POSITION

#### C1. RECEIVABLES

	2016 \$'000	2015 \$'000
Trade Debtors	2	2
GST receivable	40	41
Annual leave reimbursements	70	44
Long service leave reimbursements	47	4
Total	158	91
INVENTORIES		
	2016	2015
	\$'000	\$'000
Inventories	39	23
Total	39	23

#### Accounting Policy - Inventories

C2.

Inventories held for distribution are those inventories that the Office distributes for no or nominal consideration. Inventories held for distribution are measured at cost adjusted, where applicable, for any loss of service potential. These consist of wines and fuel used for rendering services.

#### C3. PLANT AND EQUIPMENT AND DEPRECIATION EXPENSE C3-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

	Heritag Cult		Plant Equip		Work-in-progress		n-progress Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Gross	1,199	1,036	929	675	-	100	2,128	1,811
Less: Accumulated depreciation	-	-	(304)	(281)		-	(304)	(281)
Carrying amount at 30 June	1,199	1,036	625	394	-	100	1,824	1,529
Represented by movements in carrying amount:							-	-
Carrying amount at 1 July	1,036	1,036	394	431	100	.	1,530	1,467
Acquisitions			250	62	1000	100	250	162
Disposals			(22)	(17)		-	(22)	(17)
Transfers	A States		100		(100)			( )
Depreciation			(96)	(84)	1223		(96)	(84)
Net revaluation increments/								1- 7
(decrements) in asset revaluation surplus	163			•			163	-
Carrying amount at 30 June	1,199	1,036	625	394		100	1,824	1,529

#### C3-2 RECOGNITION AND ACQUISITION

#### Accounting Policy – Recognition Thresholds

Items of plant and equipment (including heritage and cultural assets) with a cost or other value equal to or in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition. Items with a lesser value are expensed in the year of acquisition.

The land and buildings of Government House are held in trust by the Minister for Housing and Public Works.

#### **Notes to the Financial Statements**

For the year ended 30 June 2016

#### C3-2 RECOGNITION AND ACQUISITION (cont'd)

#### Accounting Policy - Cost of Acquisition

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

#### C3-3 MEASUREMENT USING HISTORICAL COST

#### Accounting Policy

Plant and equipment is measured at historical cost in accordance with the Non-Current Asset Policies. The carrying amounts for such plant and equipment is not materially different from their fair value.

#### C3-4 MEASUREMENT USING FAIR VALUE

#### What is Fair Value?

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets being valued. Significant unobservable inputs used by the Office include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Office's assets, assets' characteristics/functionality, and assessments of physical condition. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets.

Heritage and cultural assets are measured at fair value as required by Queensland Treasury's Non-current Asset Policies for the Queensland Public Sector. These assets are reported at their revalued amounts, being the fair value at the date of valuation and subsequent accumulated impairment losses where applicable.

#### Use of Specific Appraisals

Revaluations using independent professional valuers are undertaken at least once every five years. This is arranged by the CFO after consultation with the Executive Management Group.

Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset is material (in which case revaluation is warranted).

The fair values reported by the Office are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

In 2015-16 the Office undertook a comprehensive revaluation of its Heritage and Cultural assets. Due to the specialised nature of the collection, the valuation was conducted by two separate valuers. The artworks were valued by MacAulay Partners and the remaining heritage and cultural assets, including furniture, silver and the heritage motor vehicle were valued by GRC Quantity Surveyors. These appointments were made on the recommendation of the State Valuation Services.

#### Accounting for Changes in Fair Value

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus 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 surplus relating to that asset class.
For the year ended 30 June 2016

### C3-4 MEASUREMENT USING FAIR VALUE (cont'd) Fair Value Measurement Hierarchy

Due to the nature of the Office's heritage and cultural assets, for which there is not an active and liquid market and intention of the Office to retain the assets in the longer term, all of the assets are categorised as Level 3 - where fair value measurements are substantially derived from unobservable inputs.

Key judgement: The valuers appointed by the Office of the Governor specialise in the valuation of assets of the type controlled by the Office. As there is no active market for the heritage assets, certain valuation assumptions had to be made. The fair value of the heritage furnishings and fittings were determined by estimating the cost to reproduce the items including the features and materials of the original items with substantial adjustment to take into account the items' heritage restrictions and characteristics. The heritage motor vehicle was established with reference to the international market. The heritage artworks valuation included a detailed inspection of the artworks and was based on sale prices achieved for artworks of similar quality by the artist, or where there are no recent sales for a particular artist, by an artist of equivalent stature.

### C3-5 DEPRECIATION EXPENSE

#### Accounting Policy

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

Key judgement: Straight line depreciation is used reflecting the progressive, and even, consumption of future economic benefits over their useful life to the Office.

Assets under construction (work in progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then re-classified to the relevant classes within plant and equipment.

Where assets have separately identifiable components that are subject to regular replacements, 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 new depreciable amount is depreciated over the remaining useful life of the asset to the Office.

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.

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

Plant and Equipment:	Rate
Furniture and Fixtures (excluding heritage and cultural)	15.0%
Motor Vehicles	20.0%
Office Equipment	15.0%
Plant and Machinery	9.0 - 12.5%

### C3-6 IMPAIRMENT

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.

For the year ended 30 June 2016

# C4. INTANGIBLES AND AMORTISATION EXPENSE

### C4-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

#### Software Internally Generated

	2016	2015
	\$'000	\$'000
At cost:	505	505
Less: accumulated amortisation	(350)	(272)
Carrying amount 30 June	155	233
Represented by movements in carrying amount:		
Carrying amount at 1 July	233	311
Amortisation	(78)	(78)
Carrying amount at 30 June	155	233

# C4-2 RECOGNITION AND MEASUREMENT

#### Accounting Policy

Intangible assets of the Office comprise internally developed software with a historical cost equal to or greater than \$100,000. Items with a lesser value are expensed. Any training costs are expensed as incurred. Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

There is no active market for any of the Office's intangible assets. As such the assets are recognised and carried at historical cost less accumulated amortisation and impairment losses.

# C4-3 AMORTISATION EXPENSE

#### Accounting Policy

Costs associated with the development of computer software have been capitalised and are amortised on a straight-line basis over the period of expected benefit to the Office, namely between three and eight years.

Class	Rate
Intangible Assets:	
Software Internally Generated	14.0% - 33.0%

#### C5. PAYABLES

	2016	2015
	\$'000	\$'000
Trade creditors	78	26
Sundry Accruals	112	82
Total	190	109

#### Accounting Policy

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owning are unsecured.

For the year ended 30 June 2016

# C6. ACCURED EMPLOYEE BENEFITS

2016	2015
\$'000	\$'000
64	34
74	74
18	18
157	126
	\$'000 64 74 18

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### Accounting Policy

No provision for annual leave or long service leave is recognised in the Office's financial statements as the liability is held on a wholeof-government basis and reported in those financial statements pursuant to AASB1049 Whole of Government and General Government Sector Financial Reporting.

### C7. EQUITY

### C7-1 CONTRIBUTED EQUITY

Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities specifies the principles for recognising contributed equity by the Office. Appropriation for equity adjustments (refer note C7-2) were recognised as contributed equity by the Office during the reporting period.

### C7-2 APPROPRIATION RECONISED IN EQUITY

#### Reconciliation of Payments from Consolidated Fund to Equity Adjustment

2016	2015
\$'000	\$'000
(53)	(53)
	115
81	25
49	-
77	87
	\$'000 (53) - 81 49

## Appropriations for Unforeseen Expenditure (1)

Unforeseen expenditure included an output to equity swap to fund capital purchases, and additional funding to undertake horticultural capital improvements.

# Treasurer's transfers (2)

Transfers from departmental services to equity adjustments were applied to offset the redirection to equity. Additional equity adjustments also reflect a reallocation of funding from the Department of Premier and Cabinet to undertake horticultural capital improvements.

### C7-3 ASSET REVALUATION SURPLUS BY ASSET CLASS

#### Accounting Policy

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

#### Heritage and Cultural Assets

	\$'000
Balance 1 July 2014	591
Revaluation increment/(decrement)	
Balance – 30 June 2015	591
Revaluation increment/(decrement)	163
Balance – 30 June 2016	754

### **Notes to the Financial Statements**

For the year ended 30 June 2016

# SECTION 4 - NOTES ABOUT RISK AND OTHER ACCOUNTING UNCERTAINTIES

## D1 FINANCIAL RISK DISCLOSURES

## D1-1 Financial Risk Management

#### (a) Risk Exposure

Financial risk management is implemented pursuant to Government and Office of the Governor policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Office.

The Office provides written principles for overall risk management, as well as policies covering specific areas. Office of the Governor's activities expose it to a variety of financial risks as set out in the following table:

Risk Exposure	Definition	Exposure
Credit risk	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 Office is exposed to credit risk in respect of its receivables (Note C1).
Liquidity risk	Liquidity risk refers to the situation where the Office may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	The Office is exposed to liquidity risk in respect of its payables (Note C5)

(b) Risk Measurement and Management Strategies

#### Credit Risk Exposure

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.

No collateral is held as security in respect of financial assets held by the Office. The carrying amount of receivables represents the maximum exposure to credit risk.

The Office manages credit risk through a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the Office invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets have been offset and presented net in the Statement of Financial Position. No financial assets have had their terms renegotiated so as to prevent them from being past due or impaired, and are stated at the carrying amounts as indicated.

The Office does not have any past due but not impaired or impaired financial assets.

#### Liquidity Risk

Liquidity risk refers to the situation where the Office of the Governor may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Office manages liquidity risk through a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the Office has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring that minimum levels of cash are held within the bank accounts so as to match the expected duration of the various employee and supplier liabilities.

Due to the short term maturity of these payables, the undiscounted cash flows equate to the amounts disclosed in the Statement of Financial Position.

Departmental bank accounts grouped within the whole-of-Government set-off arrangement with the Queensland Treasury Corporation do not earn interest on surplus funds. Interest earned on the aggregate set-off arrangement balance accrues to the Consolidated Fund.

Notes to the Financial Statements

For the year ended 30 June 2016

### D2 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issues but with future commencement dates are set out below:

### AASB 124 - Related Party Disclosures

From reporting periods beginning on or after 1 July 2016, the Office will need to comply with the requirements of AASB 124 Related Party Disclosures. That accounting standard requires a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities, and relationships between parent and controlled entities. The Office already discloses information about the remuneration expenses for key management personnel (refer to Note F1) in compliance with requirements from Queensland Treasury. Therefore, the most significant implications of AASB 124 for the Office's financial statements will be the disclosures to be made about transactions with related parties, including transactions with key management personnel or close members of their families.

For the year ended 30 June 2016

# SECTION 5 - NOTES ON PERFORMANCE COMPARED TO BUDGET

# E1 BUDGETARY REPORTING DISCLOSURES

This section discloses the Office's original published budgeted figures for 2015-16 compared to actual results, with explanations of major variances, in respect of the Office's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

# E2 BUDGET TO ACTUAL COMPARISON - STATEMENT OF COMPREHENSIVE INCOME

	Variance Notes	Original Budget 2016 \$'000	Actual Result 2016 \$'000	Vari \$'000	ance % of original budget
Income from Continuing Operations					
Appropriation revenue		6.575	6,526	(49)	-1%
Other revenue		-	10	10	
Gains on disposal/re-measurement of assets			23	23	
Total Income from Continuing Operations	-	6,575	6,559	(16)	
Expenses from Continuing Operations		1			
Employee expenses	1	4.662	4,532	(130)	-3%
Supplies and Services		1,727	1,733	6	0%
Depreciation and amortisation		162	174	12	7%
Other expenses	_	24	25	1	4%
Total Expenses from Continuing Operations	-	6,575	6,464	(111)	-2%
Operating Result from Continuing Operations			95	95	
Operating Result for the Year OTHER COMPREHENSIVE INCOME			95	95	
Items Not Recyclable to Operating Result		8			
Increase (decrease) in asset revaluation surplus	2		163	163	
Total Items Not Recyclable to Operating Result			163	163	
TOTAL COMPREHENSIVE INCOME	_	. 8	258	258	

E2-1 Explanation of Major Variances – Comprehensive Income

1 Employee expenses were less than budget due to some short term vacancies in the program delivery area.

2 Increase in asset revaluation surplus due to the revaluation of heritage and cultural assets.

For the year ended 30 June 2016

# E3 BUDGET TO ACTUAL COMPARISON - STATEMENT OF FINANCIAL POSITION

	Original Actual Budget Result Variance 2016 2016	Variance			
	Notes	\$'000	\$'000	\$'000	% of original budget
Current Assets		1			
Cash and cash equivalents	1	728	983	255	35%
Receivables	2	94	158	64	68%
Inventories		28	39	11	39%
Prepayments			28	28	
Total Current Assets	-	850	1,207	358	
Non-Current Assets		- 1			
Intangible assets		179	155	(24)	-13%
Property, plant and equipment	3	1,597	1,824	227	14%
Total Non-Current Assets	-	1,776	1,979	203	
Total Assets	-	2,626	3,186	203	
Current Liabilities		8			
Payables	4	74	190	116	157%
Accrued employee benefits		125	157	32	26%
Total Current Liabilities	-	199	347	148	
Total Liabilities	_	199	347	148	
Net Assets / Total Equity	-	2,427	2,839	412	17%

# E3-1 Explanation of Major Variances – Statement of Financial Position

1 The variance in cash and cash equivalents is substantially due to the factors outlined in the explanation of major variances for the Statement of Cash Flows

2 An increase in receivables due to fluctuations in year end balances.

3 An increase in plant and equipment due to the revaluation of heritage and cultural assets

4 An increase in payables due to fluctuations in accrued expenses at year end.

For the year ended 30 June 2016

# E4 BUDGET TO ACTUAL COMPARISON – STATEMENT OF CASH FLOWS

	Variance Notes	Original Budget 2016 \$'000	Actual Result 2016 \$'000	Variance \$'000	% of original budget
Cash flows from operating activities					
Inflows: Service appropriation receipts		6,575	6,526	(40)	407
User charges and fees		0,070	0,520	(49) 11	-1%
GST input tax credits from ATO			187	187	
GST collected from customers			8	8	
Outflows:		- 1		-	
Employee expenses		(4,662)	(4,554)	108	-2%
Supplies and services		(1,727)	(1,711)	16	-1%
Other outflows		(24)	(16)	8	-33%
GST paid to suppliers GST remitted to ATO			(181)	(181)	
Net cash provided by (used in) operating	-	· 8	(4)	(4)	
activities		162	265	103	64%
		1			
Cash flows from investing activities Inflows:					
Sales of property, plant and equipment	1	- 10	45	45	
Outflows:		18			
Payments for property, plant and equipment	2	(64)	(250)	(186)	291%
Net cash provided by (used in) investing	_	(64)	(205)	(141)	220%
activities		(04)	(200)	(141)	220 /0
Cash flows from financing activities					
Inflows:					
Equity injections	3		130	130	
Outflows:		(50)			
Equity withdrawals	-	(53)	(53)		
Net cash provided by (used in) financing activities		(53)	77	130	-245%
Increase (decrease) in cash and cash equivalents	_	45	137	92	204%

# E4-1 Explanation of Major Variances - Statement of Cash Flows

Sales of plant and equipment were not factored into the original budget.

Payments for property plant and equipment were greater than originally budgeted, partly due to the injection of additional equity from the Department of the Premier and Cabinet to fund upgrades to the horticultural facility.

Additional equity injection from the Department of the Premier and Cabinet to fund an upgrade to the horticultural facilities at Government House.

### **Notes to the Financial Statements**

For the year ended 30 June 2016

# **SECTION 6 - OTHER INFORMATION**

### F1 KEY MANAGEMENT PERSONNEL DISCLOSURES

#### Details of Key Management Personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Office during 2015-16 and 2014-15. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

#### Official Secretary

The Official Secretary directs the overall efficient, effective and economical administration of the Office.

Incumbent	Contract Classification and Appointment Authority	Date of Initial Appointment	Resignation
Current	Equivalent to Qld Public Sector SES3.4	11-May-08	

### Deputy Official Secretary

The Deputy Official Secretary is responsible for the day to day management of the Office including delivery of the operational aspects of the Governor's program, management of the Estate, maintenance and works programs and the Office administrative support functions.

Incumbent	contract classification and Appointment Authority	Date of Initial Appointment	Date of Resignation or Cessation
Current	Equivalent to Qld Public Sector SES2.1	8-Dec-08	-

#### **Chief Financial Officer**

The Chief Financial Officer directs the efficient and effective financial administration of the Office

Incumbent	Somace of assingation and Appointment Authority	Date of Initial Appointment	Recignotion
Current	Equivalent to Qld Public Sector Professional Office Level 6	31-Mar-10	-

#### Remuneration Policies

Remuneration policy for the Office's key executive management personnel has regard to the Public Service Act 2008. The remuneration and other terms of employment for key executive management personnel are specified in employment contracts. The contracts may provide for other benefits including a motor vehicle allowance.

During 2015-16, the Deputy Official Secretary's position was reviewed and subsequently reclassified. Remaining key executive management personnel remuneration increased by up to 2.5 per cent.

The following disclosures focus on the expenses incurred by the Office during the respective reporting periods that are attributable to key management positions. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

Remuneration expenses for key management personnel comprises the following components:

- Short-term employee benefits include salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position.
- · Long-term employee benefits include amounts expensed in respect of long service leave entitlements earned.
- · Post-employment benefits include amounts expensed in respect of employer superannuation obligations.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only
  for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.
- No key management personnel are entitled to performance payments.

# **Notes to the Financial Statements**

For the year ended 30 June 2016

#### F1 KEY MANAGEMENT PERSONNEL DISCLOSURES (cont'd)

#### KMP Remuneration Expense

The following disclosures focus on the expenses incurred by the Office that is attributable to key management positions during the respective reporting periods. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

### 1 July 2015 - 30 June 2016

Position (date resigned	Short-term Employee Benefits		Long-term Employee Benefits	Post-employ- ment Benefits	Termination Benefits	Total Remuner- ation
if applicable)	Monetary Expenses \$'000	Non- Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Official Secretary	213	-	8	24	-	245
Deputy Official Secretary	136	-	8	17	-	161
CFO	82	1	4	10	-	97
Total Remuneration	431	1	20	51	-	503

#### 1 July 2014 - 30 June 2015

Position (date resigned	Short-term Employee Benefits		Long-term Employee Benefits	Post-employ- ment Benefits	Termination Benefits	Total Remuner- ation
if applicable)	Monetary Expenses \$'000	Non- Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Official Secretary	209	1	16	22	-	248
Deputy Official Secretary	146	-	6	17	-	169
CFO	77	-	4	10	-	90
Total Remuneration	432	1	26	49	-	508

#### F2 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY

#### Changes in Accounting Policy

The Office did not voluntarily change any of its accounting policies during 2015-16.

#### Accounting Standards Early Adopted for 2015-16

Two Australian Accounting Standards have been early adopted for the 2015-16 year as required by Queensland Treasury. These are:

AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]
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The amendments arising from this standard seek to improve financial reporting by providing flexibility as to the ordering of notes, the identification and location of significant accounting policies and the presentation of sub-totals, and provides clarity on aggregating line items. It also emphasises only including material disclosures in the notes. The Office has applied this flexibility in preparing the 2015-16 financial statements, including co-locating significant accounting policies with the related breakdowns of financial statement figures in the notes.

AASB 2015-7	Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB
	Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13]

# **Notes to the Financial Statements**

For the year ended 30 June 2016

### F2 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN ACCOUNTING POLICY (cont'd)

This standard amends AASB 13 Fair Value Measurement and provides relief to not-for-profit public sector entities from certain disclosures about property, plant and equipment that is primarily held for its current service potential rather than to generate future net cash inflows. The relief applies to assets under AASB 116 Property, Plant and Equipment which are measured at fair value and categorised within Level 3 of the fair value hierarchy (refer to Note C3-4).

As a result, the following disclosures are no longer required for those assets. In early adopting the amendments, the following disclosures have been removed from the 2015-16 financial statements:

- disaggregation of certain gains/losses on assets reflected in the operating result;
- quantitative information about the significant unobservable inputs used in the fair value measurement; and
- a description of the sensitivity of the fair value measurement to changes in the unobservable inputs.

#### Accounting Standards Applied for the First Time in 2015-16

No new Australian Accounting Standards effective for the first time in 2015-16 had any material impact on this financial report.

### F3 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). FBT and GST are the only taxes accounted for by the Office of the Governor. GST credits receivable from, and GST payable to the ATO, are recognised (refer to Note C1).

# **Management Certificate**

For the year ended 30 June 2016

These general purpose financial statements have been prepared pursuant to s.62(1) of the Financial Accountability Act 2009 (the Act), section 42 of the Financial and Performance Management Standard 2009 and other prescribed requirements. In accordance with s.62(1)(b) of the Act we certify that in our opinion:

the prescribed requirements for establishing and keeping the accounts have been complied with in all material (a) respects; and

the financial statements have been drawn up to present a true and fair view, in accordance with prescribed (b) accounting standards, of the transactions of the Office of the Governor for the financial year ended 30 June 2016 and of the financial position of the Office at the end of that year; and

these assertions are based on an appropriate system of internal controls and risk management processes being (c) effective, in all material respects, with respect to financial reporting throughout the reporting period.

Roser Thee

ROSIE TURNBULL CPA Chief Financial Officer

18 August 2016

MARK GOWER OAN Official Secretary 18 August 2016

# INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of the Office of the Governor

# **Report on the Financial Report**

I have audited the accompanying financial report of the Office of the Governor, which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including significant accounting policies and other explanatory information, and the certificates given by the Official Secretary and the Chief Financial Officer.

# The Accountable Officer's Responsibility for the Financial Report

The Accountable Officer is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Accountable Officer's responsibility also includes such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

# Auditor's Responsibility

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

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 the risks of material misstatement of 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 of the financial report that gives a true and fair view 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 used and the reasonableness of accounting estimates made by the Accountable Officer, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements 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 all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only 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.

# Opinion

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

- I have received all the information and explanations which I have required; and
- (b) in my opinion
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (*ii*) the financial report presents 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 2015 to 30 June 2016 and of the financial position as at the end of that year.

# Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

A M GREAVES FCA FCPA Auditor-General of Queensland

AUDITOR GENERAL 8 AUG 2016 QUEENSLAND

Queensland Audit Office Brisbane

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