

GOVERNMENT HOUSE Queensland



OFFICE OF THE GOVERNOR

ANNUAL REPORT 2016 - 2017



Cover image

The cover illustration by Brisbanebased botanical artist and designer, Anne Hayes, depicts the blossom of the Cooktown orchid.

In 1959, as part of the celebrations marking the centenary of Queensland's separation from New South Wales, the government of the day sponsored a public poll in The Courier-Mail newspaper to select our State's floral emblem. The Cooktown orchid was chosen by an overwhelming margin. While named for the North Queensland town, the orchid is successfully cultivated as far south as Brisbane, and is a popular cut flower.

During the reporting period, the Governor and Mrs de Jersey made their first official visit to Cooktown, basing themselves in the town as part of an official visit to Cape York. The deep purple to pale lilac flowers of the Cooktown orchid are a stunning manifestation of the unique natural beauty of Far North Queensland.

The Office of the Governor is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact us on telephone (07) 3858 5700 and we will arrange an interpreter to effectively communicate the report to you. To obtain information about the content of this report, please contact:

Air Commodore Mark Gower OAM Official Secretary

Office of the Governor, Queensland

GPO Box 434 Brisbane Qld 4001

Telephone: (07) 3858 5700 Facsimile: (07) 3858 5701 Email: govhouse@govhouse.qld.gov.au

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

Copyright and ISSN

© The State of Queensland (Office of the Governor) 2017.

Copyright protects this publication except for purposes permitted by the Copyright Act.

Reproduction by whatever means is prohibited without the prior written permission of the accountable officer.

ISSN 1837-2767

Aim of Report

The Office of the Governor Annual Report 2016/2017 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 2016 to 30 June 2017 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 Annastacia Palaszczuk MP Premier of Queensland PO Box 15185 CITY EAST QLD 4002

Dear Premier,

I am pleased to submit for presentation to the Parliament the 2016–17 Annual Report and financial statements of the Office of the Governor.

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

Joe1

Mark Gower OAM Official Secretary

24 September 2017



Table of Contents

04

Official Secretary's Summary Year in Review

Outlook for 2017/18

Office Overview Corporate Objectives **08**

10

Financial Overview Expenditure 2016/17 Consultancies **Overseas** Travel Public Liability

2016/17 Statement of Assurance

26

Corporate Governance

Management Processes Management Structure Measuring Corporate Governance

14

Report on Performance

Constitutional and Legal Ceremonial Community Engagement Preserving the Government House Estate Effective Management Promoting Queensland

Financial Statements

Waste Management

Statement of Comprehensive Income Statement of Financial Position Statement of Changes in Equity Statement of Cash Flows

Notes to and Forming Part of the Financial Statements 2016/17

Management Certificate Independent Auditor's Report

24



Visits outside of Brisbane

ANNUAL REPORT 2016/17



14 March 2017 At Buckingham Palace, the Governor and Mrs de Jersey had an audience with Her Majesty Queen Elizabeth II, Queen of Australia and Head of the Commonwealth.

3,500,000

Number of impressions (at least) on official social media accounts.



27 October 2016 The Governor and Mrs de Jersey visited the Jundah State School in Central West Queensland as part of Longreach Regional Government House.

296

Number of recipients presented with Australian honours and awards.



20 February 2017 The Governor met Borobi, the official mascot of the Gold Coast 2018 Commonwealth Games during a tour of facilities on the Gold Coast.



21 February 2017 Gavel commenced duty as Queensland's first official Vice-Regal Dog.



6 September 2016 The Governor and Mrs de Jersey were hosted to morning tea by Mrs Gladys Gerchow at her Buderim home on the occasion of the celebration of Mrs Gerchow's 100th birthday.

18,700

Number of Queenslanders who visited Government House.



18 August 2016 The Governor attended the Vietnam Veterans Day Remembrance Service at ANZAC Square, Brisbane.



December 2016 More than 7.200 people came through Fernberg's gates for the annual Christmas Lights Display.



25 May 2017 The Governor officially opened the Brisbane Truck Show, acknowledging the industry's enormous social and economic contribution to Queensland.



Number of constitutional, ceremonial and community events the Governor attended.



4 November 2016 The Governor and Mrs de Jersey received Their Majesties King Willem-Alexander and Queen Máxima of the Netherlands.

I Official Secretary's Summary



Mark Gower OAM Official Secretary

The 2016/17 financial year saw His Excellency the Honourable Paul de Jersey AC mark the midway point of his original five-year appointment as Governor of Queensland. This significant milestone has renewed the focus of the Office on fulfilling the pledges made by the Governor at his swearing-in, particularly on expanding the opportunities for Queenslanders to interact with their Governor, regardless of where they live across the State.

During the reporting period, the Office facilitated 51 vice-regal visits to regional centres of the State.

The Office has refined the Regional Government House concept following the success of the inaugural program in Cairns in October 2015. In 2016/17, Regional Government House took place in Longreach from 26 October to 2 November, and involved more than 50 individual program elements spread over nine towns. The implementation of Regional Government House is a major undertaking for the Office, and enables a deeper engagement with regional communities unable to be achieved through shorter visits.

The arrival of Cyclone Debbie and the catastrophic flooding which followed resulted in adjustments to the Governor's program to support communities grappling with the immediate aftermath of the storm and through the long and difficult recovery period. Emphasis was placed on supporting and thanking first responders and emergency services personnel who played a critical role in saving lives and restoring essential services. This was followed by the hosting at Government House of a reception attended by personnel who assisted affected communities.

The reporting period marked a number of significant anniversaries in Australia's wartime history. The Office devoted considerable effort to supporting the Governor to lead commemorations, including facilitating the travel of the Governor and Mrs de Jersey to France from 17 to 26 July 2016, to represent Queensland at major ceremonies commemorating the centenary of the Western Front. The 75th Anniversary of the Battle of the Coral Sea in World War II was an important anniversary for Australia, with special significance for Queensland. The Governor hosted a reception to honour survivors of the USS *Lexington (CV-2)*, which sank in the Battle of the Coral Sea in May 1942, and addressed the Battle of the Coral Sea Memorial Dinner in Brisbane.

The Gold Coast 2018 Commonwealth Games are an important event in the sporting and cultural life of the Gold Coast and the broader Queensland community. They also offer a unique opportunity to showcase our State to the wider world. A key event in the preparations of the Games occurred during the reporting period, with the launch of the Queen's Baton Relay in London, which the Governor combined with a call on Her Majesty Queen Elizabeth II at Buckingham Palace and attendance at other Commonwealth functions to promote Queensland's trade, investment and cultural interests. As part of this itinerary, the Governor also visited Malaysia, a valued international partner of Queensland, meeting with representatives of the Malaysian corporations with significant investments in Queensland, delivering a keynote speech at a business lunch hosted by the Malaysia Australia Business Council, and promoting Queensland as an investment and education destination.

The ongoing management of Fernberg in a manner consistent with the heritage, cultural and natural values of the estate is a complex undertaking. The 2016/17 financial year marked the completion of a joint project between the Office and the Department of Housing and Public Works to refurbish the soft furnishings of Government House. The outcome involved the successful balancing of the heritage values of Fernberg with the practical challenges of furnishing a public building which receives a growing level of foot traffic.

Important acquisitions were made to build on Government House's collection of indigenous art. Artworks were sourced directly from community art centres in Aurukun and Lockhart River and placed on display for all visitors to Government House to enjoy. The Office continued to refine its social media strategy to make use of different platforms to reach the widest possible cross-section of Queenslanders. On the second anniversary of His Excellency's swearing-in, the Governor launched an Instagram account to build a richer engagement with Queenslanders and to foster greater transparency around the activities of the Governor and the management of the Government House estate.

His Excellency acted as Administrator of the Government of the Commonwealth of Australia on eight occasions during the reporting period. 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.

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

2016/17 PRIORITIES INCLUDED:

- Coordinating an extensive program of travel and engagement, particularly with regional and remote communities throughout Queensland;
- Coordinating Regional Government House in Longreach;
- Facilitating the patronage of, and support for, 158 community organisations 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 includes two Open Days a year, tours of the estate with volunteer guides and 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 Strategic Plan 2016–21 and facilitating its ongoing implementation;
- Continuing to deliver administrative, financial management, customer relationship management, and corporate governance improvements;
- Equipping staff with contemporary knowledge and skills that reflect the core values of the Office of the Governor through professional-development and core-skills training; and
- Updating free, publicly available publications documenting biographical details of Queensland's 26 Governors and the heritage of Fernberg.



OUTLOOK FOR 2017/18

During 2017/18, the Office will continue to provide high-level executive support to enable the Governor and/or Acting Governors to fulfil constitutional, ceremonial and community duties. The Office will provide focussed support to enable the Governor to fulfil constitutional and ceremonial duties associated with the upcoming State election, the writ for which must be issued no later than March 2018.

In addition, 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 planning and implementing the third Regional Government House program in Mackay;
- Introduce free, monthly tours of the estate which can be booked by members of the public;
- Support opportunities for the Governor to promote Queensland to high-level State visitors;
- Attend a program of events associated with the Gold Coast 2018 Commonwealth Games, including those which showcase Queensland domestically and internationally;

- 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, and to attend significant military commemorations;
- Continue to provide a strong corporate governance framework to ensure that best practice organisational and fiscal standards are met;
- 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, including the re-painting of the exterior of the House.

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.

TROPICAL CYCLONE DEBBIE

One of the Governor's crucial community roles, as the representative of all Queenslanders, is to lend support and listen to, and empathise with, people affected by natural disaster.

Assisting the Governor to fulfil this role, while keeping the administrative burden on the affected communities to the absolute minimum, requires significant work and operational flexibility from the Office of the Governor.

Long experience with disaster events resulting from Queensland's extreme weather has meant that significant expertise has developed within the Office to assist the Governor to effectively support community recovery over both the short and long term.

On 28 March 2017, Cyclone Debbie made landfall near Airlie Beach, before continuing south and causing significant damage to regions surrounding Mackay and the Whitsundays, and flooding in South East Queensland and Rockhampton.

On 29 March, the Governor issued a message of support to all those impacted by Tropical Cyclone Debbie, saying: "Kaye and I acknowledge the mobilising volunteer and emergency services contingent, and convey to them, and the people of our North, the support of their fellow Queenslanders in the hope that it may sustain them as this difficult situation unfolds."

On 30 March, the Governor received a briefing from the Honourable Annastacia Palaszczuk MP, Premier of Queensland, Commissioner Ian Stewart APM, Queensland Police Service, and senior Bureau of Meteorology and State Disaster Coordination Centre representatives on the weather situation and the post-Cyclone response.



In the aftermath of the cyclone, the Office facilitated a number of visits to cyclone-affected communities, including Mackay, Rockhampton and Logan. During these visits, the Governor spent time with defence, emergency services, police personnel and volunteers, and thanked them for assisting with recovery efforts.

Once the initial phase of disaster response has concluded, the Office works with community leaders in affected areas to identify opportunities where a return visit would be welcomed as part of longterm community recovery from a disaster event. On 6 May 2017, the Governor returned to Logan to officiate at the Logan Loves Volunteers Thank You Breakfast and present bravery awards. In June 2017, the Governor also hosted a reception at Government House for police, emergency services, charities and non-government organisations who assisted the community both during and in the aftermath of Cyclone Debbie.

In the aftermath of the cyclone, the Office facilitated a number of visits to cyclone-affected communities, including Mackay, Rockhampton and Logan. During these visits, the Governor spent time with defence, emergency services, police personnel and volunteers and thanked them for assisting with recovery efforts.

🔀 Office Overview







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 2016–21:

Constitutional and Legal

Provide executive support to enable the Governor to fulfil constitutional and legal responsibilities, including granting Royal 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.

CONTINUITY

The constitutional, historical and cultural continuity of the Office of the Governor is without peer in the State's institutional history.

This continuity manifests itself in every aspect of the work undertaken by the Office of the Governor, from managing the constitutional business of granting Royal Assent to the ongoing use of employment titles such as Aide-de-Camp.

While the Office is committed to pursuing modern best practice in management and oversight, we do so mindful of the community's expectation that our activities are also consistent with our history.

In the management of the Government House estate, a balance is struck between conserving the natural values of the last remaining native bushland in Brisbane's inner-West with the enhancement of the heritage Tropicalia garden. This includes the sympathetic management of gardens established by previous Governors, such as the historic Woodland Walks instigated by Sir John and Lady Goodwin, while limiting the potential for exotic weeds to contaminate the adjacent bushland.

Guided by Management Plans, the conservation of the fabric of Fernberg is balanced with the need to ensure equitable access and a modern, professional work environment for the Governor and staff. Events are managed to ensure consistency with the values of the Governor and the Office, while honouring vice-regal traditions. For example, the Governor's arrival into a function is announced by the Aide-de-Camp in much the same way as it would have been in 1859.

A lack of storage space means that much of the moveable cultural heritage associated with the Office of the Governor is held by the State Library of Queensland and the Queensland Archives. We are indebted to the State Library for its willingness to lend, on a long-term basis, the portrait of Queensland's eighth Governor, Lord Lamington. The Office also takes advantage of short-term offers to enhance the heritage collection. On 22 May 2017, His Excellency and Mrs de Jersey hosted a morning tea to mark the acceptance of the portrait of Diamantina, Lady Bowen on loan from the Sisters of Mercy Congregation Brisbane. It is the only known portrait of Lady Bowen painted during her time in Queensland. As the Governor and Mrs de Jersey viewed the portrait of Lady Bowen, with the portrait of Governor Bowen in the Entrance Hall nearby, it was a visual symbol of the continuity of Governors and their spouses serving the people of Queensland.



------**+**------

This portrait in pastels of Lady Diamantina Bowen – the popular wife of Queensland's first Governor, Sir George Bowen – was gifted in the 1860s to the Sisters of Mercy Brisbane Congregation, who have in turn kindly loaned it to Government House where it will temporarily hang to be seen by Fernberg's many visitors.

X Corporate Governance

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 and include:

Planning

- Strategic Plan the organisation's mission statement, goals and objectives;
- Operational Plan the annual program of activities which deliver the objectives of the Strategic Plan;
- Business Plan each Business Unit's contribution to achieving the objectives of the annual Operational Plan;
- Specific plans (including a Communication and Engagement Plan, and a Business Continuity Plan); and
- Collaborative plans developed and delivered with external partners (including 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;
- Continuing implementation of 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;
- Systematic re-evaluation of Government House assets and timely updates of the Asset Register;
- ✤ Record-keeping Operating Procedures.

DEFENCE AND COMMEMORATION

Encouraging community respect and support for the Australian Defence Force and commemorating the sacrifice of those who have served our country in war are some of the Governor's most visible civic duties.

They are roles embraced by the Governor and a duty the Office is privileged to support.

As Patron of the Defence Reserves Support Council, Queensland, and of the No. 23 Squadron Association, as Honorary Air Commodore of the City of Brisbane Squadron and Representative Colonel of the Royal Queensland Regiment, and through his presence at major military events and parades, the Governor plays a tangible role in supporting current serving Defence personnel.

Anzac Day commemorations are a key annual focus for the Office. The Governor plays a central role in the commemorations, addressing the Dawn Service, the Students' ANZAC Commemoration Ceremony, and reading the First Resolution at the annual Anzac Day Parade in Brisbane.

Where appropriate, regional programs incorporate an element of remembrance, such as on 8 July 2016, where the Governor and Mrs de Jersey laid a wreath at the Afghanistan Avenue of Honour, Yungaburra.

In July 2016, the Governor and Mrs de Jersey visited France, representing Queensland at major ceremonies commemorating the centenary of major Western Front battles. The vice-regal couple attended and laid wreaths at: the commemorative ceremony and headstone dedication at Fromelles (Pheasant Wood) Military Cemetery, Fromelles; the National Commemorative Service at VC Corner Australian Cemetery and Memorial, Fromelles; and the National Commemorative Service – 1st Australian Division Memorial, Pozières. At the



Australian National Monument, Villers-Bretonneux, the Governor and Mrs de Jersey also placed memorials at the headstones of Queenslanders who were killed in the War.

The Governor also participated in commemorations of the Western Front in Queensland, including addressing a dinner in September 2016 in honour of the Centenary of the Battle of Menin Road.

2017 marked the 75th Anniversary of the Battle of the Coral Sea in World War II. On 8 May 2017, the Governor hosted a reception at Government House to honour the survivors of the USS Lexington (CV-2), which sank during the Battle in May 1942 with the loss of more than 200 lives. The Governor also addressed the Battle of the Coral Sea Memorial Dinner at Parliament House, where, in the presence of Rear Admiral Charles Williams of the US Navy, His Excellency said: "With grateful hearts, we salute the courage of the Australians and Americans who served and mourn the more than 600 who died in the Battle of the Coral Sea."



(Above) On 17 September 2016, the Governor and Mrs Kaye de Jersey attended the Australian Army 7th Brigade Welcome Home Parade, followed by Family Day celebrations at the City Botanic Gardens, Brisbane.





At home and abroad, the Governor honours Australians who have lost their lives in the service of our country. In March 2017, the Governor and Mrs de Jersey visited Harefield (St Mary's) Churchyard, laying a wreath in memory of the 111 Australian soldiers and one nurse buried in the Churchyard, before laying memorials at the graves of Queenslanders Private Oscar Jones and Gunner William Lingley.



MANAGEMENT STRUCTURE

At 30 June 2017, the Office of the Governor employed 44 full-time equivalent employees across executive, professional, administrative and operational bands.

The Official Secretary is the Office of the Governor's Chief Executive and accountable officer, in accordance with the *Financial Accountability Act 2009*. The Office employs a Chief Financial Officer and a nominated head of Internal Audit who is the Deputy Official Secretary.

A management group and various specific committees support the Official Secretary:

- The Executive Management Group is the Office's strategic agenda-setting and decision-making body;
- The Internal Audit and Risk Management Committee (chaired by the Deputy Official Secretary) provides advice on the efficiency and effectiveness of internal controls, 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 (Program Management, Facilities and Operations, and Hospitality Services) and who represent the views of staff at meetings, contribute to strategic decision making, and communicate information and decisions to their teams;

Project-specific working groups and sub-committees are assembled when required to work through major operational and strategic issues relevant to the day-to-day functioning of the Office of the Governor.

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 committee;
- 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.

REGIONAL ENGAGEMENT

At the commencement of his term, the Governor committed to genuine, sustained engagement with Queenslanders living in rural and regional areas.

The Office has supported this commitment through a number of initiatives aimed at strengthening the program of regional engagement and ensuring that the largest possible number of rural and remote communities receive a visit from their Governor.

The flagship initiative for regional engagement has been Regional Government House, instigated in 2015 to enable a level of regional engagement not able to be achieved through shorter visits. During Regional Government House, the Governor fulfils his constitutional, ceremonial and community duties from a regional centre.

Following the success of the first Regional Government House, held in Cairns in October 2015, it was decided to make the initiative an annual event. The second Regional Government House was held from 26 October to 2 November 2016 in Longreach.

The Governor undertook more than 50 program elements during Regional Government House this year, including addressing students live on air at the Longreach School of Distance Education, attending the centenary celebrations of the Longreach Railway Station, and visiting community organisations, including the Queensland Country Women's Association and Longreach Scouts.

The Governor also visited Jundah, Windorah, Muttaburra, Ilfracombe, Boulia, Winton, Bedourie, and Birdsville, undertaking vice-regal engagements in each town.



Over the reporting period, the Governor also maintained a comprehensive program of regional visits, including Atherton, Yungaburra, Malanda, Mount Isa, St George, Toowoomba, Rockhampton, Mackay, Hervey Bay, the Gold and Sunshine Coasts, Townsville and Cairns. The Governor also hosted at Government House local government and community representatives from the Gulf of Carpentaria and Western Queensland.

In June 2017, the Governor and Mrs de Jersey made an official visit to Cooktown and the communities of Cape York, including Lockhart River, Aurukun and Hope Vale. A key focus of the program was support for remote schools, encouraging the students in their learning, and thanking principals, teachers and staff for their professionalism and dedication to education. As Patron of the Cairns Indigenous Art Fair (CIAF), the Governor also met artists preparing for CIAF, and acknowledged the important work of art centres as places of artistic and cultural expression, and economic activity. "All of you here together – committee members, award recipients, exhibitors, enthusiastic show-goers – you are all emblematic of the generous, big-hearted spirit which denotes our regions." — The Governor addresses the 110th Lowood Show, 17 June 2017

🔀 Report on Performance

CONSTITUTIONAL AND LEGAL



Under the Queensland Constitution, the Governor swears in Ministers of State and Members of the Executive Council of Queensland.



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

His Excellency is the representative of Her Majesty Queen Elizabeth II, Queensland's Head of State. The Governor was received for a mid-term call by The Queen at Buckingham Palace in London on 14 March 2017.

Supporting the Governor in the execution of the constitutional responsibilities of the Governor is the most important priority for the Office. The key constitutional duties of Governor include presiding over weekly meetings of the Executive Council, granting Royal Assent, and giving legal effect to many of the decisions and actions of government in accordance with the Constitution and Acts of Parliament.

In addition to his responsibilities under the Queensland Constitution, the Governor exercises responsibilities under the Australian Constitution. The calling of a Federal Election triggered the operation of relevant sections, with the Acting Governor receiving the return of the writ for the election of 12 Queensland Senators to the Parliament of the Commonwealth of Australia.

During 2016/17, the Office supported the Governor (or Acting Governor) in fulfilling a number of constitutional and legal duties, including:

- Swearing-in, on 11 November 2016, two Ministers of State, and appointing one member to the Executive Council of Queensland;
- Swearing-in, on 10 February 2017, five Ministers of State, and appointing one member to the Executive Council of Queensland;
- Receiving, on 5 August 2016, a representative of the Australian Electoral Commission for the return

of the writ following the election of 12 Senators from Queensland to serve in the Senate of the Parliament of the Commonwealth of Australia;

- Receiving, on 15 August 2016, the Assistant Electoral Commissioner of Queensland for the return of the writ following the Toowoomba-South by-election;
- Presiding over 48 meetings of the Executive Council (including four special meetings);
- Granting Royal Assent to 44 bills of the Queensland Parliament;
- Signing delegations for Acting Ministers;
- Considering 91 complaints or requests for the Governor's intervention including petitions for pardon, commutation of sentence, remission of a fine or penalty, and protests;
- Administering the Government of the Commonwealth of Australia on eight occasions; and
- Attending the ceremony where the Honourable Justice Walter Sofronoff took the Oath of Allegiance, followed by the Oath of Office, enabling Justice Sofronoff, in accordance with the Queensland Constitution, to assume the role of Acting Governor as required.

The Office supported the Honourable Chief Justice Catherine Holmes, the Honourable Justice Margaret McMurdo AC, the Honourable Justice Walter Sofronoff, the Honourable Justice Hugh Fraser, the Honourable Justice Robert Gotterson AO, the Honourable Justice Anthe Philippides, 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 functions and events in support of all levels of government during the year. Events included:

- Receiving the Right Honourable David Carter MP, Speaker, Parliament of New Zealand;
- Hosting a lunch in honour of the outgoing Queensland Auditor-General, Mr Andrew Greaves;
- Hosting a morning tea at Government House for the finalists, judges and TIQ Commissioners for the 2016 Premier of Queensland's Export Awards Program; and
- Receiving briefings from local government authorities and government agencies throughout the State.

EXECUTIVE COUNCIL

The governance arrangement of the Executive Council has existed in Queensland from the date of separation from New South Wales. While significant constitutional change has occurred in the intervening years, including Federation and the abolition of the Legislative Council, the Executive Council has endured.

Established by Section 48 of the Queensland Constitution, the purpose of the Executive Council is to advise the Governor on the exercise of the powers of the Governor in Council. In accordance with the Constitution and reflecting established conventions of responsible government, the Governor receives advice from Executive Councillors (i.e. the Premier and Ministers) in weekly meetings of the Governor in Council. Various Acts of Parliament specify that certain administrative actions, such as appointments and making regulations, can only be carried out by the Governor in Council. The Governor in Council gives formal, legal effect to decisions of Cabinet. Matters considered by the Governor in Council include: the issuing of commissions and administrative arrangements; approving new and amending subordinate legislation; issuing proclamations setting dates for the commencement of legislation; and approving certain appointments, including Judges, Magistrates, Chief Executives, members

of some boards and statutory bodies, and Justices of the Peace.

The Governor's program is arranged around Executive Council meetings, which are held every Thursday, and time is reserved on Wednesday to ensure the Governor is able to read and properly consider all matters which are to be raised. The Office works closely and cooperatively with the Executive Council Secretariat to ensure the smooth and professional operation of the Governor in Council, including facilitating special meetings from time to time to deal with urgent matters.

Building community understanding of the Governor's constitutional role has been a key focus of His Excellency's term in office. To this end, Executive Council meetings are notified on Twitter, and from time to time the Office will use social media to profile aspects of the role, for example, by Tweeting photographs of writs for elections the Governor signs upon Executive Council advice. The Government House Volunteer Guides are briefed on the function and purpose of the Governor in Council to ensure that the many school and community groups who visit Government House each year leave with a sound understanding of the role of Executive Council in our system of government.

The Governor, or Acting Governor, presided at 48 meetings of the Executive Council (including four special meetings) during 2016/17.



On 30 November 2016, Captain Luke O'Brien, Honorary Aide-de-Camp, delivered a Message from the Governor to the Legislative Assembly regarding Royal Assent having been granted to certain Bills.



Report on Performance

CEREMONIAL

A key element of the ceremonial role of the Governor is to officiate at important civic and celebratory occasions to recognise the outstanding contribution of Queensland citizens and organisations to their communities.

Twice a year, following the announcement of Australian Honours Lists, the Governor and Mrs de Jersey host a series of investiture ceremonies. These ceremonies involve the coordinated efforts of Government House staff from all areas, and are a major undertaking for the Office. Ceremonies are now livestreamed. In addition to Government House–hosted ceremonies, investitures were held during the reporting period in the regional locations of Charleville, Bundaberg, and Cairns.

The Governor takes a leading role at Defence Force commemorations and military parades, and at special occasions of State and national significance. During the reporting period, the Office facilitated travel by His Excellency and Mrs de Jersey to France to represent Queensland at major Western Front centenary commemorations. The Governor and Mrs de Jersey attended and laid wreaths at: the commemorative ceremony and headstone dedication at Fromelles (Pheasant Wood) Military Cemetery, Fromelles; the National Commemorative Service at VC Corner Australian Cemetery and Memorial, Fromelles; and the National Commemorative Service - 1st Australian Division Memorial, Pozières. At the Australian National Monument, Villers-Bretonneux, the Governor and Mrs de Jersey also placed memorials at the headstones of Queenslanders who died during the Western Front.

The Governor attended or hosted a number of events to mark the 75th anniversary of the Battle of the Coral Sea in World War II. Anzac Day commemorations remain a significant focus for the Office, and encompassed preparations for the Students' ANZAC Commemoration Ceremony and the Anzac Day Dawn Service and Parade.

The ceremonial role of the Governor also encompasses receiving diplomatic representatives. Queensland's status as trading hub and a centre for international conferences and symposia ensures this is a steady obligation. During the reporting period, the Governor also made calls on a number of Australia's diplomatic representatives during his visits to the United Kingdom, Malaysia, France and Japan. In December, His Excellency hosted a dinner in honour of the visit to Queensland by the Commonwealth Games Federation Coordination Commission.

During the reporting period, the Office appointed Gavel as Queensland's first official "Vice-Regal Dog" (VRD). The German Shepherd puppy arrived at Fernberg in April 2016 for a planned 12 month stay. It soon became apparent that Gavel did not possess a disposition suitable for progression as a Queensland Police Service Dog. Gavel, VRD's official duties include welcoming visitors to the House and providing a ceremonial presence at functions and events, where he wears a coat emblazoned with the Governor's Personal Standard, the St Edward's Crown and the brolga, the official bird emblem of Queensland. In June 2017, Gavel, VRD obtained worldwide social media attention. During 2016/17, the Office supported the Governor in:

- Attending and officiating at the 2017 Australia Day Flag Raising Ceremony in Townsville;
- Hosting an Australian Citizenship Ceremony at Government House to mark Australia Day 2017;
- Hosting and officiating at 16 investiture ceremonies, including one in Charleville, one in Bundaberg and one in Cairns, for 296 Queensland recipients of Australian honours, awards and bravery decorations and 1,170 guests; and
- ➢ Attended, hosted or supported an additional 31 award ceremonies and events, including the Logan Loves Volunteers Thank You Breakfast and Volunteer Awards, the Logan City Council Bravery Awards, the Diabetes Queensland 'Angel' Awards, the 2016 Winston Churchill Fellowship Award, the 2016 Girl Guides Queensland Awards at Government House, the 2016 Investiture Ceremony for the Order of St John, the Townsville City Council Australia Day Award Ceremony, the Queensland Overseas Foundation Awards, the Queensland Volunteering Awards, and the Queensland Community Foundation Grant presentations.

The Office also supported the Governor, and representative Honorary Aidesde-Camp, in attending more than 30 Australian Defence Force–related activities, commemorations, anniversaries, openings, and presentations, including:

- The Anzac Day Dawn Service, ANZAC Square, Brisbane;
- Commemoration of the Centenary of battles on the Western Front in World War I, in France;
- ✤ The Battle of the Coral Sea 75th Anniversary Memorial Dinner;
- 2/10 Field Regiment Association's
 2017 Memorial Service,
 commemorating the 75th anniversary
 of the Fall of Singapore to the Japanese;
- ✤ The Townsville 150 Defence Force Air Show; and
- ✤ The RSL 2017 Indigenous Veterans' Ceremony.





Recognising and celebrating the outstanding achievements of Queenslanders is at the heart of the Governor's community role. In November 2016, at a reception at Government House, the Governor presented a Diabetes Queensland Angel Award to Master Nicholas Coney, who was just eight years old when he came to the aid of his grandmother who was experiencing hyperglycaemia.



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

COMMUNITY

In 2016/17, the Office coordinated 51 visits to regional centres. This included visits to areas suffering immediate and ongoing damage from Cyclone Debbie, to support the affected communities and to thank relief workers, Council staff, and emergency services personnel. In June 2017, the Governor hosted a reception at Government House in support of those who assisted communities during and in the Cyclone's aftermath.

During Longreach Regional Government House, the Governor and Mrs de Jersey travelled more than 5,000 kilometres visiting six local government areas, nine towns - including Jundah, Windorah, Muttaburra, Ilfracombe, Boulia, Winton, Bedourie, and Birdsville - and 10 schools, in total attending more than 50 individual program elements. A civic reception was held in Longreach, and the Governor visited community organisations, including the Queensland Country Women's Association and Longreach Scouts. The Governor also visited local schools, including the School of the Air in Longreach, where he met students "over the air". A highlight of the visit was the official opening of the Longreach Railway Station, 100 years to the day since operations began. The second Regional Government House affirmed the experience of the first: that the concept allows a level of engagement not able to be achieved through multiple shorter visits, which is valued and appreciated by the local community.

During the reporting period, the Governor also undertook an official visit to Cape York, visiting Cooktown, Hope Vale and Lockhart River, and returned for his second visit to Aurukun. The Governor was briefed by the Council in each of the Shires he visited on the Cape, and visited health care centres, police stations, schools, and early childhood centres. In his capacity as Patron of the Cairns Indigenous Art Fair (CIAF), the Governor spent time in community art centres in the lead up to CIAF, and art was selected to go on public display at Government House in Brisbane. In Cooktown, the Governor visited the National Trust Queensland's James Cook Museum to thank volunteers and staff for their service, and attended a community reception afterwards.

As Governor for all Queenslanders, His Excellency attends important regional celebrations. During the reporting period, His Excellency opened the 100th Gatton Show, the 100th Malanda Show, the 110th Brookfield Show, and celebrations in honour of the centenary of the Urangan Pier.

To ensure that Government House remains a "people's house", and to deepen community understanding of the estate's heritage values, Fernberg once again participated in Brisbane Open House, this year including an Instameet where visitors were encouraged to upload photos to Instagram. To help build community awareness of the heritage of Fernberg, the Office also published a revised second edition of the Government House heritage publication, and a separate publication pairing biographical information on each of the 26 Governors of Queensland with a portrait.

The Governor and Mrs de Jersey are Patrons of 158 community-based nongovernment organisations, and Government House supported these relationships by coordinating 94 events in support of the work of these organisations. The Office works with an extensive network of Patron and non-Patron charities, associations and other non-government organisations throughout the year to support worthy endeavour.

Supporting Queenslanders to engage with the heritage, cultural and environmental values of Government House and the estate involves a high volume of planning, administrative and logistical work, peaking around Open Days.

During 2016/17, more than 18,700 people came through the gates of Fernberg, including:

- *i* 7,238 people who attendedGovernment House Christmas Lights;
- 3,557 people who attended the June
 Open Day and October Brisbane
 Open House events;
- ३ 1,492 tour group participants;
- Invited guests at the swearing-in ceremony for Ministers of the State; and
- Guests at formal dinners and receptions in support of Queenslanders who contribute to the advancement of the State.

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 2016/17, as part of this program of community engagement, the Governor attended 302 community and civic events, and the Office prepared 294 speeches and messages for the Governor's use. The Office also coordinated the despatch of 1,243 congratulatory letters to Queenslanders celebrating milestone birthdays and anniversaries.

The Office continues to support the Governor to manage vice-regal social media accounts as a means of engaging with the Queensland community. During the reporting period, the Governor launched an Instagram account. The Vice-Regal News continued to be published daily on the Government House website (www.govhouse.qld.gov.au) and each official program element was Tweeted in real time as a means of increasing the transparency of the Governor's program.



As part of a commitment to showcase the unique indigenous art of Queensland, consistent with the Governor's role as Patron of the Cairns Indigenous Art Fair, the Office acquired five new works for the Government House Art Collection: two Aurukun camp dog sculptures by the artists Lex and Leo Namponan and three paintings by Irene Namok from Lockhart River. All have been placed on public display in the House.



PRESERVATION OF THE 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 2016/17, the Office of the Governor's small team of horticultural specialists, in partnership with the Department of Housing and Public Works, have focused on balancing the horticultural requirements of the historically significant formal gardens with protecting the natural values of the bushland estate. The Office manages the annual schedule of works to maximise access to the gardens and grounds on significant occasions, such as investiture ceremonies, Open Days and Christmas Lights.

During the reporting period, work was completed on the Rainforest Retreat inset into the subtropical garden which borders the Lower Lawn. The Rainforest Retreat features a refurbished heritage garden bench brought to Fernberg when it became Government House in 1910, surrounded by modern screens laser-cut with a philodendron leaf motif. The area is bookended by Eucharis lilies - descendants from plants grown by the Governor's grandmother and surrounded by native violets and exotic clivias. Officially opened by Mrs de Jersey in August 2016, the Rainforest Retreat continues the proud tradition of Governors and their spouses lending their name to, and officially opening, additions to the estate gardens.

As a working building, hosting thousands of Queenslanders every year, the soft furnishings of the House endure considerable wear. At the same time, they are an integral component of the estate's heritage value. During the reporting period, the Office and the Department of Housing and Public Works upgraded the soft furnishings – including carpets, upholstery and curtains – in rooms frequented by members of the public. The project delivered a practical improvement to the fabric of the House which is sympathetic to the estate's heritage.

During 2016/17, the Office also undertook the following key estate-related activities:

- The practical completion of refurbishments to the horticultural precinct, including new staff office, chemical shed, wash-down bay and shade tunnel;
- The removal of a Poinciana tree near The Cottage administration building due to soil-borne fungi from which the tree could not recover;
- The employment of a 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;
- The completion of the fire services upgrade project;
- The commencement of planning to increase public access to Government House and the estate from the current arrangements, which outside of Open Day-type activities is limited to school and community groups, to include free public guided tours on a monthly basis;
- The renewal of artwork loan agreements with key cultural institutions;
- The acquisition and display of a number of new works to the Government House art collection, all purchased directly from community art centres in Aurukun and Lockhart River;
- The planned maintenance of a number of items of cultural and heritage significance to the State; and
- The replacement of on-site chiller and associated works.

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 2016/17, 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 2016-21;
- 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;
- Implemented a new cultural assets management system;
- 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 2016/17, staff turnover was approximately 14%, with six staff members leaving during the financial year. One left at the completion of their contract and the remainder resigned to pursue other career options. No employees received a redundancy package. Targeted recruitment practices, appropriate induction processes, a performance planning and development framework (including complaints and grievance resolution 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

The Office of the Governor assists the Governor in promoting 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, which includes the serving of Queensland wine at all dinners, receptions and lunches held at Government House during 2016/17, 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 26 calls from Heads of State, High Commissioners, Ambassadors, Ambassadors-Designate and foreign dignitaries at Government House. During the reporting period, the Governor and Mrs de Jersey travelled to the United Kingdom, Malaysia, France and Japan in support of Queensland's trade, business and cultural objectives, to attend significant military commemorations, and to promote Queensland ahead of the Gold Coast 2018 Commonwealth Games. In the UK, the Governor was received at Buckingham Palace by Her Majesty The Queen, and also attended the launch of the Gold Coast 2018 Commonwealth Games Queen's Baton Relay, the Commonwealth Day Service at Westminster Abbey, and a Commonwealth Day Reception. The Governor also attended and addressed a number of events in the UK and Malaysia, promoting the Gold Coast as an education and investment destination in the lead up to the Commonwealth Games. All official program elements are published on the Government House website and are also Tweeted in real time to promote transparency of the Governor's activities.

The Office of the Governor proudly utilises Queensland produce at receptions, dinners and Government House-hosted functions. The Office has established an extensive network of Queensland producers and suppliers from which it regularly sources meat/poultry, wine, fruit and vegetables, dairy products including cheese, and other foodstuffs such as vanilla beans from the Daintree region of Far North Queensland.

PATRONAGE

A key focus of the Office is supporting the Governor's community role as Patron of charities, educational and community organisations, military associations, and professional bodies.

The first recorded Royal patronage was King George II's involvement with the Society of Antiquaries, an organisation concerned with architectural and art history, conservation and heraldry. The institution of patronage migrated through to the colonies, and became an established attribute of the viceregal office in Queensland.

At 30 June 2017, His Excellency was Patron of 152 organisations and Mrs de Jersey was Patron of six. While patronage can be for the duration of a particular event or appeal, it is typically granted for the term of the Governor's tenure in office.

Having the Governor as Patron is highly valued, providing publicity for the work of these organisations and allowing their enormous achievements and contributions to society to be recognised. Each patronage organisation is unique – some are statewide, others are regionally focused; some are international in scope. In each case, the Office seeks to ensure that the Governor's program provides opportunities for engagement with the membership and executive of patronage organisations, and to be responsive to their needs and aspirations.

Many organisations seek forewords from their Patron for their annual reports, or messages for fundraising appeals or historical publications. The Office provides written messages for the Governor's consideration in a timely and professional manner.

During the reporting period, the Governor and Mrs de Jersey hosted dozens of functions at Government House for



specific patronage organisations, hosted two separate receptions for all of their combined patronage organisations, and attended dozens more Patronage-hosted functions throughout the State. Events are added to the vice-regal program following requests from organisations, and allow the vice-regal couple to lend the profile of the Office to a significant issue or to thank benefactors. For instance, on 30 May 2017, as Patron of MS Qld, the Governor hosted a reception in honour of World MS Day, and on 29 November 2016, as Patron of Legacy Brisbane, the Governor (pictured above) hosted a morning tea in honour of members of the Legacy Torch Society. The Office actively seeks out opportunities to engage with patronage organisations during regional visits. For instance, during an official visit to Cape York in June 2017, the Governor visited the James Cook Museum in Cooktown as the Patron of National Trust Queensland.



"It is highly appropriate that Kaye and I hold this function on the cusp of the festive season, because I can think of no organisation that better embodies the spirit of fellowship and goodwill to all than Legacy."

the Governor addresses
 the newest members of the
 Legacy Torch Society at
 Government House,
 29 November 2016

🗱 Financial Overview

The Office of the Governor has finalised another successful year, with a positive operating result of \$29,000 and a solid cash position of \$1,518,000.

Total appropriation revenue for 2016/17 was \$6,805,000, all of which was provided through Queensland Government appropriation.

Actual expenses from continuing operations of the Office increased by 5.3% per cent compared with the previous year. Salaries and employee related expenses represented the largest expenditure item at \$4,436,000.

EXPENDITURE 2016/17

The operating expenses for 2016/17 are outlined in the graph.

The Office of the Governor's net asset position as at 30 June 2017 was \$2,922,000 (up from \$2,835,000 in 2015/16).

The Queensland Audit Office undertook an independent audit of the Office of the Governor's financial report for 2016/17. 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 and 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 2016 to 30 June 2017 and of the financial position as at the end of that year.

CONSULTANCIES

The Office engaged one consultant during 2016/17 in relation to heritage advice, at a cost of \$2,370.

OVERSEAS TRAVEL

During 2016/17, His Excellency and Mrs de Jersey travelled overseas on three occasions visiting France for the Western Front centenary commemorations, Japan, and the United Kingdom/Malaysia in support of Queensland trade and investment and cultural endeavours including in support of the Gold Coast 2018 Commonwealth Games. In the UK, His Excellency made a mid-term call upon Her Majesty The Queen. The total cost of international travel was \$172,540. The Governor was accompanied on these occasions by either the Official Secretary or the Deputy Official Secretary and an Aide.

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.

2016-17 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

1

For the financial year ended 30 June 2017

0

Table of Contents

Statement of Comprehensive Income		These financial statements cover the Office of the Governor. The Office of the Governor is a department under the <i>Financial Accountability Act</i> 2009.
20	Statement of Cash Flows	The head office and principal place of business is:
Statement of Financial Position 29	31	168 Fernberg Road PADDINGTON QLD 4064
	Notes to and Forming Part of the	A description of the nature of its operations and principal activities is included in the notes to the financial statements.
	Financial Statements 32	For information in relation to the Office of the Governor's financial statements, please contact:
Statement of Changes in Equity 30	Management Certificate	Air Commodore Mark Gower OAM Official Secretary Office of the Governor, Queensland GPO Box 434 BRISBANE QLD 4001
	46 Telephone: (07) 3858 570 Facsimile: (07) 3858 5701 Email: govhouse@govhous	
		Amounts shown in these financial

Independent Auditor's Report

47

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

GENERAL INFORMATION



Statement of Comprehensive Income

For the year ended 30 June 2017

OPERATING RESULT	Notes	2017 Actual \$'000	2017 Original Budget \$'000	Budget Variance* \$'000	2016 Actual \$'000	
INCOME FROM CONTINUING OPERATIONS		\$ 000	\$ 000	\$ 000	0000	
Appropriation revenue User charges and fees Grants and contributions Total revenue	B1-1 B1-2	6,805 12 17 6,834	6,912 - - 6 ,912	(107) 12 17 (78)	6,526 10 - 6,536	
Gain on disposal of assets			-		23	
Total Income from Continuing Operations	-	6,834	6,912	(78)	6,559	
EXPENSES FROM CONTINUING OPERATIONS Employee Expenses Supplies and Services Depreciation and amortisation Other expenses Total Expenses from Continuing Operations Operating Result from Continuing Operations OTHER COMPREHENSIVE INCOME Items that will not be reclassified subsequently to Operating	B2-1 B2-2 C3,C4 B2-3 -	4,436 1,944 190 235 6,805 29	4,982 1,744 162 24 6,912	(546) 200 28 211 (107) 29	4,532 1,733 174 25 6,464	
Result						
Increase (decrease) in asset revaluation surplus Total for Items that will not be reclassified to Operating Resu	ult _	<u> </u>	<u> </u>	<u>.</u>	163 163	
Total Other Comprehensive Income	-		<u> </u>	<u> </u>	163	
TOTAL COMPREHENSIVE INCOME	-	29	<u> </u>	29	258	
*An explanation of major variances is included at Note E1						

*An explanation of major variances is included at Note E1 The accompanying notes form part of these statements.

Statement of Financial Position

As at 30 June 2017

Current Assets	Notes	2017 Actual \$'000	2017 Original Budget \$'000	Budget Variance* \$'000	2016 Actual \$'000
Cash and cash equivalents		1,518	937	581	983
Receivables	C1	126	91	35	158
Inventories	C2	38	23	15	39
Prepayments	0L	8	16	(8)	28
Total Current Assets		1,690	1,067	623	1,207
Non-Current Assets					
Intangible assets	C4	79	101	(22)	155
Heritage and Cultural	C3	1,199	1,090	109	1,199
Plant & equipment	C3	643	559	84	625
Total Non-Current Assets	-	1,921	1,750	171	1,979
Total Assets	-	3,612	2,817	794	3,186
Current Liabilities					
Payables	C5	492	109	383	190
Accrued employee benefits	C6	198	125	73	157
Total Current Liabilities	-	690	234	456	347
Total Liabilities	-	690	234	456	347
Net Assets	-	2,922	2,583	338	2,839
Equity					
Contributed equity	C7-1	1,756	1,650	106	1,702
Accumulated surpluses		412	290	122	383
Asset revaluation surplus	C7-3	754	643	111	754
Total Equity	=	2,922	2,583	339	2,839

*An explanation of major variances is included at Note E1 The accompanying notes form part of these statements.

Statement of Changes in Equity

For the year ended 30 June 2017

	Contributed Equity \$'000	Accumulated Surplus \$'000	Asset Revaluation Surplus \$'000	TOTAL \$'000
Balance as at 1 July 2015 Operating Result	1,625	288	591	2,504
Operating Result from Continuing Operations		95	-	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
Balance as at 1 July 2016 Operating Result Operating Result from Continuing Operations	1,702	383 29	754	2,839 29
Other Comprehensive Income - Increase/(Decrease) In Asset Revaluation Surplus				
Total Comprehensive Income for the Year		29	-	29
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)	107	-		107
Net Transactions with Owners as Owners	54	-	-	54
Balance as at 30 June 2017	1,756	412	754	2,922

The accompanying notes form part of these statements.

Statement of Cash Flows

For the year ended 30 June 2017

		2017	2017		2016
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	Actual	Original Budget	Budget Variance*	Actual
		\$'000	\$'000	\$'000	\$'000
Inflows: Service appropriation receipts		6,805	6,912	(107)	6,526
User charges and fees		0,005	0,912	(107)	0,520
GST input tax credits from ATO		190	-	190	187
GST collected from customers		6	-	6	8
Outflows:				-	
Employee expenses		(4,362)	(4,982)	620	(4,554)
Supplies and services		(1,878)	(1,744)	(134)	(1,711)
GST paid to suppliers GST remitted to the ATO		(10)	-	(10)	(181)
Other		(179) (24)	(24)	(179)	(4) (16)
Net cash provided by operating activities	CF-1	560	162	398	265
CASH FLOWS FROM INVESTING ACTIVITIES Inflows:					
Sales of plant and equipment		-	-	-	45
Outflows:					10
Payments for plant and equipment		(79)	(64)	(15)	(250)
Net cash provided by (used in) investing activities		(79)	(64)	(15)	(205)
CASH FLOWS FROM FINANCING ACTIVITIES					
Inflows:					
Equity Injections		107	-	107	130
Outflows:					
Equity withdrawals	-	(53)	(53)	-	(53)
Net cash provided by (used in) financing activities	-	54	(53)	107	77
Net increase (decrease) in cash and cash equivalents		535	45	490	137
Cash and cash equivalents at beginning of financial year	-	983	847	136	847
Cash and cash equivalents at end of financial year	=	1,518	892	625	983
*An explanation of major variances is included at Note E1 The accompanying notes form part of these statements.					
NOTES TO THE STATEMENT OF CASH FLOWS					
CF-1 Reconciliation of Operating Result to Net Cash Provid	ded by Oper	rating Activities			
				2017	2016
				\$'000	\$'000
Operating Surplus/(deficit)				29	95
Non-Cash items included in operating result:					
Depreciation and amortisation expense				190	174
Net gains on disposal of property, plant and equipment				-	(23)
Change in second and lisbilities					
Change in assets and liabilities (Increase)/decrease in receivables				31	(66)
(Increase)/decrease in inventories				1	(16)
(Increase)/decrease in prepayments				20	(12)
Increase/(decrease) in accounts payable				53	82
Increase/(decrease) in accrued employee benefits				41	31
Increase/(decrease) in deferred appropriation payable to Cons	solidated Fu	nd		195	-
Net Cash Provided by Operating Activities				560	265

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 2017

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 2016.

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 F3.

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 2015-16 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 2017

SECTION 2 - NOTES ABOUT OUR FINANCIAL PERFORMANCE

B1 REVENUE B1-1 APPROPRIATION REVENUE		
	2017 \$'000	2016 \$'000
RECONCILIATION OF PAYMENTS FROM CONSOLIDATED FUND TO APPROPRIATION REVENUE FOR SERVICES RECOGNISED IN OPERATING RESULT		
Budgeted appropriation revenue	6,912	6,575
Lapsed Appropriation	(107)	
Treasurer's Transfers		(49)
Total Appropriation Revenue Receipts (cash)	6,805	6,526
Appropriation Revenue of Services recognised in Statement of Comprehensive Income	6,805	6,526

Accounting Policy – Appropriation Revenue

The Office is funded by Parliamentary appropriation. Appropriations are recognised as revenue when received. Lapsed appropriation was applied to offset the redirection to equity (C7-2). Queensland Treasury approved the Office's request to carry forward part of the appropriation (\$195,000) into 2017-18. This has been recognised as appropriation funding payable to the Consolidated Fund.

B1-2 GRANTS AND CONTRIBUTIONS

	2017 \$'000	2016 \$'000
Services received below fair value:		
Archival services - Queensland State Archives	17	-
Total	17	

Accounting Policy - Services Received Free of Charge or for Nominal Value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and an expense. The Office recognises the archival services it receives from Queensland State Archives for the storage of permanent records. No amount was recognised by the Office or the Queensland State Archives in 2015-16 however the amount estimated by the Queensland State Archives for the service was \$15,263.57.

B2 EXPENSES

B2-1	EMPLOYEE EXPENSES		
		2017	2016
		\$'000	\$'000
Employe	ee Benefits:		
	Wages and salaries	3,382	3,516
	Employer superannuation contributions	357	361
	Long service leave levy/expense	70	69
	Annual leave levy/expense	263	253
Employe	ee Related Expenses:		
	Workers' compensation premium	22	20
	Fringe Benefits Tax	274	237
	Other	67	76
Total		4,436	4,532
		2017	2016
		No.	No.
Full-Time	e Equivalent Employees	44	44

For the year ended 30 June 2017

B2-1 EMPLOYEE EXPENSES (cont'd)

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.

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.

From 1 July 2017 employees have the right to choose the fund into which the Office will make it superannuation contributions.

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

	2017 \$'000	2016 \$'000
Contracted Services	253	280
Household costs	386	348
Administration costs	584	454
Estate Operations	242	363
Travel ⁽¹⁾	285	179
Motor vehicle running costs	93	46
Repairs and maintenance	103	64
Total	1,944	1,733

Travel:

⁽¹⁾ Travel includes overseas travel expenditure amounting to \$172,540 paid by the Office for travel to France (\$39,923.23); Japan (\$44,153.89); and the United Kingdom and Malaysia (\$88,462.88). In addition to this expenditure, the Department of the Premier and Cabinet contributed \$20,000 toward travel to France in June 2017 for the WWI Western Front centenary commemorations.

Notes to the Financial Statements

For the year ended 30 June 2017

B2-3 OTHER EXPENSES

	2017 \$'000	2016 \$'000
Queensland Audit Office - external audit fees for audit of the financial statements ⁽¹⁾	17	18
Insurance Premiums – QGIF Special Payments	6	5
Ex-gratia payments - payments to former Core Agreement employees	-	3
Deferred appropriation payable to Consolidated Fund	195	-
Storage services received free of charge from Queensland State Archives ⁽²⁾	17	-
Total	235	25

Audit Fees:

⁽¹⁾ Total audit fees quoted by the Queensland Audit Office relating to the 2016-17 financial statements are \$17,300 (2015-16: \$17,800). There are no non-audit services included in this amount.

Storage Services Received Free of Charge from Queensland State Archives:

⁽²⁾ The corresponding income recognised for the archival storage services provided by State Archives is shown in the Statement of Comprehensive Income

For the year ended 30 June 2017

SECTION 3 - NOTES ABOUT OUR FINANCIAL POSITION

C1. RECEIVABLES

	2017 \$'000	2016 \$'000
Trade Debtors	3	2
GST receivable	44	40
Annual leave reimbursements	76	70
Long service leave reimbursements	3	47
Total	126	158
INVENTORIES		
	2017	2016
	\$'000	\$'000
Inventories	38	39
Total	38	39

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		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Gross	1,199	1,199	1,061	929	-	-	2,260	2,128
Less: Accumulated depreciation	-	-	(417)	(304)	-	-	(417)	(304)
Carrying amount at 30 June	1,199	1,199	643	625	-	-	1,842	1,824
Represented by movements in carrying amount:								
Carrying amount at 1 July	1,199	1,036	625	394	-	100	1,824	1,530
Acquisitions	-	-	132	250	-	-	132	250
Disposals	-	-	-	(22)	-	-	-	(22)
Transfers	-	-	-	100	-	(100)	-	-
Depreciation	-	-	(114)	(96)	-	-	(114)	(96)
Net revaluation increments/		- 1						
(decrements) in asset revaluation surplus	-	163	-	-	-	-	-	163
Carrying amount at 30 June	1,199	1,199	643	625	-	-	1,842	1,824

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 2017

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. In the interim years, in the absence of a suitable index applicable to all of the Heritage and Cultural assets, the advice of a suitably qualified professional is sought as to whether there has been any material movement in this class of asset. Where there has been a material movement then consideration is given to whether the value of the assets should be altered. In 2016-17 the advice received was that there had not been any material movement in the value of the artworks held by the Office. The advice received in relation to the remaining heritage and cultural assets, which did make reference to a relevant index, did not give rise to a material movement in that category of assets.

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 2017

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:

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

Plant

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 2017

C4. INTANGIBLES AND AMORTISATION EXPENSE

C4-1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

Software Internally Generated

	2017	2016
	\$'000	\$'000
At cost:	505	505
Less: accumulated amortisation	(426)	(350)
Carrying amount 30 June	79	155
Represented by movements in carrying amount:		
Carrying amount at 1 July	155	233
Amortisation	(76)	(78)
Carrying amount at 30 June	79	155

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

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

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.

C5. PAYABLES

	2017	2016
	\$'000	\$'000
Trade creditors	197	78
Sundry Accruals	100	112
Deferred appropriation payable to Consolidated Fund	195	-
Total	492	190

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.

Notes to the Financial Statements

For the year ended 30 June 2017

C6.	ACCURED EMPLOYEE BENEFITS		
		2017	2016
	Current	\$'000	\$'000
	Wages outstanding	88	64
	Annual leave levy payable	94	74
	Long service levy payable	16	18
	Total	198	157

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 RECOGNISED IN EQUITY

Reconciliation of Payments from Consolidated Fund to Equity Adjustment

	2017 \$'000	2016 \$'000
Budgeted equity adjustment appropriation	(53)	(53)
Transfers from/to other headings - Variation in Headings	-	-
Unforeseen expenditure ⁽¹⁾	-	81
Treasurer's transfers ⁽²⁾	107	49
Equity adjustment recognised in Contributed Equity	54	77

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 2015	591
Revaluation increment/(decrement)	163
Balance – 30 June 2016	754
Revaluation increment/(decrement)	-
Balance – 30 June 2017	754

Notes to the Financial Statements

For the year ended 30 June 2017

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	Idischarde their oplidation	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.

The following table sets out the liquidity risk of financial liabilities held by the Office. They represent the contractual maturity of financial liabilities, calculated based on the undiscounted cash flows relating to the liabilities at reporting date.

	2017	Contractual Maturity Payable In			2016 Contractual Maturity Payab			Payable In
	Total	<1 year	1 - 5 years	>5 years	Total	<1 year	1 - 5 years	>5 years
Financial Liabilities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Payables	492	492	-	-	190	190	-	-
Total	492	492	-	-	190	190	-	-

D2 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE

At the date of authorisation of the financial report, the new or amended Australian Accounting Standards issues but with future commencement dates are not expected to have a material impact on the Office.

Notes to the Financial Statements

For the year ended 30 June 2017

SECTION 5 - NOTES ON OUR PERFORMANCE COMPARED TO BUDGET

E1 BUDGETARY REPORTING DISCLOSURES

This section contains explanations of major variances between the Office's actual 2016-17 financial results and the original budget presented to Parliament.

E1-1 EXPLANATION OF MAJOR VARIANCES - STATEMENT OF COMPREHENSIVE INCOME Employee Expenses Actual employee expenses were lower than the budgeted figure due to a number of short term vacancies. Supplies and Services Supplies and services were higher than budget due to His Excellency's travel program being more extensive than normal, along with several major projects to refurbish the soft furnishings and other heritage and cultural assets controlled by the Office. Other expenses are greater higher than budget due to the deferred appropriation payable to the Other expenses Consolidated Fund for several projects including restoration of heritage and cultural assets and the further enhancement of the horticultural facilities at Government House. E1-2 EXPLANATION OF MAJOR VARIANCES - STATEMENT OF FINANCIAL POSITION Cash and Cash equivalents Refer to the explanation of major variances for the Statement of Cash Flows. Receivables An increase in receivables compared to budget due to fluctuations in year end balances Intangible assets The value of the Office's intangible assets is lower than budget due to ongoing amortisation over the useful life of the asset. Heritage and Cultural Assets The Heritage and Cultural assets were comprehensively revalued in 2015-16 which was not reflected in the budget. The variance in plant and equipment is due to increased investment in the Office's security Plant and Equipment infrastructure and the assets used to support delivery of the Horticultural services provided by the Office. An increase in payables at year end due to fluctuations in accrued expenses and accounts payable at Payables balance date including appropriation payable. An increase in accrued employee benefits is due to fluctuations in year end balances. Accrued employee benefits E1-2 EXPLANATION OF MAJOR VARIANCES - STATEMENT OF CASH FLOWS Employee Expenses Actual employee expenses were lower than the budgeted figure due to a number of short term vacancies. Equity Injection The actual figure is more that budget due to the transfer of appropriation revenue to equity to fund the purchase of plant and equipment.

Notes to the Financial Statements

For the year ended 30 June 2017

SECTION 6 - OTHER INFORMATION

F1 KEY MANAGEMENT PERSONNEL (KMP) DISCLOSURES

Details of Key Management Personnel

The Office of the Governor is an independent entity that provides executive, administrative and logistical support to enable the Governor to effectively exercise the constitutional powers and responsibilities of office. The autonomous nature of the Office is consistent with the Governor's role to function with political neutrality. As such there is no Minister identified as part of the Office's KMP.

The following details for KMP include those positions that had authority and responsibility for planning, directing and controlling the activities of the Office during 2016-17 and 2015-16. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

	Position Responsibility
Official Secretary	Overall efficient, effective and economical administration of the Office
Deputy Official Secretary	Strategic management of the Governor's program and service delivery
Chief Financial Officer	Efficient and effective financial administration of the Office

KMP Remuneration Policies

Remuneration policy for the Office's key 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. During 2016-17, 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 or bonus payments.

Notes to the Financial Statements

For the year ended 30 June 2017

F1 KEY MANAGEMENT PERSONNEL DISCLOSURES (cont'd)

Remuneration Expenses

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.

2016-17

		n Employee efits	Long-term Employee Benefits	Post-employ- ment Benefits	Termination Benefits	Total Remuner- ation
Position	Monetary Expenses \$'000	Non- Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
Official Secretary	219	-	8	24	-	251
Deputy Official Secretary	178	-	7	18	-	203
CFO	82	1	5	10	-	98
Total Remuneration	479	1	20	52	-	552

2015-16

		efits	Long-term Employee Benefits	Post-employ- ment Benefits	Termination Benefits	Total Remuner- ation
Position	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

F2 RELATED PARTY TRANSACTIONS

Transactions with people/entities related to KMP

There were no transactions with people or entities related to KMP of the Office of the Governor during 2016-17.

Transactions with other Queensland Government - controlled entities

The Office's primary ongoing source of funding from Government for its services are appropriation revenue (Note B1-1) and equity injections (CF2), both of which are provided in cash by Queensland Treasury.

The Office receives information technology support services from the Department of the Premier and Cabinet on a cost recovery basis. The Office receives other Corporate Services support in relation to payroll and financial systems from the Queensland Parliamentary Services also on a cost recovery basis.

F3 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 2016-17

Accounting Standards Early Adopted for 2016-17

No Australian Accounting Standards have been adopted early for 2016-17.

Notes to the Financial Statements

For the year ended 30 June 2017

Accounting Standards Applied for the First Time

The only Australian Accounting Standard that became effective for the first time in 2016-17 is AASB 124 *Related Party Disclosures*, This Standard requires note disclosures about relationships between a parent entity and its controlled entities, key management personnel (KMP) remuneration expenses and other related party transactions, and does not impact on financial statement line items. As Queensland Treasury already required disclosure of KMP remuneration expenses, AASB 124 itself had minimal impact on the Office's KMP disclosures compared to 2015-16 (refer Note F1). There were no material related party transactions for 2016-17 to be disclosed.

F4 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 2017

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.

Rosin Dell

ROSIE TURNBULL CPA Chief Financial Officer

15 August 2017

MARK GOWER OAM Official Secretary

15 August 2017

To the Accountable Officer of the Office of the Governor

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of the Office of the Governor which comprises the statement of financial position as at 30 June 2017, 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 summaries of significant accounting policies and other explanatory information, and the certificates given by the Official Secretary and the Chief Financial Officer.

In my opinion, the financial report of the Office of the Governor:

- a) gives a true and fair view of the department's financial position as at 30 June 2017, and its financial performance and cash flows for the year then ended; and
- b) complies with the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the department in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Responsibilities of the Accountable Officer 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 the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and Australian Accounting Standards, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Accountable Officer is also responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the department or to otherwise cease its operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to
 fraud or error, design and perform audit procedures responsive to those risks, and obtain audit
 evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not
 detecting a material misstatement resulting from fraud is higher than for one resulting from
 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the
 override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the department's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the department.
- Conclude on the appropriateness of the department's use of the going concern basis of
 accounting and, based on the audit evidence obtained, whether a material uncertainty exists
 related to events or conditions that may cast significant doubt on the department's ability to
 continue as a going concern. If I conclude that a material uncertainty exists, I am required to
 draw attention in my auditor's report to the related disclosures in the financial report or, if such
 disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence
 obtained up to the date of my auditor's report. However, future events or conditions may cause
 the department to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

In accordance with s.40 of the Auditor-General Act 2009, for the year ended 30 June 2017:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

15 A2/05 2017.

Queensland Audit Office

Brisbane

Brendan Worrall Auditor-General

Cover pages printed on Mohawk Digital Superfine Smooth (i-Tone)



Text pages printed on Mohawk Digital Options Recycled PC100 (i-Tone)





GOVERNMENT HOUSE Queensland