

# Annual Report 2013–2014

## Communication objective

This Annual Report provides information about the Department of the Premier and Cabinet's financial and non-financial performance for 2013–14. It has been prepared in accordance with the *Financial Accountability Act 2009*.

The report records the significant achievements against the strategies and services detailed in the Department of the Premier and Cabinet's and the Office of the Queensland Parliamentary Counsel's *2012–2016 Strategic Plan* and the *2013–14 Service Delivery Statement*.

This report has been prepared for the Premier to submit to Parliament. It has also been prepared to meet the needs of stakeholders including the Commonwealth and local governments, industry and business associations, community groups and staff.

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16 September 2014

The Honourable Campbell Newman MP  
Premier of Queensland  
Executive Building  
100 George Street  
BRISBANE QLD 4000

Dear Premier

We are pleased to present the 2013–14 Annual Report for the Department of the Premier and Cabinet.

We certify that this Annual Report complies with the:

- prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*
- *Legislative Standards Act 1992*
- detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements is included in this report.

Yours sincerely



**Jon Grayson**  
Director-General



**Theresa Johnson**  
Parliamentary Counsel



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## Director-General's foreword

I am pleased to present the 2013–14 Annual Report for the Department of the Premier and Cabinet (DPC), which outlines the considerable progress we have made in leading an efficient, modern and service-oriented department, as outlined in our Strategic Plan. This report incorporates the Office of the Queensland Parliamentary Counsel (OQPC) which drafts and publishes all Queensland legislation.

In 2013–14, the department led the sector in the Public Sector Renewal Review process with the strategic guidance of the Public Sector Renewal Board. DPC examined its work and role, inviting internal and external customers to tell us what they required from DPC and how those services might best be delivered.

To lead policy development and implementation in Queensland, DPC requires a strong central policy capacity, a balance of strategic and technical capability, and influence in high-risk, high-stakes policies and core cross-agency policies. The business of government requires consideration and innovation in supporting Cabinet processes, and routines of Government, Parliament and Executive Council.

It is crucial that DPC delivers continual improvement, innovation and value for money. These principles are inherent in the changes DPC has instituted in response to our customers' feedback. Key elements of renewal in DPC included:

- integrating the Public Sector Renewal team — to drive renewal across the sector from within DPC
- modernising and streamlining business processes to enable the best service delivery for our customers
- creating the role of Chief Operating Officer — to facilitate the day to day running of the department, focussing on business improvement and embedding our core values in our work
- augmenting our existing policy capability with a taskforce model — time-limited teams, that draw expertise from other departments and sectors to strategically initiate and coordinate responses to important issues.

DPC staff, including OQPC, are our strongest asset and I applaud the energy and commitment they apply every day, which was reflected in our impressive *Working for Queensland Employee Opinion Survey* results.

This year has seen a comprehensive coordination of once-in-a-generation opportunities that will be delivered in 2014–15. Events such as G20, the Anzac Centenary Commemoration and the Queensland Plan involve Queenslanders in celebrating, showcasing and building a better Queensland together.

While much has already changed in the way the department conducts its internal business and works with and for customers, ultimately Queenslanders deserve and demand the very best in their public officials, public policy and public services.

DPC is determined to be the very best lead agency of the very best public service in the nation, and I am excited about the challenges and opportunities 2014–15 offers us to pursue this vision.

We have risen to the challenge to continue the momentum for change in the public sector, by embedding renewal as business-as-usual and improving our focus on our customers.

I thank DPC for its commitment to Queensland and keenly anticipate the work we will do together with OQPC and the whole government in the years to come.



Jon Grayson



## Delivering on the Government's Statement of Objectives for the Community

DPC has been driving key projects to support the Government's Statement of Objectives for the Community and supporting *Getting Queensland back on track*. During 2013–14 we undertook a number of key achievements, which are showcased below. Working with other agencies to get these major projects up and running has further strengthened our relationships with our key stakeholders.



The Queensland Plan  
Queenslanders' 30-year vision

In early 2013, Queensland embarked on a journey to create a 30-year vision for the state by harnessing the wisdom of its people. Facilitated by DPC, *The Queensland Plan* was developed in consultation with citizens from every region and demographic across the state including those in rural and remote locations. Queenslanders were asked to describe their ideal future and indicate how it could be achieved. From this, nine focus areas emerged: Education, Community, Regions, Economy, Health and wellbeing, Environment, People, Infrastructure, and Governance. These formed the basis of *The Queensland Plan: a 30-year vision for Queensland — our working draft*. To achieve the Plan's goals and targets everyone has a role to play in making the vision a reality.



The Open Data initiative is part of the Queensland Public Sector Renewal Program and our vision to create the best public service in the nation. Globally, the release of data has driven innovation, growth and job creation, and directly benefited the community. A key initiative of DPC since October 2012, Open Data encourages people, companies, researchers and non-government organisations to develop innovative solutions to Queenslanders' needs, and help make government more transparent and accountable. DPC has led the nation with more than of 1182 data sets published on the open data portal as at 30 June 2014. The June 2014 quarter alone saw a 70 per cent increase in the number of Queensland Government data sets available, the largest quarterly release of data. The inaugural Premier's Awards for Open Data were held, and produced apps which improve community liveability — including those that issue school zone alerts, plan bus and train trips, and help those working in the health and community services sector find the right services for their clients. Each department's open data strategy is now published on [data.qld.gov.au](http://data.qld.gov.au).

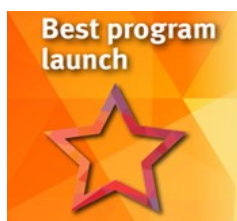


Between 2014 and 2018 Australia will commemorate the Anzac Centenary, a five-year program marking 100 years since the country's involvement in the First World War. On 5 August 2014 the Premier officially launched the Queensland Anzac Centenary in Parliament. In preparation for the state's commemorations, the Department's Anzac Centenary Coordination Unit established a program of activities to run throughout 2014–18. The unit has also been working in partnership with the State Library of Queensland, Queensland Museum and Brisbane City Council to deliver key legacy projects for Queenslanders. This is being achieved by the:

- establishment of digitised stories, treasures and educational resources, QANZAC100
- creation of a new permanent museum gallery, Anzac Legacy Gallery
- restoration and enhancement of the state's most important war memorial Anzac Square



DPC's vision is to be the best lead agency in the Australian public sector, with an efficient, modern and customer-focused public service. The Queensland Public Sector Renewal Program, led by DPC, sets the state's strategy to provide better services and value for all Queenslanders. A number of transformational initiatives and projects were developed in 2013–14 to drive innovation, partnerships and create choice to meet the future challenges of the public sector. In June 2014, Queensland hosted an inter-jurisdictional forum, that aimed to strengthen ties between states and enhance cross-border collaboration. Representatives from across Australia attended the forum with delegates sharing strategies, successes and challenges from public sector renewal initiatives in their jurisdiction. The forum re-affirmed the importance of ongoing renewal and highlighted the opportunities to share challenges and successes learnt from others, and to partner on renewal initiatives.



Scheduled for launch in early July 2014, DPC's Best Program will reinforce its aim to focus efforts on becoming the best lead agency in Australia. Initiatives to drive innovation, recognise employees, build organisational capability and enhance our reputation that are fun and energetic are the key goals of the Best Program. A specially formed committee will manage the initiatives drive the program. The first initiative launched under the Program — the Best Certificate — will celebrate DPC's successes through formally recognising and acknowledging outstanding achievement across the department.



The G20 Leaders Summit in Brisbane in November 2014 will be the largest gathering of world leaders Australia has ever seen. The G20 State Coordination Unit (SCU) was established to deliver a safe, secure and successful G20. In the lead up to the Finance Ministers and Central Bank Governors meeting in Cairns in September, and the Leaders' Summit in Brisbane in November, the SCU is working to maximise the economic benefits of G20 for Queensland for many years to come, showcase Queensland to the world, deliver a number of legacy projects, and coordinate whole-of-government G20 activities. The SCU are also planning G20 activities with federal and local governments and stakeholders and providing community engagement support to the federal G20 Taskforce, including two Brisbane Community Information Forums in December 2013 and April 2014. The G20 SCU chairs the state's G20 Steering Committee and G20 Engagement and Communication Working Group and provides high level support to the states G20 Economic Benefits Working Group, chaired by Trade and Investment Queensland. The two working groups are guiding the state's leveraging of economic benefits arising from the G20. In addition, the groups lead communication related to safety and security, civic education, visitor experiences and trade and investment opportunities. Cross-government engagement with all working group members by the G20 SCU in late 2013 led to the successful development of two key strategies for the delivery of the G20 for Queensland; the *G20 Economic Benefits Leveraging Strategy* and the *G20 Engagement and Communication Strategy*.

## Our people are the key to our success

The public sector values — *Customers first, Ideas into action, Unleash potential, Be courageous, Empower people* — provide both an inspiration and a challenge for individuals and the department.

The values have underpinned significant changes in our workforce in 2013–14 including:

- measures to recognise employee performance and encourage innovation (training and development grants through the Best Program, top management encouraging every employee to come up with ideas to improve services, both large and small)
- modern technology and improved connectivity for staff, supporting enhanced mobility and collaboration across DPC and with other departments
- a tremendous response to the 2014 *Employee Opinion Survey* (EOS) with 89 per cent of employees taking the opportunity to have a say on working for the department. A 27 per cent increase on 2013 results — well above the average public sector rate for 2014.

### A snapshot of DPC's workforce

- employed 438.41 full time equivalent employees (FTEs) including 56.77 FTEs in the Office of the Queensland Parliamentary Counsel
- had a part-time workforce of 14.16 per cent
- six FTEs provided a range of corporate support services to the department's client agencies, including the Public Service Commission
- the average age of our workforce is 41.05 compared to the service-wide average of 44.06
- women accounted for 67.29 per cent of our workforce with 54.8 per cent occupying senior officer and executive roles
- eight employees received redundancy packages at a total cost of \$833,755.46 during 2013–14 (no early retirement or retrenchment packages were paid during this period)
- The permanent separation rate for 2013–14 was 5.43 per cent
- 211 employees accepted the offer of a free flu vaccination.

### Enhanced leadership and performance

To drive exemplary leadership and a culture of high organisational and individual performance, DPC provided a number of development programs.

A new Speakers Series commenced in 2014, providing employees with the opportunity to hear from a variety of Australia's business, philanthropic, sporting and creative leaders. Guest speakers included Gail Kelly, Professor Ian Frazer, Bill Bristow, Terry White AO AM and Richard Mathews. Speakers shared their advice, knowledge, experience and learnings at well-attended and received events.

Senior executives and senior officers participated in a range of professional development activities that included — Executive Masterclasses, Thought Leaders Seminars, Emerging Leaders Program, the ANZSOG CEO Forum and Executive Fellows Program and WISE seminars for Executive Women.

### Optimising workforce capability and capacity

DPC introduced a number of strategies to address areas of improvement identified in the 2013 *Working for Queensland Employee Opinion Survey* (EOS). These initiatives aimed to increase employee engagement and improve results in leadership, learning and development and work/life balance, their outcomes were reflected in the 2014 results.

DPC also focused on building internal and whole-of-government policy capability and development, with tailored whole-of-government programs, and staff mobility opportunities.

Specific training for OQPC employees included:

- Legalwise Seminars
- Crown Law Seminars
- 2014 Constitutional Law Conference
- Criminal Law Conference
- Queensland Law Society Symposium.

DPC continued to support the principles identified under the *Public Sector Ethics Act 1994* by delivering Code of Conduct training to 72 new employees during 2013–14. The training focused on integrity and accountability, and was delivered by the Queensland Ombudsman's Office.

### Workplace health and safety and employee wellbeing

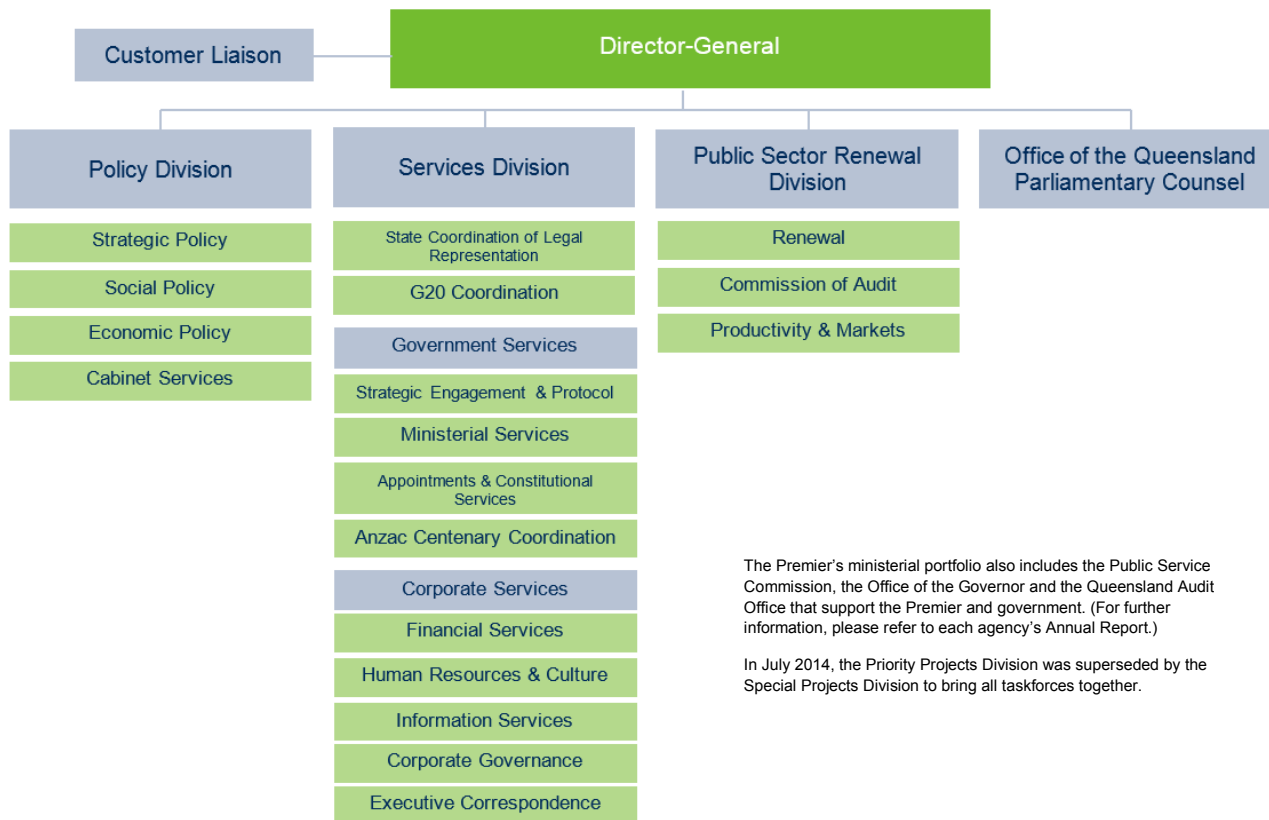
A survey was conducted to learn more about the health and wellbeing of staff to address workload and health issues identified in the 2013 EOS survey. Survey results will be used to improve DPC's future health and wellbeing activities in 2014–15.

The department has continued to support and promote flexible workplace arrangements, including part-time and job share opportunities, telecommuting and flexible working hours.

**In 2014–15** — the challenge is to further unlock the potential of our people to develop organisational capability and agility so that our high-performing and professional workforce are the best lead agency in the best public service in the nation. DPC's *Strategic Workforce Plan* will drive this change.

## DPC's role and functions

Since its inception in 1859, when Queensland separated from New South Wales, the Department of the Premier and Cabinet (DPC) has been responsible for coordinating delivery of whole-of-government priorities to Queenslanders and managing the administrative responsibilities of government.



The Premier's ministerial portfolio also includes the Public Service Commission, the Office of the Governor and the Queensland Audit Office that support the Premier and government. (For further information, please refer to each agency's Annual Report.)

In July 2014, the Priority Projects Division was superseded by the Special Projects Division to bring all taskforces together.

## Strategic Plan 2012–16

Version 2 – April 2013

### Vision

The best public service in Australia, modern and service-oriented.

### Role

Support the Premier and Cabinet and the delivery of the Premier's five pledges.

### Objectives

1. Provide the Premier and Cabinet with independent, rigorous and forward-looking policy advice
2. Lead a resilient, innovative public sector
3. Develop organisational capability and agility
4. Develop a long-term strategic vision for Queensland

### Strategies

- Inspire innovation and efficiency through leading by example
- Cultivate a high-performing professional workforce
- Nurture strategic relationships with stakeholders
- Lead the delivery of key whole-of-government priority projects and initiatives

### Key performance indicators

- Customer satisfaction
- Premier's satisfaction
- Cabinet's satisfaction
- Government commitments delivered on time

### Priorities

Managing the strategic risks associated with the delivery of the Premier's five pledges to:

- Grow a four pillar economy
- Lower the cost of living
- Invest in better infrastructure and use better planning
- Revitalise front-line services
- Restore accountability in government

Supporting the government's objectives by delivering the following priorities in 2013–14:

- Implement Commission of Audit recommendations
- Establish a Priority Projects Division that will:
  - lead the development of the Queensland Plan
  - implement the Open Data initiative
- Prepare for the Anzac Centenary Commemoration
- Prepare for G20

### Values

The department is committed to the ethics values of the *Public Sector Ethics Act 1994*, and will also be guided by the following values:

- Customer focus
- Innovation
- High performance
- Accountability

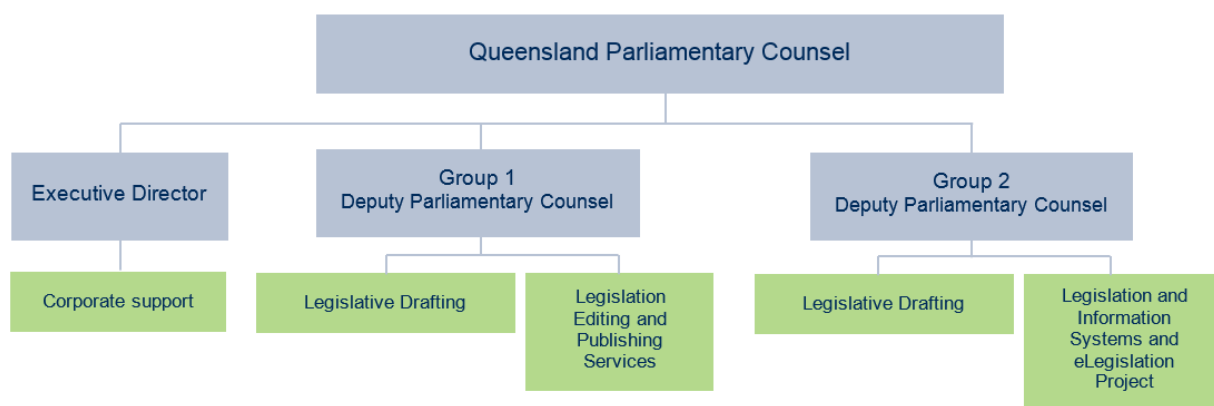
The Strategic Plan has been updated to include new initiatives and priorities to be undertaken during 2013–14, approved by the Corporate Governance Group on 3 April.

During 2013–14, DPC's KPI results indicated that Minister's had an overall satisfaction rating of 83 per cent. Directors-General, Cabinet Legislation and Liaison Officers and Senior Policy Officers indicated a 96 per cent satisfaction rating. The Premier has committed to report to Queenslanders every six months on the government's progress towards delivery of the five pledges. The progress made on each of the government's commitments from the 2012 election is published at [www.premiers.qld.gov.au](http://www.premiers.qld.gov.au).



## Office of the Queensland Parliamentary Counsel (OQPC)

OQPC was established as a statutory authority under the *Legislative Standards Act 1992* on 1 June 1992. As part of DPC, this office has significant state-wide impact. Its responsibilities include drafting legislation for the Queensland Government and Private Members of Parliament, setting standards for delegated legislation (for example, local government by-laws and university statutes) and publishing the Queensland statute book and information about legislation.



## Strategic Plan 2012–16

Version 2, 2013

### Vision

Committed to excellence in Queensland legislation

### Role

Support government and democracy by drafting and publishing legislation for Queensland.

### Objectives

1. Draft Queensland legislation of the highest standard
2. Provide access to Queensland legislation of the highest standard
3. Maximise OQPC's organisational capability and agility

### Strategies

- Identify and adopt best practice in legislative drafting and publishing
- Cultivate a high-performing, resilient and innovative workforce
- Nurture strategic relationships with clients, stakeholders and partnering entities

### Key performance indicators

- Government legislative program delivered on time
- Client satisfaction with drafting services
- Client satisfaction with accessibility and publishing services
- Premier's satisfaction with contribution to reduction in regulatory burden

### Priorities

Main challenges in 2013–14:

- Draft, within tight timeframes, succinct, user-friendly and error-free legislation that has regard to fundamental legislative principles
- Progress eLegislation project to streamline the drafting, publishing and accessibility of legislation
- Contribute drafting and publishing services to the delivery of the Premier's top policy priorities, including reduction in regulatory burden

### Values

OQPC is committed to the ethics values of the *Public Sector Ethics Act 1994*, and will also be guided by the following values:

- Customer focus
- Innovation
- High performance
- Accountability

#### Efficient and effective legislative drafting service

100% client satisfaction rating for drafting services

#### Queensland legislation is of the highest standard

98.1% client satisfaction with quality of drafting product

#### Queensland legislation, and legislation information, is readily available

95% client satisfaction rating for access to legislation available online

91.3% of changed current law available within 24 hours of changes taking effect

## Policy Advice, Coordination and Cabinet Support (PACCS)

PACCS provides advice across the areas of social, legal, economic, environment, intergovernmental relations and performance policy through detailed briefings to the Premier on all matters before Cabinet and coordinates a broad range of whole-of-government activities. Key roles include the provision of expert advice to facilitate the operation of Cabinet and its related processes and administration of all Cabinet information, custodianship of Cabinet records from current and previous governments and direct logistical support to Ministers in Cabinet meetings.

The service contributes to DPC's strategic objectives by providing:

- high-quality and timely support and advice for Cabinet and Cabinet Committee processes
- effective policy development and coordination.

| Service standards   | Notes | 2013–14<br>Target/Est. | 2013–14<br>Est. Actual | 2013–14<br>Actual |
|---|-------|------------------------|------------------------|-------------------|
| % client satisfaction with advice by DPC to agencies on performance management and reporting requirements | 1     | 85%                    | 97%                    | 97%               |
| % client satisfaction with DPC engagement with the policy development process                             | 2     | 85%                    | 81%                    | 81%               |
| % client satisfaction with support provided by Cabinet Services   | 3     | 85%                    | 99%                    | 99%               |
| % client satisfaction with advice and support relating to intergovernmental issues                        | 4     | 85%                    | 98%                    | 98%               |
| % operating budget utilised in delivery of service  | 5     | 99%                    | 100%                   | 99%               |

1. This service standard is measured by an annual client survey of Ministers, Directors-General, agency Cabinet Legislation and Liaison Officers and Senior Policy Officers gauging satisfaction with support and advice provided on performance management and reporting.
2. This service standard is measured by an annual client survey of Ministers, Directors-General, agency Cabinet Legislation and Liaison Officers and Senior Policy Officers gauging satisfaction with support and advice provided by areas within Policy Division to assist agencies with the policy development process and provision of advice on Cabinet and CBRC submissions.
3. This service standard is measured by an annual client survey of Ministers, Directors-General, agency Cabinet Legislation and Liaison Officers and Senior Policy Officers gauging satisfaction with support and advice provided by the Cabinet Services area of the department. Services provided include support in completion of the cabinet bag, Cabinet Committees and Community Cabinet.
4. This service standard is measured by an annual client survey of Ministers, Directors-General, agency Cabinet Legislation and Liaison Officers and Senior Policy Officers gauging satisfaction with support and advice provided by the Intergovernmental Relations unit of Policy Division for Council of Australian Governments-related initiatives.
5. This measure has been discontinued for reporting purposes as it is not an indication of the efficiency or effectiveness of the service area.

## 2013–14 major achievements:

- Led the development of the government's response to the Queensland Child Protection Commission of Inquiry Report.
- Supported preparations for Queensland's transition to the National Disability Insurance Scheme in collaboration with the Department of Communities, Child Safety and Disability Services and Queensland Treasury and Trade (QTT).
- Coordinated the development of the Safe Night Out Strategy to address alcohol and drug-fuelled violence.
- Worked with the Department of Justice and Attorney-General (DJAG) to implement recommendations from the Parliamentary Crime and Misconduct Committee's review of the Crime and Misconduct Commission (now the Crime and Corruption Commission) and the Callinan and Aroney review of the former *Crime and Misconduct Act 2001*.
- Provided policy advice to support the government's consideration of asset-structuring options for electricity, port and water government-owned corporations which informed the development of the Strong Choices plan.
- Worked with the Department of Education, Training and Employment (DETE) on the implementation of *Great teachers = Great results* to support improved student outcomes by boosting school autonomy, elevating teaching standards, rewarding high performance and positioning those teachers where they are needed most.
- Provided strategic advice on the government's planning reform agenda, including the implementation of a new infrastructure charges policy for Queensland, the *Regional Planning Interests Act 2014*, development of the Planning and Development Bill to replace the current regulatory framework for Queensland planning, statutory regional plans for the Darling Downs and Central Queensland, red tape reduction and legislative amendments.
- Contributed to the development of the Queensland Ports Strategy relating to port governance and planning activities, and the RegionsQ Framework to guide the future development of the state's regional areas.
- Coordinated the development of *The Queensland Plan*, including grassroots engagement activities, the Brisbane summit and working draft public review period, with live online discussion forums. The development process resulted in the largest community engagement activity of its kind ever undertaken in Queensland.
- Supported the Premier at the December 2013 and May 2014 Council of Australian Governments (COAG) meetings, focussing on significant national productivity initiatives, national disability care, Indigenous issues, paid parental leave, inter-country adoption reforms and other COAG-related activities.
- Facilitated the government's liaison with the Australian Defence Force through annual Queensland Defence Consultative Forums and two working groups established in May 2014.

- Coordinated and managed 392 Cabinet and 198 Cabinet Committee submissions.
- Provided support to 49 Cabinet meetings and 54 Cabinet Committee meetings.
- Organised and supported seven Community Cabinet meetings and two off-site Cabinet meetings.
- Coordinated the development and delivery of the six-month action plan for January to June 2014 and the preparation of the six-month action plan for July to December 2014.
- Represented Queensland on the Steering Committee for the Review of Government Service Provision and chaired

the cross-jurisdictional Children's Services Working Group for the Productivity Commission's Report on Government Services.

- Published the *Great Barrier Reef Water Quality Report Card* for 2012 and 2013, which informed the government's goal of halting and reversing the decline in the quality of water entering the Great Barrier Reef had been met.
- Commenced development of the *Reef 2050 – Long Term Sustainability Plan* for the Great Barrier Reef in partnership with the Australian Government and peak stakeholder organisations.

### In 2014–15 PACCS will:

- provide strategic leadership in the development of the government response to the findings of the Queensland Racing Commission of Inquiry
- work with Projects Queensland and DJAG on the development of demand management and infrastructure solutions for the Queensland prison system
- coordinate the Safe Night Out Strategy
- continue to monitor completion of the rollout of significant reforms across Queensland Health
- implement the remaining recommendations of the Queensland Floods Commission of Inquiry final report
- work with QTT to deliver a fiscal surplus at the 2015–16 State Budget, the first in a decade
- work with DETE to establish the inaugural Queensland Education Accord, a new state school resourcing framework that enhances transparency and student outcomes, and implement the *Great teachers = Great results* and expanded Independent Public School programs.
- continue to provide advice to the Premier on delivery of DestinationQ and progress to deliver the shared government and industry target of doubling overnight visitor expenditure to \$30 billion by 2020
- assist in the development of InfrastructureQ, the state's infrastructure plan for the next ten years, and support the implementation of ResourcesQ
- finalise, release and prepare the government response to *The Queensland Plan*
- coordinate and develop options for reform of federal/state relations that align with the Queensland Government's key objectives, to inform the Commonwealth's white papers on reform of the federation and tax reform, through the Federal and Fiscal Reform Taskforce
- coordinate the opening of Parliament following the 2015 State Election
- implement a new performance information management system (PIMS) across government for the secure monitoring and reporting of government commitments, decisions and whole-of-government reports
- work closely with QTT to enhance the performance information presented in budget papers and support agencies to implement reforms that address

Auditor-General Report No.18 — monitoring and reporting performance.

- promote the Great Barrier Reef as the best-managed marine ecosystem in the world.
- complete the *Long Term Sustainability Plan for the Great Barrier Reef* in December 2015, and present it to the UNESCO World Heritage Committee
- develop and coordinate delivery of the *Environment Action Plan*, a blueprint of new strategic environmental initiatives for government
- finalise an overarching Program Management Plan for the Government Response to the Child Protection Commission of Inquiry
- work closely with the new Queensland Family and Child Commission to develop an evaluation strategy and evaluation baseline.

## Government and Executive Support Service (GES)

GES provides services to a range of key clients and stakeholders including the Premier, Cabinet, Executive Council, Ministerial Offices, Assistant Ministers, the Office of the Leader of the Opposition, Government bodies, Commissions of Inquiry, dignitaries and the broader community. GES is comprised of the State Coordination of Legal Representation Unit and Government Services, which in turn consists of the Anzac Centenary Coordination Unit, Appointments and Constitutional Services, Ministerial Services and Strategic Engagement and Protocol.

GES contributed to the department's strategic objectives by providing:

- support to the Premier as the head of executive government
- constitutional and administrative support to Parliament
- strategic relationships with stakeholders to support delivery of our services.

| Service Standards  | Notes | 2013–14 Target/Est. | 2013–14 Est. Actual | 2013–14 Actual |
|--|-------|---------------------|---------------------|----------------|
| % client satisfaction with support and advice provided by State Affairs      | 1     | 85%                 | 92%                 | 92%            |
| % client satisfaction with support and advice provided by State Services     | 1     | 85%                 | 85%                 | 85%            |
| % client satisfaction with support and advice provided by Corporate Services | 2     | 85%                 | ..                  | ..             |
| % operating budget utilised in delivery of service                           | 3     | 99%                 | 100%                | 99%            |
| Cost of corporate services as a % of departmental cost                       |       | ..                  | 15%                 | 15%            |

1. This measure has been replaced by a new service standard to better reflect the provision of services being delivered by this service area following an internal restructure.
2. Comprehensive restructuring and streamlining of Corporate Services to redefine business roles and responsibilities was still being finalised in 2013–14. The annual internal client survey will be conducted in 2014–15 and results reported in the 2014–15 Annual Report.
3. This measure has been discontinued for reporting purposes as it is not an indication of efficiency or effectiveness of the service area.

### 2013–14 major achievements:

- Identified opportunities to hold or support major commemorative events through 2014–18, such as the parliamentary launch of Queensland's Anzac Centenary commemorations on 5 August 2014, and supported a live telecast of the critically-acclaimed Queensland play *Black Diggers* to nine major regional locations on 8 October 2014.
- Launched the Anzac Centenary website [www.qld.gov.au/anzac100](http://www.qld.gov.au/anzac100), providing a central hub for information about Anzac Centenary events, grants program, legacy projects plus general historical background information on the First World War, and information on commemorative activities.
- Created and distributed the Queensland Anzac Centenary e-newsletter to subscribers.
- Delivered round one of the Queensland Anzac Centenary grants program, providing \$1.492 million to support more than 50 Queensland community-organised activities.
- Launched the Queensland Remembers: WW1 Centenary Fund to raise capital in support of Centenary legacy projects.
- Revised the Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies, providing a more consistent and easier to use approach to determining remuneration for Chairs and members of Queensland Government bodies.
- Undertook preparatory constitutional work for the swearing -in of the Governor.
- Revised and published an updated *Queensland Ministerial Handbook* that now reflects current government policy.
- Used new technology and innovative formats to deliver a number of stakeholder and community events in celebration of Queensland Week and Australia Day.
- Leveraged sponsorship opportunities for the state by delivering cost-effective whole-of-government communication mechanisms, including the successful trials of a state-wide information newsletter and centralised media monitoring:
  - the newsletter trial was funded from significant savings as a result of the government's commitment to reducing advertising expenditure by 20 per cent
  - the media monitoring trial ensured value for money and provided additional services, while helping drive a 24 per cent reduction in government departments' media monitoring costs. Hosting the Master Media standing offer arrangement saved 30 to 60 per cent for advertising placement, compared to the corporate market.
- Provided support for key departmental and whole-of-government initiatives including public service renewal, Open Data, *The Queensland Plan*, Anzac Centenary and G20 Cultural Celebrations.
- Coordinated the official and community aspects of the Official Visit by Their Royal Highnesses The Duke and Duchess of Cambridge to Brisbane.
- Coordinated 53 official visits by senior foreign officials and Foreign Heads of Mission including for representatives from China, the United States of America, the Republic of Korea, the European Union, Italy, New Zealand and Brunei.

- Coordinated the State Funeral for Sir Jack Brabham AO OBE.
- Worked with other Queensland Government departments to coordinate instructions for the Royal Commission into Institutional Responses to Child Sexual Abuse.
- Worked with other Queensland Government departments to coordinate instructions for the Queensland Racing Commission of Inquiry.

### **In 2014-15 GES will:**

- provide strategic advice on issues of constitutional and administrative reform and support the Governor and Executive Council
- support Ministerial Offices, Assistant Ministers and the Office of the Leader of the Opposition
- deliver the Swearing-In ceremony for the Governor
- deliver other events of state-wide significance including Queensland Week and Australia Day
- coordinate high-level official visits and functions
- monitor, manage and deliver Anzac Centenary legacy projects in partnership with the State Library of Queensland, Queensland Museum, and Brisbane City Council
- provide secretariat support to the Queensland Advisory Committee for the Commemoration of the Anzac Centenary, the Anzac Centenary Queensland Government Working Group, the grants program independent assessment panel the Queensland Veterans' Advisory Council, and to represent Queensland at the Commonwealth Anzac Centenary cross-jurisdiction working groups.



## Legislative drafting and ePublishing (LDeP)

The Office of the Queensland Parliamentary Counsel (OQPC) was established under the *Legislative Standards Act 1992*, to support government and democracy by drafting and publishing legislation for Queensland. OQPC's vision as stated in its *Strategic Plan 2012-16* is to be an organisation 'committed to excellence in Queensland legislation'. Core services are delivered through the Legislative Drafting and ePublishing service (LDeP). The results from its annual survey of stakeholders on how LDeP delivered on strategic objectives for 2013–14 are provided below:

| Service Standards   | Notes | 2013–14<br>Target/Est. | 2013–14<br>Est. Actual | 2013–14<br>Actual |
|---|-------|------------------------|------------------------|-------------------|
| % client satisfaction with legislative drafting services provided by the Office of the Queensland Parliamentary Counsel |       | 85%                    | 100%                   | 100%              |
| % client satisfaction with the quality of access to legislation available online  |       | 85%                    | 95%                    | 95%               |
| % of operating budget utilised in delivery of service   | 1     | 99%                    | 100%                   | 99%               |

1. This measure has been discontinued for reporting purposes as it is not an indication of the efficiency or effectiveness of the service area.

### 2013–14 major achievements:

Queensland legislation is of the highest standard and the legislative drafting service is efficient and effective

- Delivered the government's legislative program within timeframes for new and amended principal and subordinate legislation:
  - 92 Bills (7,133 pages)
  - 365 instruments of subordinate legislation (4,270 pages)
  - 44 government amendments to Bills debated in Parliament (479 pages).
- Prepared nine Bills (121 pages) for non-government members of Parliament.
- Supplied 19 non-government amendments (58 pages) for Bills debated in Parliament.
- Reviewed, on behalf of the Queensland Government, national scheme legislation drafted for the Australasian Parliamentary Counsel's Committee.
- Drafted regulations as the host jurisdiction for the Heavy Vehicle National Law.
- Developed and implemented a comprehensive business improvement plan to improve processes in delivering the legislative program, leadership development, work/life balance and organisational performance.
- Installed WiFi throughout OQPC to allow greater efficiencies for clients while instructing or attending meetings in the office.
- Updated the Queensland Legislation Handbook to assist policy and instructing officers.
- Continued the staged publication of *Principles of good legislation: OQPC guide to Fundamental Legislative Principles*.
- Delivered six training sessions for 81 agency policy officers who work with OQPC on legislation. The training was provided at no cost to agencies and designed to help participants prepare high-quality and effective drafting instructions.

- Contributed to the reduction in regulatory burden by drafting the required legislation and facilitating the work of the Office of Best Practice Regulation and Queensland Treasury and Trade in analysing legislative page and requirement counts.

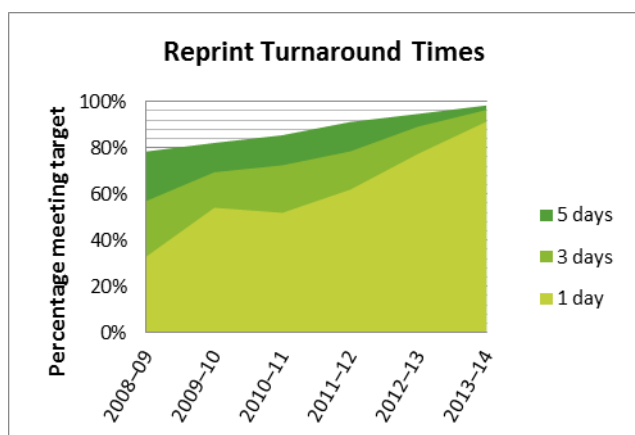
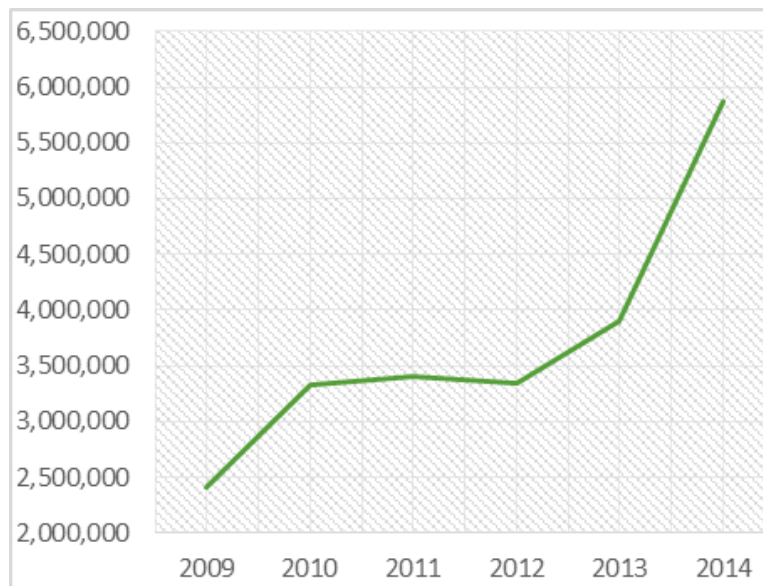
#### Readily available Queensland legislation and legislation information

- Prepared 1,302 electronic reprints (251,774 pages) and 154 information publications (7,322 pages).
- Provided fully authorised electronic copies of Queensland legislation.
- Introduced online notification of the making of subordinate legislation.
- Significantly reduced the waiting time for updated Queensland legislation for customers:
  - 91.31% of changed current law accessible within 24 hours of any changes taking effect.
  - 1.04 days waiting time for access to current law (down from 2.5 days in 2012-13 and 6 days in 2009).
- Enhanced the user friendliness of the legislation website [www.legislation.qld.gov.au](http://www.legislation.qld.gov.au).
- Provided a legislative information service (368 email queries and 477 hotline calls).
- Progressed the eLegislation Project to deliver enhancements to legislative drafting and publishing and public access to Queensland legislation.

#### Other activities

- Supported the Youth Parliament, including providing assistance with the supply and publication of Youth Bills.
- Participated in the Australasian Parliamentary Counsel's Committee ICT forum in Wellington, New Zealand in July 2013.

The OQPC website [www.legislation.qld.gov.au](http://www.legislation.qld.gov.au) experienced over 5.88 million visits in 2013–14, a significant increase on past years.



Significant primary legislation drafted included:

- Four Bills to tackle organised crime in Queensland
- *Biosecurity Act 2013*
- *Child Protection (Offender Reporting) and Other Legislation Amendment Act 2014*
- *Education and Care Services Act 2013*
- *Environmental Offsets Act 2014*
- *Family and Child Commission Act 2014*
- *G20 (Safety and Security) Act 2013*
- *Liquor (Red Tape Reduction) and Other Legislation Amendment Act 2013*
- *Public Guardian Act 2014*
- *Public Safety Business Agency Act 2014*
- *Regional Planning Interests Act 2014*

#### In 2014–15 OQPC will:

- continue to provide high quality, accurate and timely drafting and publishing services to support delivery of the government's legislative program
- continue to provide expert assistance to agencies as part of the government's red tape reduction initiative
- launch the Queensland Integrated Legislation Lifecycle System (QuILLS) to:
  - greatly improve public access to authorised Queensland legislation and legislative information via a new website
  - streamline legislative production and publishing processes
- establish an industry standard data repository for the Queensland Statute Book through converting current legislation files to eXtensible Markup Language (XML) format, which is in line with open data objectives, and will also enhance electronic access to Queensland legislation and legislative information.

## Public Sector Renewal (PSR)

PSR is responsible for the implementation of the Queensland Government's Renewal Program and the recommendations accepted from the Commission of Audit (CoA).

The service supports the work of the Public Sector Renewal Board (PSRB), which provides strategic leadership of the Public Sector Renewal Program (PSRP) to assist departments to shape their strategic direction and define and implement their renewal program.

On 1 October 2013, as part of the machinery of government changes, the PSR transferred from the Public Service Commission (PSC) to the Department of the Premier and Cabinet (DPC). The move provided better strategic alignment between the Queensland renewal program and DPC's vision to be 'the best lead public sector with an efficient, modern and customer-focused public service'.

PSR contributed to the department's strategic objectives by:

- delivering government priorities and improved performance of public services
- implementing the Open Data initiative
- leading implementation of Commission of Audit recommendations.

### 2013–14 major achievements included:

- Commissioned the whole-of-government Customer Satisfaction Survey that showed the Queensland Government compares favourably with other jurisdictions throughout Australia.
- Developed whole-of-government Integrated Renewal and CoA Implementation Plans to drive public sector productivity and apply contestability to government services. As a result, all agencies have commenced renewal reviews and 19 agencies have presented to the PSRB.
- Supported the PSRB to lead renewal across government and host renewal forums for public sector leaders on topics to transform the public sector and drive economic development.
- Supported the Renewal Oversight Committee to lead implementation of the CoA recommendations across government.
- Held the inaugural Premier's Awards for Open Data, showcasing digital talent and innovation in the use of Queensland government data, which included interesting apps and web services.

### In 2014–15, PSR will:

- coordinate and provide strategic support to the PSRB and Renewal Oversight Committee to implement whole-of-government transformational change, including implementation of CoA recommendations
- collaborate with agencies to identify renewal opportunities and redesign business processes to deliver innovative and enhanced service delivery and measures for efficiency and cost-effectiveness
- partner with the private and not-for-profit sectors, academia and other experts to determine opportunities for market-design approaches that drive greater value-for-money for government services
- commission further customer satisfaction market research and publish results online
- coordinate the 2014 Premier's Awards for Open Data, cementing Queensland's lead in the release of open data across the nation with the resulting digital innovation helping to drive the economy.

Performance measures for PSR will be reported in the 2014–15 Annual Report.

## Our leaders

### Jon Grayson

#### Director-General

Jon was appointed Director-General of the Department of the Premier and Cabinet in March 2012, bringing substantial experience in infrastructure development and investment management, as well as the economic reforms of the 1980s and 1990s.

For the two years prior to his appointment, Jon was principal and founder of Queensland Infrastructure Partners, an advisory and transaction arranging firm specialising in infrastructure investment.

He was previously a senior executive with a major international advisory and investment firm.

Jon's investment banking experience was primarily in the infrastructure and energy sectors. He led successful bids for infrastructure assets such as the Dalrymple Bay Coal Terminal. This experience included two years as Chief Executive of Prime Infrastructure, which became one of Australia's largest infrastructure funds, during its establishment and subsequent initial public offering on the Australian Stock Exchange.

Prior to his investment banking career, Jon had a long career in Queensland Treasury and Queensland Treasury Corporation (QTC) giving him a good understanding of government policy objectives and processes. He led major reform processes within government including the development and implementation of the Suncorp-Metway merger, and the major review of QR Corporatisation.

At QTC, Jon managed the state's overseas borrowing program, and led the Structured Finance Group. He arranged and executed a range of financing solutions for government-owned corporations and statutory bodies, including cross-border lease transactions over Queensland Government owned rail and electricity assets.

### Ross Musgrove

#### Chief Operating Officer and Deputy Director-General, Public Sector Renewal

Ross Musgrove is the Chief Operating Officer and Deputy Director-General, Public Sector Renewal for the Department of the Premier and Cabinet.

Ross previously served as Deputy Commissioner, Public Service Commission.

In his role, Ross delivers strong leadership for large-scale reform across the public sector and leads the delivery of corporate and government services by the Department of the Premier and Cabinet.

Ross is responsible for:

- leading the Commission of Audit implementation, including the application of contestability to government services
- leading the Public Sector Renewal Board reviews of Queensland Government agencies
- facilitating the day to day running of the department, focusing on business improvement and embedding core values.

Ross is a clerk of the Executive Council of Queensland and a member of the Council for the Order of Australia.

Ross also represents the Queensland Government on a range of Commonwealth and state government boards and committees.

## David Hourigan

### Deputy Director-General, Policy

David was appointed Deputy Director-General, Policy in September 2013 with responsibility for:

- developing specific policy advice and responses for the Premier on key issues
- coordinating and developing Queensland's position on key national issues and conducting negotiations with other states and the federal government
- tracking and reporting on implementation of decisions by Cabinet and Cabinet Budget Review Committee (CBRC)
- coordinating high-level social and economic policy advice for the Premier and Cabinet
- establishing taskforces to develop detailed responses to specific policy problems identified by the Premier and Cabinet (e.g. Environmental taskforce, Child Safety taskforce in response to the Carmody Report, Federalism and Fiscal Reform taskforce)
- chairing the Child Protection Reform Leaders Group in response to the Carmody Report, with responsibility for leading reform of Queensland's child protection system
- coordinating and developing a whole-of-government response to *The Queensland Plan*, a 30-year vision for Queensland
- coordinating Cabinet and CBRC meetings and processes.

Prior to his current role, David was the Executive Director of Economic Policy in DPC advising the Premier, Cabinet and CBRC on the economic and financial implications of government initiatives.

Previously, David was Executive Director of the Passenger Transport Division in the Department of Transport and Main Roads where he was responsible for delivering programs and/or policy advice on buses, trains, taxis, cycling and walking in Queensland.

David holds a degree in public administration from the Queensland University of Technology.

## Jamie Merrick

### Deputy Director-General, Special Projects

Joining DPC in late 2013–14, and then taking on the role of Deputy Director-General, Special Projects, Jamie has responsibility for delivering significant projects transferred to Special Projects division, to deliver on the following taskforces:

- Environmental taskforce
- Child Safety taskforce
- Federalism and Fiscal Reform taskforce
- whole-of-government response to *The Queensland Plan*, a 30-year vision for Queensland
- G20 and G20 Cultural Program.

Prior to his current role, Jamie was seconded from the Department of State Development, Infrastructure and Planning, where he is the Deputy Director-General, to relieve in the role of Deputy Director-General, Policy while David Hourigan took long service leave.

Jamie originates from Leicester, England and held a number of roles with the East of England Development Agency (EEDA) in the UK, including most recently as Executive Director of Strategy. He was responsible for:

- the development of the East of England Regional Economic Strategy, which set out long-term ambitions for the UK's fastest growing and most research-intensive regional economy
- led work to evaluate the effectiveness of \$1 billion of economic development investment in the east of England and piloted innovative approaches to infrastructure investment planning and delivery.

His other roles at EEDA included Director of Sustainable Development where he was responsible for the major physical regeneration and employment programs, investing some \$120 million a year.

From September 2010, Jamie was seconded to the Department of Business Innovation and Skills to develop policy on future economic development and business support arrangements in the UK. Previously, he has worked in the global exports division of a high growth ICT company in Cambridge, as well as having held roles in higher and further education.



## **Theresa Johnson**

### **Queensland Parliamentary Counsel**

Theresa is the Queensland Parliamentary Counsel and chief executive of the Office of the Queensland Parliamentary Counsel (OQPC).

Theresa has a Bachelor of Laws (Honours) from the University of Queensland and a Master of Law from Cambridge University. She is admitted as a lawyer and has experience in the private and university sectors.

She commenced her career in legislative drafting with the Australian Parliamentary Counsel in Canberra and joined the OQPC in 1991 — a crucial time in the transformation of the Queensland statute book. She had a pivotal leadership role in a major reform of OQPC systems and practice and had key involvement in the policy and legislation that established OQPC, as well as in Queensland's interpretive legislation.

Theresa was appointed Queensland Parliamentary Counsel in February 2010. She is the third person, and first woman, to hold this position.

Theresa has broad interests in public sector leadership and management and corporate governance and completed the ANZSOG Executive Fellows Program in November 2013.

## **Annette O'Callaghan**

### **Deputy Parliamentary Counsel**

Annette was appointed Deputy Parliamentary Counsel in 2010. Annette has a Bachelor of Laws from the Queensland University of Technology and began her legal career at Crown Law. Annette is a Solicitor and first joined OQPC in 1993, before undertaking senior drafting and leadership roles in Victoria and New South Wales, where she drafted significant legislation on behalf of the Australasian Parliamentary Counsel's Committee.

Annette has responsibility for delivering the legislative program for a number of agencies. Annette also has responsibility for OQPC's information systems and eLegislation project.

## **Paul McFadyen**

### **Deputy Parliamentary Counsel**

Paul was appointed Deputy Parliamentary Counsel in 2014. Paul has a Bachelor of Laws (Honours) from the Queensland University of Technology and a Bachelor of Arts from the University of Queensland. He began his legal career at the Australian Customs Service. Paul has been a valued member of OQPC since 1998 and recently undertook a year's interchange with the New South Wales Parliamentary Counsel's Office.

Paul has responsibility for delivering the legislative program for a number of agencies. He also has responsibility for the quality assurance of draft legislation and for publication of Queensland legislation and information about Queensland legislation.

## Corporate governance

### Corporate Governance Group (CGG)

This group meets monthly to support the role of the Director-General to oversee the operations of the department.

Chaired by the Chief Operating Officer and Deputy Director-General, Public Sector Renewal, CGG also includes the following members:

- Deputy Director-General, Policy Division
- Deputy Director-General, Special Projects Division
- Queensland Parliamentary Counsel
- General Manager, Government Services
- General Manager, Corporate Services
- General Manager, Public Sector Renewal
- Senior Executive Director, Social Policy
- Senior Executive Director, Economic Policy.

The role of CGG is to:

- consider impacts of whole-of-government initiatives, including renewal actions, on the department's activities
- consider workforce capability and industrial relations developments impacting on the DPC workforce and approve strategies and programs
- monitor the department's financial and non-financial performance
- prioritise and monitor ICT projects (exceeding budget of \$500,000)
- activate DPC's service area Business Continuity Plans and undertake activities detailed in DPC's Business Continuity Framework in the event of a crisis
- act as a forum for strategic information sharing.

### The Audit and Risk Management Committee (ARMC)

The ARMC's Charter was developed with reference to Queensland Treasury and Trade's *Audit Committee Guidelines*. Under the Charter the role of ARMC is to provide independent assurance and assistance to the Director-General on the areas of responsibility:

- risk, compliance and control frameworks
- internal and external audit issues
- performance management
- financial reporting.

ARMC meets quarterly and consists of two external members, two members from the department and two members from the Public Service Commission (PSC):

- Jenny Parker, external member (Chair)
- Neil Jackson, external member
- Jon Grayson, Director-General
- Ross Musgrove, Chief Operating Officer and Deputy Director-General, Public Sector Renewal
- Andrew Chesterman, Commission Chief Executive, PSC
- Peter McKay, Deputy Commissioner, Workforce Renewal and Operations, PSC.

The General Manager, Corporate Services, the Chief Finance Officer and the Head of Internal Audit have standing invitations to observe at committee meetings.

Remuneration paid to external members for the 2013–14 year totalled \$2,292 (exclusive of GST).

## Corporate support functions

**Internal audit and risk** — During 2013–14 the internal audit and risk management function was delivered by Deloitte overseen by DPC's Head of Internal Audit. The internal audit function supports the Audit and Risk Management Committee (ARMC) and provides independent and objective assurance. These activities are designed to add value and improve the operations of the department.

The internal audit function operates in accordance with an approved Internal Audit Charter that incorporates key internal audit and ethical standards. The function is independent of the activities it reviews, of management and of the Queensland Audit Office (QAO).

The 2013–14 Internal Audit Plan was approved by the ARMC and was developed with consideration for the business objectives of the department and the strategic and operational risks identified through the business planning process. The plan delivered a number of achievements during 2013–14 including:

- development of a new control self-assessment tool
- review of fraud risk management across the department.

The internal audit function is continually monitored to ensure it operates effectively, efficiently and economically.

**Risk management** — DPC is committed to a philosophy and culture that ensures risk management is an integral part of all activities. This minimises vulnerability to internal and external events and influences that could impact the achievement of its objectives and strategic priorities. DPC recognises that innovation may attract risk and encourages the appropriate management of potential benefits versus risk.

During 2013–14 DPC's Risk Management Framework was reviewed and updated, with a focus on ensuring that risk management is reflected in all business activities, including strategic planning, business planning, staff responsibilities and other decision-making processes. This framework also encourages senior executives to lead risk management across the agency and promote a culture of risk awareness.

**External scrutiny**—External audits and reviews add value to the public sector through recommendations that improve business operations. In 2013–14 the following external reviews were conducted by the Queensland Auditor-General which had relevance to the department:

- Report 6: 2013–14 Results of audit: Internal control systems: Internal financial controls are the structures, organisational capabilities, systems, processes, procedures and activities in an entity that together operate to reduce the risk of fraud and error in the financial reports. This report summarised the results of the QAO evaluations of selective testing of the financial reporting controls that operated within the 20 core state government departments. Management has undertaken action to address the recommendations made in this report that were specific to the department.
- Report 10: 2013–14 Contract management: Renewal and transition: This audit examined whether agencies are demonstrably achieving value for money from goods and services contracts in decisions to extend, renew or re-tender contracts. While DPC was not one of the departments covered in this audit, a number of generic recommendations were made for all agencies.

- The department has scheduled an internal audit for 2014–15 to address the recommendations raised in this report.
- Report 11: 2013–14 Results of audit: State public sector entities for 2012–13: This report presents the results of the financial audits of the 2012–13 financial statements for state government departments, statutory bodies, government-owned corporations and controlled entities.

It was noted that the department's 2012–13 financial statements were certified by management and audit within the legislated timeframe and that the processes to prepare the statements were satisfactory.

- Report 18: 2013–14 Monitoring and reporting performance: This report examined how well the 20 core state government departments measure, monitor and publicly report on non-financial performance using the performance information in the 2013–14 Service Delivery Statements. There were two recommendations made to all agencies and one recommendation made to the department and Queensland Treasury and Trade as central agencies.

The department provided in-principle support for two of the three recommendations and has committed to continue working with QAO to improve the implementation of the Queensland Government Performance Management Framework.

**Recordkeeping** — DPC department continues its commitment to quality recordkeeping with provision of policies, processes and systems to support decision making and accountability.

In 2013–14, the following initiatives and activities were undertaken:

- implemented a quality assurance program to ensure data integrity in electronic records to address security and access issues identified in the audit of *Information Standard 18: Information Security Compliance*
- optimised HP TRIM eDRMS services to the Office of the Governor
- supported Cabinet and Parliamentary Services in the management of proposed Cabinet submissions tabled at weekly Cabinet meetings
- developed an induction package for new starters based on online modules of recordkeeping and HP TRIM awareness content
- delivered updates to HP TRIM training packages, Quick Guides and user manuals for HP TRIM user groups
- applied the updated General Retention and Disposal Schedule to the department's eDRMS.

In 2014–15, a key priority will be a review of departmental processes to facilitate a 'paperlite' environment, including the development of a digitisation disposal policy. In addition, the Office of the Queensland Parliamentary Counsel HP TRIM environment is proposed to be migrated into the department's HP TRIM environment.

## Business systems

DPC purchases transactional processing services from Queensland Shared Services and uses the whole-of-government SAP and Aurion systems for finance and human resource management respectively.

DPC uses HP TRIM for its eDRMS functionality. This system provides secure, effective and efficient management of corporate records and is also used for workflow of ministerial and executive correspondence. A customised version of HP TRIM is used for the purpose of managing proposed Cabinet submissions. This business system has enhanced information security and business functionality.

In 2014–15, a number of new business systems will be deployed:

- a Performance Information Management System (PIMS), which has been developed to monitor and report on the delivery of government commitments, decisions and whole-of-government reports using a hosted Client Relationship Management (CRM) solution
- a replacement Functions and Events Register business system developed using a CRM-based solution
- An upgrade of the Office of the Governor's current CRM version to CRM Online 2013 in parallel with a desktop migration to Microsoft Surfaces
- A migration from desktop PC's to Microsoft Surfaces and Office 365 at OQPC, Office of the Governor and PSC
- a significant upgrade of the department's HP TRIM, which will result in revised business rules and an improved user experience.

## Statutory bodies

The following statutory instrumentalities prepare annual reports that are provided to the Premier or the Speaker.

| Name of body                                   | Constituting   | Annual Report arrangements      |
|--|--|---------------------------------|
| Office of the Governor                         | <i>Constitution of Queensland 2001</i>                       | Separate Annual Report prepared |
| Public Service Commission                      | <i>Public Service Act 2008</i>                               | Separate Annual Report prepared |
| Queensland Audit Office                        | <i>Auditor-General Act 2009</i>                              | Separate Annual Report prepared |
| Queensland Independent Remuneration Tribunal   | <i>Queensland Independent Remuneration Tribunal Act 2013</i> | Separate Annual Report prepared |
| Queensland Integrity Commissioner              | <i>Integrity Act 2009</i>                                    | Separate Annual Report prepared |
| Office of the Queensland Parliamentary Counsel | <i>Legislative Standards Act 1992</i>                        | Included in DPC's Annual Report |

**Legislation** — administered through DPC on behalf of the Premier as at 30 June 2014.

|  |  |
|--|--|
| <i>Assisted Students (Enforcement of Obligations) Act 1951</i> | <i>Legislative Standards Act 1992</i>  |
| <i>Auditor-General Act 2009</i>                                | <i>Ministerial and Other Office Holder Staff Act 2010</i>                    |
| <i>Australian Constitutions Act 1842 (Imperial)</i>            | <i>Offshore Facilities Act 1986</i>  |
| <i>Australian Constitutions Act 1844 (Imperial)</i>            | <i>Parliament of Queensland Act 2001</i>                                     |
| <i>Australian Waste Lands Act 1855 (Imperial)</i>              | <i>Parliamentary Service Act 1988</i>  |
| <i>Century Zinc Project Act 1997 (ss1-4, 5(1), 8, 18-20)</i>   | <i>Queensland Boundaries Declaratory Act 1982</i>                            |
| <i>Commonwealth Powers (Air Transport) Act 1950</i>            | <i>Queensland Coast Islands Act 1879</i>                                     |
| <i>Constitution Act 1867</i>                                   | <i>Queensland Independent Remuneration Tribunal Act 2013</i>                 |
| <i>Constitution Act Amendment Act 1890</i>                     | <i>Queensland International Tourist Centre Agreement Act Repeal Act 1989</i> |
| <i>Constitution Act Amendment Act 1934</i>                     | <i>Reprints Act 1992</i>   |
| <i>Constitution of Queensland 2001</i>                         | <i>Senate Elections Act 1960</i>   |
| <i>Constitutional Powers (Coastal Waters) Act 1980</i>         | <i>Statute of Westminster 1931 (Imperial)</i>                                |
| <i>Emblems of Queensland Act 2005</i>                          | <i>Statute of Westminster Adoption Act 1942 (Cwlth)</i>                      |
| <i>Family and Child Commission Act 2014</i>                    | <i>Statutory Instruments Act 1992</i>  |
| <i>Governors (Salary and Pensions) Act 2003</i>                |  |
| <i>Integrity Act 2009</i>                                      |  |



## Statutory reports

### Ministerial and Other Office Holder Staff

The *Ministerial and Other Office Holder Staff Act 2010* (the Act) provides a discrete framework for the employment of Ministerial staff, staff of the Office of the Leader of the Opposition and staff of other non-government Members of Parliament (where determined necessary based on the composition of the Legislative Assembly).

The employer for these staff is the Director-General, DPC who employs staff on the recommendation of the Premier, the Leader of the Opposition, or relevant Member of Parliament respectively.

During 2013–14 there were no staff employed under the Act to support a non-government Member of Parliament other than the Leader of the Opposition.

The Act covers the work performance and conduct of staff members through the inclusion of performance and personal conduct principles, ethics values and a specific provision that staff members are not empowered to direct public servants in their own right.

The Act provides that the Director-General, DPC may issue directives or guidelines about employment matters. In the preceding 12 months there have been no new directives issued under the Act.

A total of 314 staff were employed under the Act for the financial year ending 30 June 2014, with 230 staff employed as at 30 June 2014.

### Government bodies

#### Queensland Advisory Committee for the Commemoration of the Anzac Centenary

The role of the Queensland Advisory Committee for the Commemoration of the Anzac Centenary is to oversee the program of commemorative activities for the centenary of the First World War across Queensland during 2014–18, and to ensure that the contribution made by Queenslanders is recognised with appropriate honour and dignity.

The committee provides advice to the Premier through the Honourable Glen Elmes MP, Minister for Aboriginal and Torres Strait Islander and Multicultural Affairs and Minister Assisting the Premier on how Queensland will commemorate the Anzac Centenary between 2014–18.

Members of the committee are Mark Evans (Chair November 2012 to May 2014), Andrew Craig (Chair June 2014 to present), Yassmin Abel-Magied (until 5 June 2014), Turgut Allahmanli, Arthur Burke, Brad Cordery, Ross Eastgate, Craig Evans, Alex Garlin, Terry Meehan, Suzanne Miller, Ross Musgrove, Bradley Saunders, Stuart Smith, Alison Stanley, Stephen Tait, Logan Timms, Janette Wright and Nick Xynias. All members are appointed until 30 June 2019.

During 2013–14 the committee:

- reviewed and made recommendations on applications for the Anzac Centenary grants program (round one), applications for financial assistance for major commemorative events and on key elements of Queensland's Centenary program
- met eight times and had expenses totalling \$3,054.13 (exclusive of GST).

### Queensland Veterans' Advisory Council

The Queensland Veterans' Advisory Council was established on 10 December 2013 to provide a forum for the Queensland veterans' community to communicate directly with the highest levels of the Queensland Government. The council meets biannually to provide advice to the government on matters relating to veterans and to promote the wellbeing of veterans in Queensland.

Members of the council are Danny O'Kearney (Chair), Andrew Craig, Ben Roberts-Smith VC, Vivian Quinn, Edward Chitham, Trevor Rigby, Helen Strange, Robert Shortridge, Tony Ralph, Ann Stephenson and Chris Richards. All members are appointed until 13 February 2016.

During 2013–14 the committee:

- reviewed integration and coordination with the Department of Veterans' Affairs, federal minister and other jurisdictions and outlined key challenges facing ex-servicemen and women in Queensland
- held its inaugural meeting on 9 April 2014 and had expenses totalling \$2,421.59 (exclusive of GST).

### Queensland Commemorative Events and Celebrations Committee (QCECC)

The role of the QCECC is to provide advice and assistance with strategies that enhance community engagement, participation and pride in the Australia Day and Queensland Week programs. To achieve this, QCECC liaises with all levels of government, industry, business and the community.

Members of the committee are Phillip Di Bella (Chair), Helen Besley, Greg Dunk, Wesley Enoch, Marayke Jonkers, Libby Marshall, Ross Musgrove, John Penglis, Allan Pidgeon, Councillor Paul Pisasale, Peter Rule AM RFD, Delia Townsend and Nick Xynias AO BEM.

All current members are appointed until 30 November 2014.

During 2013–14 the Committee:

- reviewed and made recommendations on the Australia Day and Queensland Week programs, including the endorsement of new programs, sponsors and promotional opportunities
- met four times and had expenses totalling \$1,106.90 (exclusive of GST).

### Queensland Independent Remuneration Tribunal (the Tribunal)

The Tribunal was administratively established on 16 July 2013 and legislatively established as an independent statutory authority under the *Queensland Independent Remuneration Act 2013* (the Act) on 9 August 2013. The role, functions and responsibilities of the Tribunal under the Act are to review remuneration in connection with MPs and former MPs and make determinations about this remuneration (salary, allowances or entitlements).

In undertaking this role, the Tribunal must consult with and consider the views of the Clerk of the Queensland Parliament to ensure that:

- allowances paid to an MP reflect the reasonable expenses incurred by an MP in servicing their electorate and that these allowances are not a substitute for other remuneration

- certain matters, including accommodation and services in the parliamentary precinct and other accommodation services entitlements, under the Queensland Ministerial Handbook and Queensland Opposition Handbook are not taken into account.

The Tribunal is required to provide written reasons for its determinations and provide a copy of the determination and reasons to the Clerk of the Parliament for tabling. In performing its functions the Tribunal must act independently, impartially and fairly.

Members of the Tribunal are: Professor Tim Brailsford, Mr David Harrison and Ms Joanne Jessop.

All current members are appointed until 15 July 2016.

During 2013–14 the Tribunal:

- met on 26 occasions
- developed a public website
- undertook a comprehensive public consultation process resulting in 2,568 submissions from members of the public, MPs and former MPs
- made four determinations on the remuneration of MPs.

Determination 1/2013 was handed down on 15 October 2013. This Determination set the base salary at \$148,848 from 1 July 2013 and streamlined the allowances and entitlements system while making it more accountable and transparent. Approximately 30 allowances were reduced to three, an Electorate Allowance, Information and Communication Allowance and General Travel Entitlement.

Determination 2/2013 set new rates for the Daily Travel Allowance and addressed minor issues arising during the implementation of Determination 1/2013.

Determination 3/2014 set the additional salary levels for office holders (i.e. the Premier, Deputy Premier, Ministers, Leader of the Opposition) of the Queensland Parliament and removed two allowances.

Determination 4/2014 amended the definition of Parliamentary Business.

Total expenses for the Tribunal for 2013–14 were \$156,987 consisting of:

- total remuneration expenses for all members of \$49,888
- establishment costs (including non-recurrent set up costs involved in producing the first Determination within a three month period) of \$84,940
- supplies and services costs of \$19,883 (exclusive of GST).

## Public Sector Renewal Board (PSRB)

The Premier established the Public Sector Renewal Board in June 2012 to oversee, and provide advice to Cabinet on public sector renewal.

The PSRB has significant expertise, corporate knowledge and proven experience in public sector management and leading change in government agencies.

Membership comprises:

- Director-General, DPC, Jon Grayson (Chair)
- Under-Treasurer, QTT, Mark Gray
- Board Chair, PSC, Dr Doug McTaggart (external)
- Chancellor, University of Western Sydney, Professor Peter Shergold AC (external)
- New South Wales Premier's ANZSOG Chair of Public Service Delivery, Professor Gary Sturgess AM (external).

During 2013–14, the PSRB supported Directors-General to implement recommendations from the Commission of Audit and worked with all public sector agencies to focus on customers and find the best way to deliver services.

The PSRB also hosts leading renewal forums attended by Directors-General and senior executives.

Presenters and topics have included:

- Dr Brett Heyward, Director-General, Department of Natural Resources and Mines on transforming the department to drive economic development
- PSRB member Professor Peter Shergold on lessons from public sector renewal across Australia
- Neil Castles, Director-General, Department of Housing and Public Works on transferring management of social housing in Logan to the community services sector.

During 2013–14, 10 meetings were held at a total cost of \$132,135.06 (exclusive of GST).

## Financial summary 2013–14

The financial summary provides an overview of DPC's financial performance for 2013–14. A detailed view of the department's financial performance for 2013–14 is provided in the financial statements included in this Annual Report.

In accordance with the *Financial Accountability Act 2009* the Chief Finance Officer has provided the Director-General with a statement that the department's financial internal controls are operating efficiently, effectively and economically.

DPC continues its commitment towards maintaining fiscal responsibility as part of its objective to deliver outcomes of the highest quality.

Its primary source of revenue is appropriation revenue for services received from QTT. DPC also derives revenue from grants and contributions received from other Queensland Government departments. Smaller revenue contributions are

derived from corporate sponsorship of events and corporate service fees charged to government-related agencies for administration support services.

Major expenses associated with DPC's activities include employee expenses (wages, salaries, related taxes and superannuation), service costs and supplies associated with the day to day operation of the department. In addition, DPC provides grants and subsidies to internal and external organisations as part of meeting its objectives.

The tables below provide a comparison of the actual financial results for 2013–14 with the actual financial results for 2012–13.

### Comparison between Actual results for 2013–14 and 2012–13:

| Department of the Premier and Cabinet              | Actual 2013-14<br>\$'000 | Actual 2012-13<br>\$'000 | Variance<br>\$'000 |
|--|--------------------------|--------------------------|--------------------|
| <b>Income from Continuing Operations</b>           |                          |                          |                    |
| Departmental services revenue                      | 91,095                   | 83,884                   | 7,211              |
| User charges                                       | 3,116                    | 4,873                    | (1,757)            |
| Grants and other contributions                     | 4,521                    | 1,084                    | 3,437              |
| Gains  | -                        | 290                      | (290)              |
| Other revenue                                      | 1,282                    | 587                      | 695                |
| <b>Total Income from Continuing Operations</b>     | <b>100,014</b>           | <b>90,718</b>            | <b>9,296</b>       |
| <b>Expenses from Continuing Operations</b>         |                          |                          |                    |
| Employee expenses                                  | 49,570                   | 46,165                   | 3,405              |
| Supplies and services                              | 33,625                   | 27,609                   | 6,016              |
| Grants and subsidies                               | 15,147                   | 14,530                   | 617                |
| Depreciation and amortisation                      | 1,195                    | 1,281                    | (86)               |
| Impairment loss                                    | 1                        | 4                        | (3)                |
| Finance/borrowing costs                            | 155                      | 795                      | (640)              |
| Other expenses                                     | 321                      | 334                      | (13)               |
| <b>Total Expenses from Continuing Operations</b>   | <b>100,014</b>           | <b>90,718</b>            | <b>9,296</b>       |
| <b>Operating Result from Continuing Operations</b> | <b>-</b>                 | <b>-</b>                 | <b>-</b>           |

Total income for the year was \$100.01 million. This represents an overall increase in revenue of \$9.30 million, with total expenditure seeing a corresponding increase.

Income increased primarily as a result of additional funding provided for new government initiatives and special projects such as the Queensland Anzac Centenary Commemoration Program, G20 Leaders' Summit (including the cultural program) and public sector renewal.

Total employee expenses and supplies and services increased correspondingly as a result of these initiatives. The increase in grants and subsidies is primarily due to grant

payments made for the Queensland Anzac Centenary Commemoration Program and donation made to Typhoon Haiyan in the Philippines.

The decrease in depreciation and borrowing costs is largely the effect of the transfer of aircraft and Queensland Treasury Corporation borrowings to the Public Safety Business Agency effective 1 November 2013 as part of the machinery of government change.

## Financial position

DPC continues to maintain a sound net asset position as at 30 June 2014 through effective financial management practices.

| Department of the Premier and Cabinet | Actual 2013-14<br>\$'000 | Actual 2012-13<br>\$'000 | Variance<br>\$'000 |
|---------------------------------------|--------------------------|--------------------------|--------------------|
| <b>Current Assets</b>                 |                          |                          |                    |
| Cash and cash equivalents             | 4,058                    | 5,220                    | (1,162)            |
| Receivables                           | 9,812                    | 6,827                    | 2,985              |
| Inventories                           | 31                       | 140                      | (109)              |
| Other current assets                  | 397                      | 782                      | (385)              |
| <b>Total Current Assets</b>           | <b>14,298</b>            | <b>12,969</b>            | <b>1,329</b>       |
| <b>Non-current Assets</b>             |                          |                          |                    |
| Intangible assets                     | 2,425                    | 1,768                    | 657                |
| Property, plant and equipment         | 1,557                    | 11,662                   | (10,105)           |
| <b>Total Non-current Assets</b>       | <b>3,982</b>             | <b>13,430</b>            | <b>(9,448)</b>     |
| <b>Total Assets</b>                   | <b>18,280</b>            | <b>26,399</b>            | <b>(8,119)</b>     |
| <b>Current Liabilities</b>            |                          |                          |                    |
| Payables                              | 8,369                    | 6,814                    | 1,555              |
| Other financial liabilities           | -                        | 1,304                    | (1,304)            |
| Accrued employee benefits             | 1,730                    | 1,746                    | (16)               |
| <b>Total Current Liabilities</b>      | <b>10,099</b>            | <b>9,864</b>             | <b>235</b>         |
| <b>Non-current Liabilities</b>        |                          |                          |                    |
| Other financial liabilities           | -                        | 11,174                   | (11,174)           |
| <b>Total Non-current Liabilities</b>  | <b>-</b>                 | <b>11,174</b>            | <b>(11,174)</b>    |
| <b>Total Liabilities</b>              | <b>10,099</b>            | <b>21,038</b>            | <b>(10,939)</b>    |
| <b>Net Assets</b>                     | <b>8,181</b>             | <b>5,361</b>             | <b>2,820</b>       |
| <b>Equity</b>                         |                          |                          |                    |
| Contributed equity                    | 4,596                    | 1,776                    | 2,820              |
| Accumulated surplus                   | 3,585                    | 3,585                    | -                  |
| <b>Total Equity</b>                   | <b>8,181</b>             | <b>5,361</b>             | <b>2,820</b>       |

Current assets increased by \$1.33 million, represented primarily by an increase in receivables being partially offset by operating cashflow timing differences. Receivables increased due to Queensland Health Renewal Taskforce receivables and those receivables related to the transfer of the Government Airwing to the Public Safety Business Agency effective 1 November 2013 as part of the machinery of government change.

Current liabilities increased marginally by \$0.23 million, primarily represented by an increase in payables being offset by a decrease in loans payable. The transfer of the

Queensland Treasury Corporation loan to the Public Safety Business Agency in relation to the Government Airwing transfer represents the decrease in other financial liabilities category.

The following table provides a comparison of the actual financial results of the controlled operations of the department with the original budget published in the State Budget Papers.

## Comparison between Budget results and Actual results for 2013–14

| Department of the Premier and Cabinet              | Actual<br>\$'000 | Original Budget<br>\$'000 | Variance<br>\$'000 |
|--|------------------|---------------------------|--------------------|
| <b>Income from Continuing Operations</b>           |                  |                           |                    |
| Departmental services revenue                      | 91,095           | 84,798                    | 6,297              |
| User charges                                       | 3,116            | 5,076                     | (1,960)            |
| Grants and other contributions                     | 4,521            | 5,627                     | (1,106)            |
| Other revenue                                      | 1,282            | 4                         | 1,278              |
| <b>Total Income from Continuing Operations</b>     | <b>100,014</b>   | <b>95,505</b>             | <b>4,509</b>       |
| <b>Expenses from Continuing Operations</b>         |                  |                           |                    |
| Employee expenses                                  | 49,570           | 44,382                    | 5,188              |
| Supplies and services                              | 33,625           | 31,438                    | 2,187              |
| Grants and subsidies                               | 15,147           | 17,178                    | (2,031)            |
| Depreciation and amortisation                      | 1,195            | 1,443                     | (248)              |
| Impairment loss                                    | 1                | -                         | 1                  |
| Finance/borrowing costs                            | 155              | 724                       | (569)              |
| Other expenses                                     | 321              | 340                       | (19)               |
| <b>Total Expenses from Continuing Operations</b>   | <b>100,014</b>   | <b>95,505</b>             | <b>4,509</b>       |
| <b>Operating Result from Continuing Operations</b> | <b>-</b>         | <b>-</b>                  | <b>-</b>           |

Departmental service revenues recorded an increase against budget expectations, resultant primarily from additional funding required for the Queensland Anzac Centenary Commemoration Program, G20 Leaders' Summit and public sector renewal initiatives after the original budgets were set.

User charges income ended below budget primarily as a result of reclassifying approximately \$2 million of corporate shared charges to departmental services revenue.

Employee expenses were higher than budget expectations, primarily due to requirements for G20 events (including the cultural program) new public sector renewal initiatives and urgent legislative drafting services. Consistent with higher employee expenses, services and supplies expenditure also rose primarily as a result of these projects.

Grants and subsidies allocations were less than expected, due to net deferred funding partly offset by payments for the Queensland Anzac Centenary Commemoration Program and Queensland's donation to Typhoon Haiyan in the Philippines.

The decrease in depreciation and borrowing costs is largely due to the effect of the transfer of aircraft and Queensland Treasury Corporation borrowings to the Public Safety Business Agency effective 1 November 2013 as part of the machinery of government change.



| Department of the Premier and Cabinet | Actual<br>\$'000 | Original Budget<br>\$'000 | Variance<br>\$'000 |
|---------------------------------------|------------------|---------------------------|--------------------|
| <b>Current Assets</b>                 |                  |                           |                    |
| Cash and cash equivalents             | 4,058            | 1,991                     | 2,067              |
| Receivables                           | 9,812            | 5,290                     | 4,522              |
| Inventories                           | 31               | 129                       | (98)               |
| Other current assets                  | 397              | 411                       | (14)               |
| <b>Total Current Assets</b>           | <b>14,298</b>    | <b>7,821</b>              | <b>6,477</b>       |
| <b>Non-current Assets</b>             |                  |                           |                    |
| Intangible assets                     | 2,425            | 2,058                     | 367                |
| Property, plant and equipment         | 1,557            | 10,878                    | (9,321)            |
| <b>Total Non-current Assets</b>       | <b>3,982</b>     | <b>12,936</b>             | <b>(8,954)</b>     |
| <b>Total Assets</b>                   | <b>18,280</b>    | <b>20,757</b>             | <b>(2,477)</b>     |
| <b>Current Liabilities</b>            |                  |                           |                    |
| Payables                              | 8,369            | 2,292                     | 6,077              |
| Other financial liabilities           | -                | 1,386                     | (1,386)            |
| Accrued employee benefits             | 1,730            | 1,894                     | (164)              |
| <b>Total Current Liabilities</b>      | <b>10,099</b>    | <b>5,572</b>              | <b>4,527</b>       |
| <b>Non-current Liabilities</b>        |                  |                           |                    |
| Other financial liabilities           | -                | 9,824                     | (9,824)            |
| <b>Total Non-current Liabilities</b>  | <b>-</b>         | <b>9,824</b>              | <b>(9,824)</b>     |
| <b>Total Liabilities</b>              | <b>10,099</b>    | <b>15,396</b>             | <b>- 5,297</b>     |
| <b>Net Assets</b>                     | <b>8,181</b>     | <b>5,361</b>              | <b>2,820</b>       |
| <b>Equity</b>                         |                  |                           |                    |
| Contributed equity                    | 4,596            | 1,776                     | 2,820              |
| Accumulated surplus                   | 3,585            | 3,585                     | -                  |
| <b>Total Equity</b>                   | <b>8,181</b>     | <b>5,361</b>              | <b>2,820</b>       |

Current receivables were higher than budget expectations due to revenue derived from Queensland Health in relation to Queensland Health Renewal Taskforce expenses and receivables from Public Safety Business Agency for Government Airwing expenses.

Variances between actual and budget for plant and equipment and other financial liabilities primarily represent the transfer of the Government Airwing to the Public Safety Business Agency.

The increase in contributed equity is the result of equity injections for implementation of the new e-Legislation system and the transfer of the Government Airwing to the Public Safety Business Agency.

## Glossary of terms

**ACQGWG** Anzac Centenary Queensland Government Working Group

**AM** Member of the Order of Australia

**ANSZOG** Australia and New Zealand School of Government

**AO** Office of the Order of Australia

**ARMC** Audit and Risk Management Committee

**ARR** Annual Report Requirements for Queensland Government Agencies

**B20** Business 20

**BEM** British Empire Medal

**CBRC** Cabinet Budget Review Committee

**CCE** Commission Chief Executive

**CEO** Chief Executive Officer

**CFO** Chief Finance Officer

**CGG** Corporate Governance Group

**CoA** Commission of Audit

**COAG** Council of Australian Governments

**CRM** Client Relationship Management

**DDG** Deputy Director-General

**DETE** Department of Education, Training and Employment

**DG** Director-General

**DJAG** Department of Justice and Attorney-General

**DPC** Department of the Premier and Cabinet

**ED** Executive Director

**eDRMS** Electronic Document and Records Management System

**EEDA** East of England Development Agency

**EOS** Employee Opinion Survey

**FAA** *Financial Accountability Act 2009*

**FLP** Fundamental Legislative Principles

**FPMS** *Financial and Performance Management Standard 2009*

**FTE** Full-time equivalent

**G20** Group of Twenty

**GES** Government and Executive Support

**GST** Goods and Services Tax

**HP TRIM** Hewlett-Packard Total Records and Information Management

**ICT** Information and communication technology

**LDeP** Legislative Drafting and e-Publishing

**MP** Member of Parliament

**OBE** Order of the British Empire

**OBPR** Office of Best Practice Regulation

**OQPC** Office of the Queensland Parliamentary Counsel

**PACCS** Policy Advice, Coordination and Cabinet Support

**PACSR** Police and Community Safety Review

**PC** Personal computer

**PCC** Parliamentary Counsel's Committee

**PIMS** Performance Information Management System

**PSC** Public Service Commission

**PSRB** Public Sector Renewal Board

**QACCAC** Queensland Advisory Committee of the Commemoration of the Anzac Centenary

**QAO** Queensland Audit Office

**QCECC** Queensland Commemorative Events and Celebrations Committee

**QR** Queensland Rail

**QTT** Queensland Treasury and Trade

**QuILLS** Queensland Integrated Legislation Lifecycle System

**QVAC** Queensland Veterans' Advisory Council

**RFD** Reserve Force Decoration

**RNA** Royal National Agriculture and Industrial Association of Queensland

**SAP** Systems Applications Products

**UK** United Kingdom

**UNESCO** United Nations Educational, Scientific and Cultural Organisation

**WHC** World Heritage Committee

**XML** eXtensible Markup Language

## Compliance checklist

| Summary of requirement                |  | Basis for requirement  | Annual Report reference  |
|---------------------------------------|--|--|--|
| Letter of compliance                  | <ul style="list-style-type: none"> <li>A letter of compliance from the accountable officer or statutory body to the relevant Minister</li> </ul> | ARRs – section 8   | Letter of compliance   |
| Accessibility                         | <ul style="list-style-type: none"> <li>Table of contents</li> </ul>  | ARRs – section 10.1  | Contents<br>Glossary   |
|                                       | <ul style="list-style-type: none"> <li>Glossary</li> </ul>   |  |  |
|                                       | <ul style="list-style-type: none"> <li>Public availability</li> </ul>  | ARRs – section 10.2  | Communication objective  |
|                                       | <ul style="list-style-type: none"> <li>Interpreter service statement</li> </ul>  | <i>Queensland Government Language Services Policy</i><br>ARRs – section 10.3 | Communication objective  |
|                                       | <ul style="list-style-type: none"> <li>Copyright notice</li> </ul>   | <i>Copyright Act 1968</i><br>ARRs – section 10.4                             | Copyright  |
| General information                   | <ul style="list-style-type: none"> <li>Information licensing</li> </ul>  | <i>QGEA – Information licensing</i><br>ARRs – section 10.5                   | Communication objective  |
|                                       | <ul style="list-style-type: none"> <li>Introductory Information</li> </ul>   | ARRs – section 11.1  | Message from the Director-General<br>DPCs roles and functions<br>(includes OQPC)   |
|                                       | <ul style="list-style-type: none"> <li>Agency role and main functions</li> </ul>   | ARRs – section 11.2  | DPCs roles and functions<br>(includes OQPC)<br>List of legislation                 |
|                                       | <ul style="list-style-type: none"> <li>Operating environment</li> </ul>  | ARRs – section 11.3  | Message from the Director-General  |
| Non-financial performance             | <ul style="list-style-type: none"> <li>Machinery of government changes</li> </ul>  | ARRs – section 11.4  | Public Sector Renewal  |
|                                       | <ul style="list-style-type: none"> <li>Government objectives for the community</li> </ul>  | ARRs – section 12.1  | Message from the Director-General<br>Key Achievements<br>DPC's roles and functions |
|                                       | <ul style="list-style-type: none"> <li>Other whole-of-government plans / specific initiatives</li> </ul>   | ARRs – section 12.2  | DPC's roles and functions  |
|                                       | <ul style="list-style-type: none"> <li>Agency objectives and performance indicators</li> </ul>   | ARRs – section 12.3  | 2012-16 Strategic Plan v2<br>Our achievements                                      |
| Financial performance                 | <ul style="list-style-type: none"> <li>Agency service areas, service standards and other measures</li> </ul>                                     | ARRs – section 12.4  | Our achievements   |
|                                       | <ul style="list-style-type: none"> <li>Summary of financial performance</li> </ul>   | ARRs – section 13.1  | Financial Summary  |
|                                       |  |  |  |
| Governance – management and structure | <ul style="list-style-type: none"> <li>Organisational structure</li> </ul>   | ARRs – section 14.1  | DPC's roles and functions<br>(Includes OQPC)                                       |
|                                       | <ul style="list-style-type: none"> <li>Executive management</li> </ul>   | ARRs – section 14.2  | Corporate governance   |
|                                       | <ul style="list-style-type: none"> <li>Related entities</li> </ul>   | ARRs – section 14.3  | Statutory reports<br>Statutory bodies  |

| Summary of requirement                                 |   | Basis for requirement   | Annual report reference  |
|--|---|---|--|
|  | <b>Government bodies</b>  | ARRs – section 14.4   | Government bodies  |
|  | <b>Public Sector Ethics Act 1994</b>                                | <i>Public Sector Ethics Act 1994</i><br>(section 23 and Schedule)<br>ARRs – section 14.5          | Our people   |
| <b>Governance – risk management and accountability</b> | <b>Risk management</b>  | ARRs – section 15.1   | DPC governance<br>ARMC   |
|  | <b>External Scrutiny</b>  | ARRs – section 15.2   | Corporate support functions<br>External scrutiny                 |
|  | <b>Audit committee</b>  | ARRs – section 15.3   | Corporate governance<br>ARMC                                     |
|  | <b>Internal Audit</b>   | ARRs – section 15.4   | Corporate governance<br>Internal audit                           |
|  | <b>Public Sector Renewal Program</b>                                | ARRs – section 15.5   | Message from the Director-General<br>Key achievements            |
|  | <b>Information systems and recordkeeping</b>                        | ARRs – section 15.7   | Corporate support functions<br>Recordkeeping<br>Business systems |
| <b>Governance – human resources</b>                    | <b>Workforce planning, attraction and retention and performance</b> | ARRs – section 16.1   | Our people   |
|  | <b>Early retirement, redundancy and retrenchment</b>                | Directive No.11/12 <i>Early Retirement, Redundancy and Retrenchment</i><br>ARRs – section 16.2    | Our people   |
| <b>Open Data</b>                                       | <b>Open Data</b>  | ARRs – section 17   | Key achievements   |
| <b>Financial statements</b>                            | <b>Certification of financial statements</b>                        | FAA – section 62<br>FPMS – sections 42, 43 and 50<br>ARRs – section 18.1                          | Financial statements   |
|  | <b>Independent Auditors Report</b>                                  | FAA – section 62<br>FPMS – section 50<br>ARRs – section 18.2                                      | Financial statements   |
|  | <b>Remuneration disclosures</b>                                     | <i>Financial Reporting Requirements for Queensland Government Agencies</i><br>ARRs – section 18.3 | Financial statements   |

FAA – Financial Accountability Act 2009

FPMS – Financial and Performance Management Standards 2009

ARRs – Annual Report requirements for Queensland Government Agencies

**Appendix – Additional items to be published online:**

- **Overseas travel**
- **Consultancies**
- **Queensland Cultural Diversity Policy**



# Department of the Premier and Cabinet Financial Statements

for the year ended 30 June 2014



## Department of the Premier and Cabinet Financial Statements 2013-14

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These financial statements cover the Department of the Premier and Cabinet.

The Department of the Premier and Cabinet is a Queensland Government Department established under the *Public Service Act 2008*.

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

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

100 George Street  
BRISBANE QLD 4000

A description of the nature of the department's operations and its principal activities is included in the notes to the financial statements.

For information in relation to the department's financial report please call (07) 3003 9218, email [premiers.master@premiers.qld.gov.au](mailto:premiers.master@premiers.qld.gov.au) or visit the departmental Internet site [www.premiers.qld.gov.au](http://www.premiers.qld.gov.au).

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

**Department of the Premier and Cabinet  
Statement of Comprehensive Income  
for the year ended 30 June 2014**

|  | <b>Notes</b> | <b>2014<br/>\$'000</b> | <b>2013<br/>\$'000</b> |
|--|--------------|------------------------|------------------------|
| <b>Income from Continuing Operations</b>         |              |                        |                        |
| Appropriation revenue for services               | 3            | 91,095                 | 83,884                 |
| User charges and fees                            | 4            | 3,116                  | 4,873                  |
| Grants and other contributions                   | 5            | 4,521                  | 1,084                  |
| Other revenue                                    | 7            | 1,282                  | 587                    |
| <b>Total Revenue</b>                             |              | <b>100,014</b>         | <b>90,428</b>          |
| Gains on disposal/remeasurement of assets        | 6            | -                      | 290                    |
| <b>Total Income from Continuing Operations</b>   |              | <b>100,014</b>         | <b>90,718</b>          |
| <b>Expenses from Continuing Operations</b>       |              |                        |                        |
| Employee expenses                                | 8            | 49,570                 | 46,165                 |
| Supplies and services                            | 10           | 33,625                 | 27,609                 |
| Grants and subsidies                             | 11           | 15,147                 | 14,530                 |
| Depreciation and amortisation                    | 12           | 1,195                  | 1,281                  |
| Impairment losses                                | 13           | 1                      | 4                      |
| Finance/borrowing costs                          | 14           | 155                    | 795                    |
| Other expenses                                   | 15           | 321                    | 334                    |
| <b>Total Expenses from Continuing Operations</b> |              | <b>100,014</b>         | <b>90,718</b>          |
| <b>Operating Result for the Year</b>             |              | <b>-</b>               | <b>-</b>               |
| <b>Other Comprehensive Income</b>                |              | <b>-</b>               | <b>-</b>               |
| <b>Total Comprehensive Income</b>                |              | <b>-</b>               | <b>-</b>               |

The accompanying notes form part of these statements.

**Department of the Premier and Cabinet  
Statement of Financial Position  
as at 30 June 2014**

|                                      | <b>Notes</b> | <b>2014<br/>\$'000</b> | <b>2013<br/>\$'000</b> |
|--------------------------------------|--------------|------------------------|------------------------|
| <b>Current Assets</b>                |              |                        |                        |
| Cash and cash equivalents            | 16           | 4,058                  | 5,220                  |
| Receivables                          | 17           | 9,812                  | 6,827                  |
| Inventories                          | 18           | 31                     | 140                    |
| Other current assets                 | 19           | 397                    | 782                    |
| <b>Total Current Assets</b>          |              | <b>14,298</b>          | <b>12,969</b>          |
| <b>Non-current Assets</b>            |              |                        |                        |
| Intangible assets                    | 20           | 2,425                  | 1,768                  |
| Property, plant and equipment        | 21           | 1,557                  | 11,662                 |
| <b>Total Non-current Assets</b>      |              | <b>3,982</b>           | <b>13,430</b>          |
| <b>Total Assets</b>                  |              | <b>18,280</b>          | <b>26,399</b>          |
| <b>Current Liabilities</b>           |              |                        |                        |
| Payables                             | 22           | 8,369                  | 6,814                  |
| Interest-bearing liabilities         | 23           | -                      | 1,304                  |
| Accrued employee benefits            | 24           | 1,730                  | 1,746                  |
| <b>Total Current Liabilities</b>     |              | <b>10,099</b>          | <b>9,864</b>           |
| <b>Non-current Liabilities</b>       |              |                        |                        |
| Interest-bearing liabilities         | 23           | -                      | 11,174                 |
| <b>Total Non-current Liabilities</b> |              | <b>-</b>               | <b>11,174</b>          |
| <b>Total Liabilities</b>             |              | <b>10,099</b>          | <b>21,038</b>          |
| <b>Net Assets</b>                    |              | <b>8,181</b>           | <b>5,361</b>           |
| <b>Equity</b>                        |              |                        |                        |
| Contributed equity                   |              | 4,596                  | 1,776                  |
| Accumulated surplus/deficit          |              | 3,585                  | 3,585                  |
| <b>Total Equity</b>                  |              | <b>8,181</b>           | <b>5,361</b>           |

The accompanying notes form part of these statements.

**Department of the Premier and Cabinet  
Statement of Changes in Equity  
for the year ended 30 June 2014**

|   | <b>Contributed Equity</b> |               | <b>Accumulated Surplus</b> |               | <b>Total</b>  |               |
|---|---------------------------|---------------|----------------------------|---------------|---------------|---------------|
|   | <b>2014</b>               | <b>2013</b>   | <b>2014</b>                | <b>2013</b>   | <b>2014</b>   | <b>2013</b>   |
|   | <b>\$'000</b>             | <b>\$'000</b> | <b>\$'000</b>              | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> |
| <b>Balance as at 1 July</b>   | 1,776                     | 1,640         | 3,585                      | 3,585         | 5,361         | 5,225         |
| Operating Result from Continuing Operations   | -                         | -             | -                          | -             | -             | -             |
| <i>Transactions with Owners as Owners:</i>  |                           |               |                            |               |               |               |
| - Appropriated equity injections (note 3)   | 1,644                     | 136           | -                          | -             | 1,644         | 136           |
| - Appropriated equity withdrawals   | -                         | -             | -                          | -             | -             | -             |
| Net assets transferred via machinery of government change (Government Airwing) (note 27b) | 1,176                     | -             | -                          | -             | 1,176         | -             |
| <i>Net Transactions with Owners as Owners</i>   | <b>2,820</b>              | <b>136</b>    | <b>-</b>                   | <b>-</b>      | <b>2,820</b>  | <b>136</b>    |
| <b>Balance as at 30 June</b>  | <b>4,596</b>              | <b>1,776</b>  | <b>3,585</b>               | <b>3,585</b>  | <b>8,181</b>  | <b>5,361</b>  |

The accompanying notes form part of these statements.

**Department of the Premier and Cabinet  
Statement of Cash Flows  
for the year ended 30 June 2014**

|   | <b>Notes</b> | <b>2014<br/>\$'000</b> | <b>2013<br/>\$'000</b> |
|---|--------------|------------------------|------------------------|
| <b>Cash flows from operating activities</b>                 |              |                        |                        |
| <i>Inflows:</i>   |              |                        |                        |
| Service appropriation receipts                              |              | 92,919                 | 82,690                 |
| User charges and fees                                       |              | 3,335                  | 4,437                  |
| Grants and other contributions                              |              | 1,424                  | 969                    |
| GST input tax credits from ATO                              |              | 3,937                  | 3,027                  |
| GST collected from customers                                |              | 270                    | 343                    |
| Other   |              | 1,300                  | 587                    |
| <i>Outflows:</i>  |              |                        |                        |
| Employee expenses   |              | (49,464)               | (45,318)               |
| Supplies and services                                       |              | (33,914)               | (25,638)               |
| Grants and subsidies  |              | (13,886)               | (14,063)               |
| Finance/borrowing costs                                     |              | (188)                  | (798)                  |
| Insurance premiums  |              | (91)                   | (219)                  |
| GST paid to suppliers                                       |              | (3,798)                | (3,039)                |
| GST remitted to ATO   |              | (218)                  | (291)                  |
| Advances to other agencies                                  |              | (100)                  | 1,857                  |
| Other   |              | (366)                  | 151                    |
| <b>Net cash provided by (used in) operating activities</b>  | <b>25</b>    | <b>1,160</b>           | <b>4,695</b>           |
| <b>Cash flows from investing activities</b>                 |              |                        |                        |
| <i>Outflows:</i>  |              |                        |                        |
| Payments for property, plant and equipment                  |              | (141)                  | (74)                   |
| Payments for intangibles                                    |              | (1,325)                | (441)                  |
| <b>Net cash provided by (used in) investing activities</b>  |              | <b>(1,466)</b>         | <b>(515)</b>           |
| <b>Cash flows from financing activities</b>                 |              |                        |                        |
| <i>Inflows:</i>   |              |                        |                        |
| Equity injections   |              | 1,644                  | 136                    |
| <i>Outflows:</i>  |              |                        |                        |
| Borrowing redemptions                                       |              | (311)                  | (1,197)                |
| <b>Net cash provided by (used in) financing activities</b>  |              | <b>1,333</b>           | <b>(1,061)</b>         |
| Net cash transferred resulting from MoG changes             | <b>27</b>    | (2,189)                | -                      |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |              | <b>(1,162)</b>         | <b>3,120</b>           |
| Cash and cash equivalents at beginning of financial year    |              | 5,220                  | 2,100                  |
| <b>Cash and cash equivalents at end of financial year</b>   | <b>16</b>    | <b>4,058</b>           | <b>5,220</b>           |

The accompanying notes form part of these statements.



**Department of the Premier and Cabinet**  
**Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs**  
**for the year ended 30 June 2014**

|  | Policy Advice,<br>Coordination and<br>Cabinet Support |                | Government<br>Executive Support |                | Legislative Drafting and<br>e-Publishing |                | Public Sector Renewal |                | General<br>Not Attributed |                | Total          |                |
|--|---|----------------|---------------------------------|----------------|--|----------------|-----------------------|----------------|---------------------------|----------------|----------------|----------------|
|  | 2014<br>\$'000  | 2013<br>\$'000 | 2014<br>\$'000                  | 2013<br>\$'000 | 2014<br>\$'000                           | 2013<br>\$'000 | 2014<br>\$'000        | 2013<br>\$'000 | 2014<br>\$'000            | 2013<br>\$'000 | 2014<br>\$'000 | 2013<br>\$'000 |
| <b>Income from Continuing Operations *</b>   |   |                |                                 |                |  |                |                       |                |                           |                |                |                |
| Appropriation revenue for services   | 32,898  | 34,672         | 40,319                          | 38,205         | 12,032                                   | 11,007         | 4,721                 | -              | 1,125                     | -              | 91,095         | 83,884         |
| User charges and fees  | 18  | 68             | 2,151                           | 2,386          | 277                                      | 149            | -                     | -              | 670                       | 2,270          | 3,116          | 4,873          |
| Grants and other contributions   | -   | 14             | 994                             | 1,070          | -  | -              | 3,527                 | -              | -                         | -              | 4,521          | 1,084          |
| Other revenue  | 505   | 182            | 667                             | 331            | 67                                       | 74             | 43                    | -              | -                         | -              | 1,282          | 587            |
| <b>Total Revenue</b>   | <b>33,421</b>   | <b>34,936</b>  | <b>44,131</b>                   | <b>41,992</b>  | <b>12,376</b>                            | <b>11,230</b>  | <b>8,291</b>          | <b>-</b>       | <b>1,795</b>              | <b>2,270</b>   | <b>100,014</b> | <b>90,428</b>  |
| Gains on disposal/remeasurement of assets  | -   | -              | -                               | 290            | -  | -              | -                     | -              | -                         | -              | -              | 290            |
| <b>Total Income from Continuing Operations</b>   | <b>33,421</b>   | <b>34,936</b>  | <b>44,131</b>                   | <b>42,282</b>  | <b>12,376</b>                            | <b>11,230</b>  | <b>8,291</b>          | <b>-</b>       | <b>1,795</b>              | <b>2,270</b>   | <b>100,014</b> | <b>90,718</b>  |
| <b>Expenses from Continuing Operations</b>   |   |                |                                 |                |  |                |                       |                |                           |                |                |                |
| Employee expenses  | 17,696  | 17,430         | 18,448                          | 19,442         | 8,645                                    | 8,137          | 4,151                 | -              | 630                       | 1,156          | 49,570         | 46,165         |
| Supplies and services  | 6,213   | 8,075          | 18,947                          | 15,735         | 3,313                                    | 2,775          | 4,046                 | -              | 1,106                     | 1,024          | 33,625         | 27,609         |
| Grants and subsidies   | 9,010   | 9,071          | 6,034                           | 5,459          | 71                                       | -              | 32                    | -              | -                         | -              | 15,147         | 14,530         |
| Depreciation and amortisation  | 394   | 325            | 379                             | 563            | 316                                      | 303            | 47                    | -              | 59                        | 90             | 1,195          | 1,281          |
| Impairment losses  | 1   | 4              | -                               | -              | -  | -              | -                     | -              | -                         | -              | 1              | 4              |
| Finance/borrowing costs  | -   | -              | 155                             | 795            | -  | -              | -                     | -              | -                         | -              | 155            | 795            |
| Other expenses   | 107   | 31             | 168                             | 288            | 31                                       | 15             | 15                    | -              | -                         | -              | 321            | 334            |
| <b>Total Expenses from Continuing Operations</b>   | <b>33,421</b>   | <b>34,936</b>  | <b>44,131</b>                   | <b>42,282</b>  | <b>12,376</b>                            | <b>11,230</b>  | <b>8,291</b>          | <b>-</b>       | <b>1,795</b>              | <b>2,270</b>   | <b>100,014</b> | <b>90,718</b>  |
| <b>Operating Result from Continuing Operations</b>   | <b>-</b>  | <b>-</b>       | <b>-</b>                        | <b>-</b>       | <b>-</b>                                 | <b>-</b>       | <b>-</b>              | <b>-</b>       | <b>-</b>                  | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Other Comprehensive Income</b>  | <b>-</b>  | <b>-</b>       | <b>-</b>                        | <b>-</b>       | <b>-</b>                                 | <b>-</b>       | <b>-</b>              | <b>-</b>       | <b>-</b>                  | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>Total Comprehensive Income</b>  | <b>-</b>  | <b>-</b>       | <b>-</b>                        | <b>-</b>       | <b>-</b>                                 | <b>-</b>       | <b>-</b>              | <b>-</b>       | <b>-</b>                  | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| *Allocation of income and expenses from ordinary activities to corporate services (disclosure only): |   |                |                                 |                |  |                |                       |                |                           |                |                |                |
| Income   | 145   | 207            | 148                             | 294            | 67                                       | 97             | 43                    | -              | -                         | -              | 403            | 598            |
| Expenses   | 5,297   | 4,875          | 6,140                           | 7,305          | 2,488                                    | 2,285          | 987                   | -              | 1,795                     | 2,270          | 16,707         | 16,735         |

Department of the Premier and Cabinet  
Statement of Assets and Liabilities by Major Departmental Services, CBUs and SSPs  
as at 30 June 2014

|                                      | Policy Advice,<br>Coordination and Cabinet<br>Support |              | Government<br>Executive Support |               | Legislative Drafting and<br>e-Publishing |              | Public Sector Renewal |          | Total         |               |
|--------------------------------------|---|--------------|---------------------------------|---------------|--|--------------|-----------------------|----------|---------------|---------------|
|                                      | 2014  | 2013         | 2014                            | 2013          | 2014                                     | 2013         | 2014                  | 2013     | 2014          | 2013          |
|                                      | \$'000  | \$'000       | \$'000                          | \$'000        | \$'000                                   | \$'000       | \$'000                | \$'000   | \$'000        | \$'000        |
| <b>Current Assets</b>                |   |              |                                 |               |  |              |                       |          |               |               |
| Cash and cash equivalents            | 2,383   | 2,758        | 3,018                           | 2,331         | 778                                      | 131          | (2,121)               | -        | 4,058         | 5,220         |
| Receivables                          | 551   | 1,099        | 5,341                           | 5,384         | 433                                      | 344          | 3,487                 | -        | 9,812         | 6,827         |
| Inventories                          | -   | -            | 31                              | 140           | -  | -            | -                     | -        | 31            | 140           |
| Other current assets                 | 126   | 130          | 174                             | 592           | 59                                       | 60           | 38                    | -        | 397           | 782           |
| <b>Total Current Assets</b>          | <b>3,060</b>  | <b>3,987</b> | <b>8,564</b>                    | <b>8,447</b>  | <b>1,270</b>                             | <b>535</b>   | <b>1,404</b>          | <b>-</b> | <b>14,298</b> | <b>12,969</b> |
| <b>Non-current Assets</b>            |   |              |                                 |               |  |              |                       |          |               |               |
| Intangible assets                    | 568   | 546          | 442                             | 816           | 1,146                                    | 406          | 269                   | -        | 2,425         | 1,768         |
| Property, plant and equipment        | 298   | 353          | 942                             | 11,042        | 235                                      | 267          | 82                    | -        | 1,557         | 11,662        |
| <b>Total Non-current Assets</b>      | <b>866</b>  | <b>899</b>   | <b>1,384</b>                    | <b>11,858</b> | <b>1,381</b>                             | <b>673</b>   | <b>351</b>            | <b>-</b> | <b>3,982</b>  | <b>13,430</b> |
| <b>Total Assets</b>                  | <b>3,926</b>  | <b>4,886</b> | <b>9,948</b>                    | <b>20,305</b> | <b>2,651</b>                             | <b>1,207</b> | <b>1,755</b>          | <b>-</b> | <b>18,280</b> | <b>26,399</b> |
| <b>Current Liabilities</b>           |   |              |                                 |               |  |              |                       |          |               |               |
| Payables                             | 1,402   | 2,875        | 5,079                           | 3,690         | 503                                      | 249          | 1,385                 | -        | 8,369         | 6,814         |
| Interest-bearing liabilities         | -   | -            | -                               | 1,304         | -  | -            | -                     | -        | -             | 1,304         |
| Accrued employee benefits            | 603   | 581          | 695                             | 857           | 287                                      | 308          | 145                   | -        | 1,730         | 1,746         |
| <b>Total Current Liabilities</b>     | <b>2,005</b>  | <b>3,456</b> | <b>5,774</b>                    | <b>5,851</b>  | <b>790</b>                               | <b>557</b>   | <b>1,530</b>          | <b>-</b> | <b>10,099</b> | <b>9,864</b>  |
| <b>Non-current Liabilities</b>       |   |              |                                 |               |  |              |                       |          |               |               |
| Interest-bearing liabilities         | -   | -            | -                               | 11,174        | -  | -            | -                     | -        | -             | 11,174        |
| <b>Total Non-current Liabilities</b> | <b>-</b>  | <b>-</b>     | <b>-</b>                        | <b>11,174</b> | <b>-</b>                                 | <b>-</b>     | <b>-</b>              | <b>-</b> | <b>-</b>      | <b>11,174</b> |
| <b>Total Liabilities</b>             | <b>2,005</b>  | <b>3,456</b> | <b>5,774</b>                    | <b>17,025</b> | <b>790</b>                               | <b>557</b>   | <b>1,530</b>          | <b>-</b> | <b>10,099</b> | <b>21,038</b> |

Please note the department has systems in place to allocate assets and liabilities by departmental service.

**Department of the Premier and Cabinet**  
**Notes to and Forming Part of the Financial Statements 2013-14**

Objectives and Principal Activities of the Department

Note 1: Summary of Significant Accounting Policies

Note 2: Major Departmental Services of the Department

Note 3: Reconciliation of Payments from Consolidated Fund to Appropriation Revenue for Services Recognised in Statement of Comprehensive Income

Reconciliation of Payments from Consolidated Fund to Equity Adjustment Recognised in Contributed Equity

Note 4: User Charges and Fees

Note 5: Grants and Other Contributions

Note 6: Gains on Disposal/Remeasurement of Assets

Note 7: Other Revenue

Note 8: Employee Expenses

Note 9: Key Management Personnel and Remuneration Expenses

Note 10: Supplies and Services

Note 11: Grants and Subsidies

Note 12: Depreciation and Amortisation

Note 13: Impairment Losses

Note 14: Finance/Borrowing Costs

Note 15: Other Expenses

Note 16: Cash and Cash Equivalents

Note 17: Receivables

Note 18: Inventories

Note 19: Other Current Assets

Note 20: Intangible Assets

Note 21: Property, Plant and Equipment

Note 22: Payables

Note 23: Interest-bearing Liabilities

Note 24: Accrued Employee Benefits

Note 25: Reconciliation of Operating Surplus/(Deficit) to Net Cash from Operating Activities

Note 26: Non-Cash Financing and Investing Activities

Note 27: Machinery of Government Transfers

Note 28: Commitments for Expenditure

Note 29: Contingencies

Note 30: Events Occurring after Balance Date

Note 31: Financial Instruments

Note 32: Schedule of Administered Items

Note 33: Reconciliation of Payments from Consolidated Fund to Administered Revenue

Note 34: Trust Transactions and Balances

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

The Department of the Premier and Cabinet's key stakeholder is the Premier with the major role of the department being to support the priorities of the Premier and Cabinet.

The department is committed to supporting the delivery of the government's community objectives through providing robust, objective policy advice, coordinating Cabinet support and managing the business of government.

Priorities for the department include:

- Lead policy development and implementation
- Provide better services for customers and stakeholders
- Lead the Public Sector Renewal Program and
- Provide contemporary systems and processes.

The department's vision is to be the best lead agency in the Australian public sector, with an efficient, modern and customer-oriented public service.

The department will drive this vision through the following strategic objectives:

Objective 1: Provide the Premier and Cabinet with independent, rigorous and forward-looking policy advice

Objective 2: Lead a resilient, innovative public sector

Objective 3: Strengthen organisational capability and agility

Objective 4: Deliver a long term strategic vision for Queensland

Objective 5: Lead the revitalisation of frontline services through the renewal of the public sector.

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

### **(a) Statement of Compliance**

The Department of the Premier and Cabinet has prepared these financial statements in compliance with section 42 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2014 and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Department of the Premier and Cabinet has applied those requirements applicable to not-for-profit entities, as the Department of the Premier and Cabinet is a not-for-profit department. Except where stated, the historical cost convention is used.

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

The 2013-14 financial statements only include the value of all assets, liabilities, equity, revenue and expenses of the Department of the Premier and Cabinet.

The major departmental services undertaken by the department are disclosed in note 2.

### **(c) Administered Transactions and Balances**

The department administers, but does not control, certain resources on behalf of the Government. In doing so, it has responsibility and is accountable for administering related transactions and items, but does not have the discretion to deploy the resources for the achievement of the department's objectives.

Administered transactions and balances are disclosed in note 32.

### **(d) Trust Transactions and Balances**

The department undertakes certain trustee transactions on behalf of the Premier's Disaster Relief Appeal. In 2012-13 the department also facilitated the payments for the Queensland Floods Appeal 2013 on behalf of the Red Cross. Refer to note 34(b).

As the department performs only a custodial role in respect of the transactions and balances, they are not recognised in the financial statements but are disclosed in note 34. Applicable audit arrangements are also shown.

**(e) Appropriation Revenue for Services/Administered Revenue**

Appropriations provided under the *Appropriation Act 2013* are recognised as revenue when received. The appropriation receivable reflected in the financial statements as at 30 June 2014 has been approved by Queensland Treasury and Trade and recognised as revenue.

Amounts appropriated to the department for transfer to other entities in accordance with legislative or other requirements are reported as 'administered' item appropriations.

**(f) User Charges and Fees**

User charges and fees controlled by the department are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges and fees are controlled by the department where they can be deployed for the achievement of departmental objectives.

**(g) Grants and Other Contributions - Revenue**

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the department obtains control over them. Where grants are received that are reciprocal in nature, revenue is recognised as various performance obligations under the funding agreement are fulfilled.

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

**(h) Grants and Subsidies - Expense**

A non-reciprocal grant is a payment or contribution made to an organisation or person which is not to be repaid or reciprocated, but which must be spent by the recipient for a specific purpose. Accordingly, non-reciprocal grant payments are expensed when the payment is made.

Where the grant payment is reciprocal in nature, an asset (prepayment) is recognised when the payment is made. This prepayment is expensed as the grant recipient satisfies the performance obligations under the funding agreement.

A subsidy payment is a payment or contribution made to an organisation or person which is not repaid or reciprocated. Gifts and donations made are included in subsidy payments.

**(i) Special Payments**

Special payments include ex-gratia expenditure and other expenditure that the department is not contractually or legally obligated to make to other parties. In compliance with the *Financial and Performance Management Standard 2009*, the department maintains a register setting out details of all special payments greater than \$5,000. The total of all special payments (including those of \$5,000 or less) is disclosed separately within Other Expenses (note 15). There were no special payments made by the department in the 2013-14 financial year.

**(j) 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 2014 as well as deposits at call with financial institutions. It also includes investments with short periods to maturity (less than 90 days) that are readily convertible to cash at the department's option and that are subject to a low risk of changes in value.

**(k) Receivables**

Trade debtors are recognised at amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from the invoice date.

The collectability of receivables is assessed periodically for impairment. All known bad debts were written-off as at 30 June 2014.

Other receivables generally arise from transactions outside the usual operating activities of the department and are recognised at their assessed values. No interest is charged and no security is obtained.

**(l) Inventories**

Inventories held for sale are valued at the lower of cost and net realisable value. The cost is assigned on a first-in-first-out basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition, except for training costs which are expensed as incurred.



**(l) Inventories (cont'd)**

Net realisable value is determined on the basis of the department's normal selling pattern. Expenses associated with marketing, selling and distribution are deducted to determine net realisable value.

Inventories held for distribution are those inventories which the department used in the maintenance of the aircrafts. These were measured at the lower of cost and net realisable value adjusted, where applicable, for any loss of service potential. These inventories were transferred to the Public Safety Business Agency effective 1 November 2013 as part of the machinery of government change. Refer to note 27(b).

**(m) Acquisitions of Assets**

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. 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.

Where assets are received free of charge from another Queensland Government entity (whether as a result of a machinery of government or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation/amortisation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

**(n) Property, Plant and Equipment**

The department has plant and equipment classified as property, plant and equipment with a cost or other value equal to or in excess of \$5,000 threshold is recognised for financial reporting purposes in the year of acquisition.

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

**(o) Revaluations of Non-Current Physical and Intangible Assets**

Aircraft classified as major plant and equipment was transferred to the Public Safety Business Agency effective 1 November 2013 as part of the machinery of government change. Refer to note 27(b).

Major plant and equipment were measured at fair value in 2012-13 year in accordance with AASB 116 *Property, Plant and Equipment*, AASB 13 *Fair Value Measurement* and Queensland Treasury and Trade's *Non-Current Asset Policies for the Queensland Public Sector*.

Plant and equipment, (that is not classified as major plant and equipment), is measured at cost in accordance with the Non-Current Asset Policies. The carrying amounts for such plant and equipment at cost should not materially differ from their fair value.

Intangible assets are measured at cost, unless there is an active market for the assets concerned (in which case they are measured at fair value).

Non-current physical assets measured at fair value are independently revalued at least once every five years with interim valuations, using appropriate indices, being otherwise performed on an annual basis where there has been a material variation in the index.

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, of the revaluation surplus relating to that asset class.

On revaluation, accumulated depreciation is restated proportionately with the change in the carrying amount of the asset and any change in the estimate of remaining useful life.

Materiality concepts under AASB 1031 are considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

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

**(p) Intangibles**

Intangible assets with a cost or other value of \$100,000 or greater are recognised in the financial statements. Items with a lesser value are expensed. Each intangible asset, less any anticipated residual value, is amortised over its estimated useful life to the department. The residual value is zero for all the department's intangible assets.

**(p) Intangibles (cont'd)**

It has been determined that there is no active market for any of the department's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

Expenditure on research activities relating to internally generated intangible assets is recognised as an expense in the period in which it is incurred.

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 department, namely three to five years.

**(q) Amortisation and Depreciation of Intangibles and Property, Plant and Equipment**

All intangible assets of the department have finite useful lives and are amortised on a straight-line basis.

All property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over its estimated useful life to the department. Management believes this depreciation method best represents the pattern of consumption for these assets.

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 reclassified to the relevant classes within property, plant and equipment.

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 department.

For each class of depreciable asset the following depreciation and amortisation rates are used in 2013-14:

|                               | <b>Depreciation Rate</b> |
|-------------------------------|--------------------------|
| Plant and equipment:          |                          |
| Computer hardware             | 10-33%                   |
| Office equipment              | 10-20%                   |
| Other equipment/furniture     | 10-20%                   |
| Office fitout                 | 10-33%                   |
|                               | <b>Amortisation Rate</b> |
| Intangibles:                  |                          |
| Software internally generated | 20-33%                   |

Fitout classified as Plant and equipment will be fully depreciated by January 2017 as the department will be moving to 1 William Street in 2017. As a result of this, the depreciation rate increased to 33%.

**(r) Impairment of Non-current Assets**

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the department 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.

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

**(s) Leases**

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits. The department does not have any finance leases.

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred.

**(t) Payables**

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

**(u) Financial Instruments**

*Recognition*

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the department becomes a party to the contractual provisions of the financial instrument.

*Classification*

Financial instruments are classified and measured as follows:

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

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

All other disclosures relating to the measurement and financial risk management of financial instruments held by the department are included in note 31.

**(v) Interest-bearing Liabilities**

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of borrowings (or, when appropriate, a shorter period) to the net carrying amount of the borrowings.

Any borrowing costs are added to the carrying amount of the borrowings to the extent they are not settled in the period in which they arise. Borrowings are classified as non-current liabilities to the extent that the department has an unconditional right to defer settlement until at least 12 months after reporting date.

Borrowings from Queensland Treasury Corporation were transferred to the Public Safety Business Agency effective 1 November 2013 as part of the machinery of government change. Refer to note 27(b).

**(w) Employee Benefits**

Employer superannuation contributions, annual leave levies and long service leave levies are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

*Wages, Salaries and Sick Leave*

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

As the department expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

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.

*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.

**(w) Employee Benefits (cont'd)**

Under this scheme, a levy is made on the department 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.

From 1 July 2008, no provision for annual leave has been recognised in the department's financial statements as the liability 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*.

*Long Service Leave*

Under the Queensland Government's Long Service Leave Scheme, a levy is made on the department 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.

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

*Superannuation*

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

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

*Key Management Personnel and Remuneration*

Key management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury and Trade. Refer to note 9 for the disclosures on key management personnel and remuneration.

**(x) Financing/Borrowing Costs**

Finance costs are recognised as an expense in the period in which they are incurred.

Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings
- finance lease charges
- amortisation of discounts or premiums relating to borrowings and
- ancillary administration charges.

No borrowing costs are capitalised into qualifying assets.

**(y) Allocation of Revenue and Expenses from Ordinary Activities to Corporate Services**

The department discloses revenue and expenditure attributable to corporate services in the Statement of Comprehensive Income by Major Departmental Services, CBUs and SSPs.

The revenue and expenditure of the department's corporate services are allocated to the department's services on the basis of employee full-time equivalent numbers. In addition to this, during the 2013-14 financial year the department provided corporate support to the Public Service Commission, Office of the Governor and Ministerial Offices, Assistant Ministers and the Office of the Leader of the Opposition and recovered costs accordingly.

**(z) Insurance**

The department's non-current physical assets and other risks are insured with the Queensland Government Insurance Fund (QGIF), premiums being paid on a risk assessment basis including public liability. In addition, the department pays premiums to WorkCover Queensland in respect of obligations for employee compensation. This is recognised as an employee related expense. Refer to note 8.

The department had insurance to cover accident claims from nominated aircraft personnel until the Queensland Government Airwing transferred to the Public Safety Business Agency.

**(aa) 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.

**(ab) Contributed Equity**

Non-reciprocal transfer of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery of government changes are adjusted to Contributed Equity in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated. Where the balance of contributed equity is insufficient to absorb the adjustment, the remainder of the adjustment is made to accumulated surplus.

**(ac) Taxation**

The department 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 department. Any GST credits receivable from, or GST payable to the ATO, are recognised in note 17.

**(ad) Issuance of Financial Statements**

The financial statements are authorised for issue by the Director-General and the Chief Finance Officer at the date of signing the Management Certificate.

**(ae) Accounting Estimates and Judgement**

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

Estimates and assumptions with the most significant effect on the financial statements are outlined in the following notes:

Valuation of Property, Plant and Equipment – note 21

Contingencies – note 29

Depreciation and Amortisation – note 12

The Australian Government passed its *Clean Energy Act 2011* in November 2011 which resulted in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012.

The Australian Government has abolished the carbon tax with effect from 1 July 2014. The withdrawal of the carbon pricing mechanism is not expected to have a significant impact on the department's critical accounting estimates, assumptions and management judgements.

**(af) Rounding and Comparatives**

Amounts included in the financial statements are in Australian dollars and have been 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.

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

**(ag) New and Revised Accounting Standards**

The department did not voluntarily change any of its accounting policies during 2013-14. The only Australian Accounting Standard changes applicable for the first time as from 2013-14 are those arising from AASB 13 *Fair Value Measurement*, as explained below.

AASB 13 *Fair Value Measurement* became effective from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements apply to all of the department's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value.

The impacts of AASB 13 relate to the fair value measurement methodologies used and financial statement disclosures made in respect of such assets and liabilities.



**(ag) New and Revised Accounting Standards (cont'd)**

A revised version of AASB 119 *Employee Benefits* became effective for reporting periods beginning on or after 1 January 2013. As the department does not directly recognise any employee benefit liabilities (refer to note 1(w)), the only implications for the department were the revised concept of 'termination benefits' and the revised recognition criteria for termination benefit liabilities. If termination benefits meet the AASB 119 timeframe criterion for 'short-term employee benefits', they will be measured according to the AASB 119 requirements for 'short-term employee benefits'. Otherwise, termination benefits need to be measured according to the AASB 119 requirements for 'other long-term employee benefits'.

Under the revised standard, the recognition and measurement of employer obligations for 'other long-term employee benefits' are accounted for according to most of the requirements for defined benefit plans.

The revised AASB 119 includes changed criteria for accounting for employee benefits as 'short-term employee benefits'. However, as the department is a member of the Queensland Government central schemes for annual leave and long service leave, this change in criteria has no impact on the department's financial statements as the employer liability is held by the central scheme. The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans and the measurement and presentation of changes in such liabilities/assets. The department makes employer superannuation contributions only to the QSuper defined benefit plan and the corresponding QSuper employer benefit obligation is held by the State. Therefore, those changes to AASB 119 will have no impact on the department.

AASB 1053 *Application of Tiers of Australian Accounting Standards* became effective for reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two Tiers of reporting requirements – Australian Accounting Standards (commonly referred to as 'Tier 1'), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as 'Tier 2'). Tier 1 requirements comprise the full range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the Tier 1 and Tier 2 requirements is that Tier 2 requires fewer disclosures than Tier 1.

Pursuant to AASB 1053, public sector entities like the department may adopt Tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the Tier 1 requirements.

In the case of the department, Queensland Treasury and Trade is the regulator. Queensland Treasury and Trade has advised that its policy decision is to require adoption of Tier 1 reporting by all Queensland Government departments (including the department) and statutory bodies that are consolidated into the whole-of-government financial statements. Therefore, the release of AASB 1053 and associated amending standards has had no impact on the department.

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

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

AASB 1055 *Budgetary Reporting* applies from reporting periods beginning on or after 1 July 2014. The department will need to include in its 2014-15 financial statements the original budgeted figures from the Income Statement, Balance Sheet, Statement of Changes in Equity, and Cash Flow Statement as published in the 2014-15 Queensland Government's Service Delivery Statements. The budgeted figures will need to be presented consistently with the corresponding (actual) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding original budgeted figures.

In addition, the department will need to include the original budgeted information for major classes of administered income and expenses, and major classes of administered assets and liabilities. This budgeted information will need to be presented consistently with the corresponding (actual) administered information, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial information.

The following new and revised standards apply as from reporting periods beginning on or after 1 January 2014

- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 127 (revised) *Separate Financial Statements*
- AASB 128 (revised) *Investments in Associates and Joint Ventures*
- AASB 2011 -7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* [AASB 1, 2, 3, 5, 7, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17] and

**(ag) New and Revised Accounting Standards (cont'd)**

- AASB 2013-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities - Control and Structured Entities*.

AASB 9 *Financial Instruments* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] will become effective for reporting periods beginning on or after 1 January 2017. The main impacts of these standards on the department are that they will change the requirements for the classification, measurement and disclosures associated with the department's financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The department has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of AASB 9 will depend on the facts and circumstances existing at that date, the department's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the department enters into, it is not expected that any of the department's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from the 2017-18 financial statements, all of the department's financial assets are expected to be measured at fair value and classified accordingly (instead of the measurement classifications presently used in notes 1(u) and 31). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the department's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value.

All other Australian Accounting Standards and interpretations with future commencement dates are either not applicable to the department's activities, or have no material impact on the department.

**2. Major Departmental Services of the Department**

Our service areas are:

**Public Sector Renewal Service**

The Public Sector Renewal Service is responsible for the implementation of the Queensland Government's Renewal Program and the recommendations accepted from the Commission of Audit. The service supports the work of the Public Sector Renewal Board, which provides strategic leadership of the Renewal Program to assist departments shape their strategic direction and define and implement their renewal program.

The service provides advice on the implementation of the whole-of-government renewal plan, which incorporates the Government's response to the Commission of Audit. The service also provides advice to the Premier and Cabinet on opportunities to develop markets and encourage greater innovation in the delivery of government services. The service works closely with departments, the private sector and non-government organisations to enhance their understanding of contestability and renewal and to assist them in building capability to engage effectively in potential partnerships with government.

**Policy Advice, Coordination and Cabinet Support Service**

Policy Advice, Coordination and Cabinet Support Service supports the development of evidence-based policy advice and coordination for the Premier and Cabinet, as well as Cabinet-related activities to drive change across Government. The service provides detailed briefings to the Premier on policy from design and development through to coordination and implementation. It coordinates a broad range of whole-of-government activities and provides expert advice on the operation of Cabinet and its related processes, administration of all Cabinet information, custodianship of the Cabinet record from current and previous governments and direct logistical support to Ministers in Cabinet meetings including Community Cabinet meetings.

Additionally, this service area is responsible for leading key priority projects including *The Queensland Plan: a 30-year vision for Queensland* and implementing the recommendations from the Carmody Report. The service also provides advice on intergovernmental issues and supports the Premier in his role as First Minister for Council of Australian Governments (COAG) and Council for the Australian Federation (CAF) meetings. The service also monitors performance and delivery of Government policy commitments.

**2. Major Departmental Services of the Department (cont'd)**

**Government Executive Support Service**

Government Executive Support Service provides policy advice to the Premier in relation to executive government and machinery of government matters, support to the administration of business before the Executive Council and provides support services to Ministerial Offices, Assistant Ministers and the Office of the Leader of the Opposition. In addition, the service manages and coordinates events including the Anzac Centenary commemoration program, State occasions, official visits and functions, assists the Australian Government with preparations for the G20 Leaders' Summit in Brisbane and associated meetings, and coordinates State legal representation before Commissions of Inquiry.

The service also leads whole-of-government sponsorships and communication activities including ongoing engagement activities related to *The Queensland Plan: a 30-year vision for Queensland*. Government Executive Support Service is also embarking on an internal renewal program, focusing on reinvigorating corporate services to increase employee engagement and improve service delivery quality and satisfaction.

**Legislative Drafting and e-Publishing Service**

The Office of the Queensland Parliamentary Counsel (OQPC) provides the drafting and e-publishing service for Queensland legislation. The service exists to support government and democracy by drafting and e-publishing legislation of the highest quality for Queensland. This service enables the Government to implement its legislative reform agenda. OQPC makes a special contribution by advising on the application of fundamental legislative principles to ensure that legislation has sufficient regard to the rights and liberties of individuals and the Institution of Parliament.

|   | 2014<br>\$'000 | 2013<br>\$'000 |
|---|----------------|----------------|
| <b>3. Reconciliation of Payments from Consolidated Fund to Appropriation Revenue for Services Recognised in Statement of Comprehensive Income</b> |                |                |
| Budgeted appropriation revenue for services   | 84,798         | 107,777        |
| Transfer from/(to) other departments - redistribution of public business  | 2,647          | (4,209)        |
| Transfer from/(to) other headings   | 3,018          | (579)          |
| Lapsed departmental services appropriation  | -              | (20,299)       |
| Unforeseen expenditure  | 2,456          | -              |
| Total appropriation revenue for services receipts   | 92,919         | 82,690         |
| Less: Opening balance of departmental services appropriation receivable   | (3,469)        | (2,275)        |
| Plus: Closing balance of departmental services appropriation receivable   | 1,645          | 3,469          |
| <b>Appropriation revenue for services recognised in Statement of Comprehensive Income</b>   | <b>91,095</b>  | <b>83,884</b>  |
| <b>Reconciliation of Payments from Consolidated Fund to Equity Adjustment Recognised in Contributed Equity</b>                                    |                |                |
| Budgeted equity adjustment appropriation  | -              | (443)          |
| Transfer (from)/to other headings   | 1,644          | 579            |
| <b>Equity adjustment recognised in Contributed Equity</b>   | <b>1,644</b>   | <b>136</b>     |
| <b>4. User Charges and Fees</b>   |                |                |
| Corporate services partnership agreements   | 2,398          | 3,257          |
| Government Airwing services *   | 70             | 476            |
| Publications and library receipts   | 21             | 714            |
| Sales of goods/services   | 605            | 388            |
| Other   | 22             | 38             |
| <b>Total</b>  | <b>3,116</b>   | <b>4,873</b>   |

\* Refer to note 27(b)

|  | 2014<br>\$'000 | 2013<br>\$'000 |
|--|----------------|----------------|
| <b>5. Grants and Other Contributions</b>             |                |                |
| Contributions from Queensland Government departments | 3,550          | 184            |
| Commonwealth contributions                           | -              | 3              |
| Events sponsorship                                   | 971            | 897            |
| <b>Total</b>   | <b>4,521</b>   | <b>1,084</b>   |

|   |          |            |
|---|----------|------------|
| <b>6. Gains on disposal/remeasurement of assets</b> |          |            |
| Gain on revaluation of major plant and equipment    | -        | 290        |
| <b>Total</b>  | <b>-</b> | <b>290</b> |

|                                     |              |            |
|-------------------------------------|--------------|------------|
| <b>7. Other Revenue</b>             |              |            |
| Resources received below fair value | 1,248        | 447        |
| Other                               | 34           | 140        |
| <b>Total</b>                        | <b>1,282</b> | <b>587</b> |

|   | 2014<br>\$'000 | 2013<br>\$'000 |
|---|----------------|----------------|
| <b>8. Employee Expenses</b>                   |                |                |
| <b>Employee Benefits</b>                      |                |                |
| Wages and salaries                            | 36,859         | 33,236         |
| Employer superannuation contributions *       | 4,668          | 4,481          |
| Long service leave levy *                     | 758            | 720            |
| Annual leave levy *                           | 3,600          | 3,324          |
| Fringe Benefits Tax                           | 382            | 347            |
| <b>Employee Related Expenses</b>              |                |                |
| Salary related taxes *                        | 2,110          | 1,983          |
| Professional development and study assistance | 387            | 227            |
| Workers' compensation premium *               | 94             | 80             |
| Voluntary Redundancy Program **               | 480            | 1,741          |
| Other   | 232            | 26             |
| <b>Total</b>                                  | <b>49,570</b>  | <b>46,165</b>  |

\* Refer to note 1(w).

\*\* In 2013-14 the department participated in the Queensland Government's Voluntary Redundancy Program. The majority of the obligation was settled during the year with the full amount reimbursed by Queensland Treasury and Trade through the Consolidated Fund for permanent employees. While for temporary employees the department has incurred the full cost.

The number of employees as at 30 June including both full-time and part-time employees measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resources Information (MOHRI)) is:

|                      |     |     |
|----------------------|-----|-----|
| Number of Employees: | 432 | 380 |
|----------------------|-----|-----|

In addition to the number of employees reported above, the department employed 6 full-time equivalent staff engaged in the provision of corporate services to other agencies in 2013-14.

The increase in the number of employees is primarily due to creation of taskforces which aim to provide the Premier and Cabinet with independent, rigorous and forward-looking policy advice as well as coordinate the implementation of state-wide transformation initiatives. Taskforces include the Queensland Child Protection Commission of Inquiry Implementation Taskforce, Environment Taskforce and a Strategic Monitoring Taskforce to evaluate the effectiveness of the *Vicious Lawless Association Disestablishment Act 2013* (criminal bikie laws). Transfer of Public Sector Renewal from Public Service Commission, creation of G20 events (including a cultural program) and Anzac Centenary Coordination also contributed towards the increased employee numbers.

This increase is partly offset by the transfer of the Queensland Government Airwing to the Public Safety Business Agency.

Staff classified as AO8 (or equivalent) or below are employed and remunerated in line with the *Public Service Act 2008* and *State Government Departments Certified Agreement 2009*. Staff classified as senior officers are employed and remunerated in line with the *Public Service Act 2008* and the Public Service Commission directive 14/13 *Senior Officers Employment Conditions*. Senior Executive Service staff are employed and remunerated in line with the Public Service Commission directive 12/13 *Senior Executive Service Employment Conditions*.

## 9. Key Management Personnel and Remuneration Expenses

### (a) Key Management Personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2013-14. Further information on these positions can be found in the body of the Annual Report under the section Our Corporate Governance.

| Position  | Responsibilities  | Current Incumbents                                |   |
|---|---|---|---|
|   |   | Contract classification and appointment authority | Date appointed to position (Date resigned from position)  |
| Director-General  | The Director-General leads the efficient, effective and economic administration of the Department of the Premier and Cabinet.   | CEO0, <i>Public Service Act 2008</i>              | Appointed 26 March 2012   |
| Deputy Director-General Policy  | The Deputy Director-General Policy leads, directs and coordinates policy at a strategic level and supplies executive management support to the Director-General in developing and coordinating strategic policy advice across government.   | s122 (CEO4), <i>Public Service Act 2008</i>       | Appointed 16 September 2013.<br>On extended leave from 19 March 2014 to 30 June 2014                                |
| Deputy Director-General Policy  | The Deputy Director-General Policy leads, directs and coordinates policy at a strategic level and supplies executive management support to the Director-General in developing and coordinating strategic policy advice across government.   | SES4, <i>Public Service Act 2008</i>              | Seconded from DSDIP 19 March 2014   |
| Deputy Director-General Governance  | The Deputy Director-General Governance directs the provision of high level advice and services to support the constitutional, executive and administrative processes of government.   | SES3H, <i>Public Service Act 2008</i>             | Appointed 20 July 2006<br>Ceased 2 January 2014   |
| Deputy Director-General Priority Projects                                   | The Deputy Director-General Priority Projects leads the Queensland Plan, including the planning and facilitation of extensive community engagement and consultation processes across the state, as well as leading, directing and coordinating, at a strategic level, other key whole-of-government initiatives that will deliver improved services to the community. | s122 (CEO5), <i>Public Service Act 2008</i>       | Appointed 11 February 2013<br>Ceased 24 November 2013   |
| * Chief Operating Officer and Deputy Director-General Public Sector Renewal | The Chief Operating Officer and Deputy Director-General Public Sector Renewal delivers strong leadership for large scale reform across the public sector and leads the delivery of corporate and government services by the Department of the Premier and Cabinet.  | s122 (CEO4), <i>Public Service Act 2008</i>       | Appointed 16 September 2013<br>Role commenced membership of the Corporate Governance Group effective 1 October 2013 |

\* The role of Deputy Commissioner, Public Service Renewal CEO4 transferred from Public Service Commission effective 1 October 2013 and was expanded to include the delivery of corporate and government services effective 4 December 2013.



Department of the Premier and Cabinet  
Notes to and Forming Part of the Financial Statements 2013-14

9. Key Management Personnel and Remuneration Expenses (cont'd)

(a) Key Management Personnel (cont'd)

| Position                                  | Responsibilities  | Current Incumbents                                |   |
|---|---|---|---|
|   |   | Contract classification and appointment authority | Date appointed to position (Date resigned from position)  |
| General Manager Corporate Services        | The General Manager Corporate Services is responsible for delivering contemporary, fit for purpose, high quality, value for money corporate services to customers of the Department of the Premier and Cabinet.   | s122 (SES3H), <i>Public Service Act 2008</i>      | Seconded from DTMR 13 January 2014.<br>Role commenced membership of the Corporate Governance Group effective 21 January 2014 Appointed 5 May 2014 |
| General Manager Government Services       | The General Manager Government Services leads and is responsible for delivering high quality advice, services and policy options to the Premier and the Department in relation to constitutional matters, national and international protocols, events management, corporate communications and ministerial services.   | s112 (SES3H), <i>Public Service Act 2008</i>      | Appointed 13 January 2014<br>Role commenced membership of the Corporate Governance Group effective 21 January 2014                                |
| General Manager Public Sector Renewal     | The General Manager Public Sector Renewal provides strategic leadership and direction to enhance stakeholder relationships across government and is responsible for driving renewal initiatives to final implementation.  | s122 (SES3H) <i>Public Service Act 2008</i>       | Role commenced membership of the Corporate Governance Group effective 21 January 2014<br>Appointed 10 March 2014                                  |
| Senior Executive Director Social Policy   | The Senior Executive Director Social Policy provides strategic leadership, direction, and co-ordination on social policy issues and provides executive management support to the Director-General and Deputy Director-General Policy Division in developing and coordinating strategic social policy across government. | s122 (SES4) <i>Public Service Act 2008</i>        | Role commenced membership of the Corporate Governance Group effective 21 January 2014<br>Appointed 3 February 2014                                |
| Senior Executive Director Economic Policy | The Senior Executive Director Economic Policy provides strategic leadership, direction, and co-ordination on economic policy issues and provides executive management support to the Director-General and Deputy Director-General Policy in developing and coordinating strategic economic policy across government.    | s122 (SES4) <i>Public Service Act 2008</i>        | Role commenced membership of the Corporate Governance Group effective 21 January 2014<br>Appointed 3 February 2014                                |
| Queensland Parliamentary Counsel          | The Queensland Parliamentary Counsel leads the efficient, effective and economic administration of the Office of the Queensland Parliamentary Counsel.  | CEO5, <i>Legislative Standards Act 1992</i>       | Appointed 25 February 2010  |
| Commission Chief Executive                | The Commission Chief Executive is responsible for the efficient, effective and economic administration of the Public Service Commission.  | CEO2, <i>Public Service Act 2008</i>              | Appointed 13 August 2012<br>Ceased 20 September 2013  |
| Commission Chief Executive                | The Commission Chief Executive is responsible for the efficient, effective and economic administration of the Public Service Commission.  | CEO2, <i>Public Service Act 2008</i>              | Appointed 23 September 2013   |

## 9. Key Management Personnel and Remuneration Expenses (cont'd)

### (b) Remuneration Expenses

Remuneration policy for the department's key management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. The remuneration and other terms of employment for the key management personnel are specified in employment contracts. The contracts may provide for other benefits including a motor vehicle allowance and for the Director-General may provide for the provision of At Risk Component payments.

For the 2013-14 year, remuneration of key management personnel increased by 2.2% (effective from 1 July 2013) in accordance with government policy.

The following disclosures focus on the expenses incurred by the department during the respective reporting periods that is 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 expenses which include:
  - Salaries, allowances and leave entitlements earned and expensed for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
  - Performance payments recognised as an expense during the year.
  - Non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses 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.

Department of the Premier and Cabinet  
Notes to and Forming Part of the Financial Statements 2013-14

9. Key Management Personnel and Remuneration Expenses (cont'd)

(b) Remuneration Expenses (cont'd)

1 July 2013 - 30 June 2014

| Position   | Short-Term Employee Expenses |                                 | Long-Term Employee Expenses | Post Employment Expenses | Termination Expenses | Total Expenses |
|--|------------------------------|---------------------------------|-----------------------------|--------------------------|----------------------|----------------|
|  | Monetary Expenses<br>\$'000  | Non-Monetary Expenses<br>\$'000 | \$'000                      | \$'000                   | \$'000               | \$'000         |
| Director-General **  | 674                          | 3                               | 12                          | 70                       | -                    | 759            |
| Deputy Director-General, Policy (16 September 2013 to 30 June 2014)  | 200                          | -                               | 3                           | 22                       | -                    | 225            |
| Deputy Director-General, Policy (19 March 2014 to 30 June 2014)  | 65                           | -                               | 1                           | 7                        | -                    | 73             |
| Deputy Director-General, Governance (1 July 2013 to 2 January 2014)  | 105                          | 13                              | 2                           | 12                       | -                    | 132            |
| Deputy Director-General, Priority Projects (1 July 2013 to 24 November 2013)                               | 120                          | -                               | 4                           | 13                       | -                    | 137            |
| Chief Operating Officer and Deputy Director-General Public Sector Renewal (1 October 2013 to 30 June 2014) | 259                          | 1                               | 5                           | 28                       | -                    | 293            |
| General Manager, Corporate Services (21 January 2014 to 30 June 2014)                                      | 99                           | -                               | 2                           | 8                        | -                    | 109            |
| General Manager, Government Services (21 January 2014 to 30 June 2014)                                     | 97                           | -                               | 2                           | 9                        | -                    | 108            |
| General Manager, Public Sector Renewal (10 March 2014 to 30 June 2014)                                     | 75                           | -                               | 1                           | 6                        | -                    | 82             |
| Senior Executive Director, Social Policy (3 February 2014 to 30 June 2014)                                 | 90                           | -                               | 2                           | 10                       | -                    | 102            |
| Senior Executive Director, Economic Policy (3 February 2014 to 30 June 2014)                               | 92                           | -                               | 2                           | 10                       | -                    | 104            |
| Queensland Parliamentary Counsel   | 321                          | 20                              | 6                           | 48                       | -                    | 395            |
| Commission Chief Executive, Public Service Commission * (1 July 2013 to 20 September 2013)                 | -                            | -                               | -                           | -                        | -                    | -              |
| Commission Chief Executive, Public Service Commission * (23 September 2013 to 21 January 2014)             | -                            | -                               | -                           | -                        | -                    | -              |
| <b>Total Remuneration</b>  | <b>2,197</b>                 | <b>37</b>                       | <b>42</b>                   | <b>243</b>               | <b>0</b>             | <b>2,519</b>   |

\* The Public Service Commission funds 100 percent of the remuneration costs for this position.

\*\* The total remuneration reported for the Director-General for the 2013-14 financial year includes a performance payment made in respect of the 2012-13 financial year.

9. Key Management Personnel and Remuneration Expenses (cont'd)

(b) Remuneration Expenses (cont'd)

1 July 2012 - 30 June 2013

| Position  | Short-Term Employee Expenses |                                 | Long-Term Employee Expenses | Post Employment Expenses | Termination Expenses | Total Expenses |
|---|------------------------------|---------------------------------|-----------------------------|--------------------------|----------------------|----------------|
|   | Monetary Expenses<br>\$'000  | Non-Monetary Expenses<br>\$'000 | \$'000                      | \$'000                   | \$'000               | \$'000         |
| Director-General  | 591                          | -                               | 11                          | 85                       | -                    | 687            |
| Deputy Director-General, Policy (1 July 2012 to 4 February 2013)                      | 212                          | -                               | 4                           | 18                       | -                    | 234            |
| Deputy Director-General, Priority Projects (11 February 2013 to 30 June 2013)         | 109                          | 2                               | 2                           | 10                       | -                    | 123            |
| Deputy Director-General, Governance   | 193                          | 24                              | 4                           | 23                       | -                    | 244            |
| Queensland Parliamentary Counsel  | 269                          | 31                              | 5                           | 41                       | -                    | 346            |
| Executive Director, Office of the Director-General (1 July 2012 to 21 September 2012) | 58                           | -                               | 1                           | 4                        | 3                    | 66             |
| Commission Chief Executive, Public Service Commission *                               | -                            | -                               | -                           | -                        | -                    | -              |
| <b>Total Remuneration</b>   | <b>1,432</b>                 | <b>57</b>                       | <b>27</b>                   | <b>181</b>               | <b>3</b>             | <b>1,700</b>   |

\* The Public Service Commission funds 100 percent of the remuneration costs for this position.

## 9. Key Management Personnel and Remuneration Expenses (cont'd)

### (c) Performance Payments

The remuneration package for the Director-General, Department of the Premier and Cabinet includes a potential performance payment up to a maximum of \$98,973. Eligibility for such a performance payment is conditional on the achievement of objectives that are documented in that position's performance agreement.

The Director-General has part of his total remuneration package placed 'at risk' and paid only if he meets or exceeds the agreed performance standards. The performance evaluation process comprises:

- reporting on end of year achievement and self-assessment by each chief executive against their performance agreement/intended outcomes
- analysis by the Commission Chief Executive, Public Service Commission, the Under Treasurer, Queensland Treasury and Trade and the Director-General, Department of the Premier and Cabinet of relevant performance data
- a rigorous, independent and objective assessment of the Director-General's performance at the end of each financial year using, among other things, information provided from the above two steps. This performance assessment is undertaken by the Chief Executive Performance Evaluation Committee (CEPEC).
- recommendations from the CEPEC to the Premier and
- the Premier's ultimate discretion regarding whether the incumbent will be paid an At Risk Component, and if so, how much.

Note: The Commission Chief Executive, Public Service Commission, the Under Treasurer, Queensland Treasury and Trade and the Director-General, Department of the Premier and Cabinet are excluded from the assessment process in respect of their own position.

As at the date of management certification of these financial statements, the eligibility to a performance payment for the Director-General, Department of the Premier and Cabinet in respect of the 2013-14 financial year had not yet been confirmed. With respect to the process to determine eligibility, recommendations are yet to be made by the Chief Executive Performance Evaluation Committee to the Premier. Therefore, any performance payment approved will be reported as an expense in 2014 -15 financial year.

The basis for performance payments expensed in the 2013-14 financial year is set out below.

| Position         | Date Paid        | Basis For Payment   |
|------------------|------------------|---|
| Director-General | 15 November 2013 | Consistent with the abovementioned timeframe and process, this payment relates to the achievement of performance criteria during 2012-13. In accordance with the terms of the performance agreement for this position, it was determined that a payment of \$63,300 be awarded. |

The aggregate performance payments expensed in respect of all key management personnel are as follows:

|                          | 2014 | 2013 |
|--------------------------|------|------|
| Key Management Personnel | 1    | -    |

|  | 2014<br>\$'000 | 2013<br>\$'000 |
|--|----------------|----------------|
| <b>10. Supplies and Services</b>           |                |                |
| Advertising and communications             | 5,165          | 2,993          |
| Building services                          | 7,093          | 7,354          |
| Conference costs                           | 114            | -              |
| Consultants and contractors                | 6,286          | 2,718          |
| Outsourced corporate support               | 1,530          | 1,423          |
| Hospitality and official functions         | 340            | 370            |
| Information technology bureau services     | 4,158          | 3,075          |
| Low value assets expensed                  | 85             | 49             |
| Maintenance                                | 202            | 149            |
| Motor vehicle and aircraft running costs * | 1,084          | 2,235          |
| Office supplies, books and statutes        | 387            | 704            |
| Postage and freight                        | 44             | 26             |
| Professional services                      | 5,440          | 4,728          |
| Telecommunications                         | 346            | 337            |
| Travel                                     | 573            | 621            |
| Venue hire                                 | 532            | 389            |
| Disaster relief administration costs       | -              | 341            |
| Other                                      | 246            | 97             |
| <b>Total</b>                               | <b>33,625</b>  | <b>27,609</b>  |

\* Refer to note 27(b)

## 11. Grants and Subsidies

### Recurrent

|  |               |               |
|--|---------------|---------------|
| Grants to charities/community groups       | 212           | 303           |
| Grants to Commonwealth Government agencies | 9,105         | 9,703         |
| Grants to individuals                      | 10            | 9             |
| Grants to industries                       | 510           | 215           |
| Grants to Queensland Government recipients | 383           | 426           |
| Grants to statutory bodies                 | 1,611         | 100           |
| Grants to universities/tertiary education  | 10            | 213           |
| <b>Total recurrent</b>                     | <b>11,841</b> | <b>10,969</b> |

### Capital

|                                      |          |           |
|--------------------------------------|----------|-----------|
| Grants to charities/community groups | -        | 15        |
| <b>Total capital</b>                 | <b>-</b> | <b>15</b> |

|  | 2014<br>\$'000 | 2013<br>\$'000 |
|--|----------------|----------------|
| <b>11. Grants and Subsidies (cont'd)</b>   |                |                |
| <b>Subsidy payments</b>                    |                |                |
| Contributions                              | 514            | 200            |
| Donation - Queensland Floods Appeal 2013 * | -              | 1,000          |
| Donation - Typhoon Haiyan                  | 1,000          | -              |
| Donations and gifts made                   | 705            | 800            |
| Sponsorships                               | 1,087          | 1,546          |
| <b>Total subsidy payments</b>              | <b>3,306</b>   | <b>3,546</b>   |
| <b>Total</b>                               | <b>15,147</b>  | <b>14,530</b>  |

\* Refer to note 34(b)

|  |              |              |
|--|--------------|--------------|
| <b>12. Depreciation and Amortisation</b>                   |              |              |
| Depreciation and amortisation were incurred in respect of: |              |              |
| Major plant and equipment *                                | -            | 147          |
| Plant and equipment  | 529          | 516          |
| Software internally generated                              | 666          | 618          |
| <b>Total</b>   | <b>1,195</b> | <b>1,281</b> |

\* Refer to note 27(b)

|                              |          |          |
|------------------------------|----------|----------|
| <b>13. Impairment Losses</b> |          |          |
| Plant and equipment *        | 1        | 4        |
| <b>Total</b>                 | <b>1</b> | <b>4</b> |

\* Refer to note 21

|                                    |            |            |
|------------------------------------|------------|------------|
| <b>14. Finance/Borrowing Costs</b> |            |            |
| Interest                           | 155        | 795        |
| <b>Total</b>                       | <b>155</b> | <b>795</b> |

The department does not capitalise finance/borrowing costs.

The capitalisation rate used to determine borrowing costs is the weighted average interest rate applicable to the department's outstanding borrowings 6.05% (2013: 6.05%). Refer to note 23.



|   | 2014<br>\$'000 | 2013<br>\$'000 |
|---|----------------|----------------|
| <b>15. Other Expenses</b>                             |                |                |
| Bad debts   | -              | -              |
| External audit fees *                                 | 100            | 106            |
| Insurance premiums - QGIF                             | 91             | 219            |
| Losses from disposal of property, plant and equipment | 40             | -              |
| Services provided free of charge                      | 90             | 9              |
| <b>Total</b>  | <b>321</b>     | <b>334</b>     |

\* Total audit fees paid to the Queensland Audit Office relating to the 2013-14 financial year for the department including the Trusts specified in note 34, are estimated to be \$100,000 (2013: \$105,000 ). There are no non-audit services included in this amount.

|                                      |              |              |
|--------------------------------------|--------------|--------------|
| <b>16. Cash and Cash Equivalents</b> |              |              |
| Imprest accounts                     | 1            | 2            |
| Cash at bank and on hand             | 4,057        | 5,218        |
| <b>Total</b>                         | <b>4,058</b> | <b>5,220</b> |

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 balances accrues to the Consolidated Fund.

|                                   |              |              |
|-----------------------------------|--------------|--------------|
| <b>17. Receivables</b>            |              |              |
| <b>Current</b>                    |              |              |
| Trade debtors                     | 4,962        | 961          |
|                                   | 4,962        | 961          |
| GST input tax credits receivable  | 119          | 642          |
|                                   | 119          | 642          |
| Long service leave reimbursements | 208          | 188          |
| Annual leave reimbursements       | 838          | 862          |
| Appropriation receivable          | 1,645        | 3,469        |
| Other                             | 2,040        | 705          |
| <b>Total</b>                      | <b>9,812</b> | <b>6,827</b> |

|                                     | 2014<br>\$'000 | 2013<br>\$'000 |
|-------------------------------------|----------------|----------------|
| <b>18. Inventories</b>              |                |                |
| <b>Current</b>                      |                |                |
| Inventories held for sale           | 31             | 39             |
| Inventories held for distribution * | -              | 101            |
| <b>Total</b>                        | <b>31</b>      | <b>140</b>     |

\* Refer to note 27(b)

|                                 |            |            |
|---------------------------------|------------|------------|
| <b>19. Other Current Assets</b> |            |            |
| <b>Current</b>                  |            |            |
| Security deposits               | -          | 2          |
| Prepayments                     | 397        | 780        |
| <b>Total</b>                    | <b>397</b> | <b>782</b> |

|                                |              |              |
|--------------------------------|--------------|--------------|
| <b>20. Intangible Assets</b>   |              |              |
| Software internally generated: |              |              |
| At cost                        | 4,015        | 3,950        |
| Less: Accumulated amortisation | (2,799)      | (2,239)      |
|                                | 1,216        | 1,711        |
| Software work in progress:     |              |              |
| At cost                        | 1,209        | 55           |
|                                | 1,209        | 55           |
| <b>Total</b>                   | <b>2,425</b> | <b>1,766</b> |

**20. Intangible Assets (cont'd)**

**Intangibles Reconciliation**

|                                   | <b>Software Internally Generated</b> |               | <b>Software WIP</b> |               | <b>Total</b>  |               |
|-----------------------------------|--------------------------------------|---------------|---------------------|---------------|---------------|---------------|
|                                   | <b>2014</b>                          | <b>2013</b>   | <b>2014</b>         | <b>2013</b>   | <b>2014</b>   | <b>2013</b>   |
|                                   | <b>\$'000</b>                        | <b>\$'000</b> | <b>\$'000</b>       | <b>\$'000</b> | <b>\$'000</b> | <b>\$'000</b> |
| Carrying amount at 1 July         | 1,711                                | 1,616         | 55                  | 328           | 1,766         | 1,944         |
| Acquisitions                      | -                                    | -             | 1,325               | 441           | 1,325         | 441           |
| Transfers between classes         | 171                                  | 714           | (171)               | (714)         | -             | -             |
| Amortisation                      | (666)                                | (619)         | -                   | -             | (666)         | (619)         |
| <b>Carrying amount at 30 June</b> | <b>1,216</b>                         | <b>1,711</b>  | <b>1,209</b>        | <b>55</b>     | <b>2,425</b>  | <b>1,766</b>  |

Amortisation of intangibles is included in the line item 'Depreciation and amortisation' in the Statement of Comprehensive Income.

The department has intangible assets with an original cost of \$1,032,078 and a written down value of zero still being used in the provision of services. These assets are expected to be replaced in the 2014-15 financial year.

|  | 2014<br>\$'000 | 2013<br>\$'000 |
|--|----------------|----------------|
| <b>21. Property, Plant and Equipment</b> |                |                |
| Plant and equipment:                     |                |                |
| At cost                                  | 6,853          | 7,159          |
| Less: Accumulated depreciation           | (5,308)        | (5,206)        |
|  | 1,545          | 1,953          |
| Major plant and equipment:               |                |                |
| At fair value                            | -              | 14,451         |
| Less: Accumulated depreciation           | -              | (4,790)        |
|  | -              | 9,661          |
| Capital works in progress:               |                |                |
| At cost                                  | 12             | 48             |
|  | 12             | 48             |
| <b>Total</b>                             | <b>1,557</b>   | <b>11,662</b>  |

*Plant and equipment*

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

*Major plant and equipment*

The aircraft (major plant and equipment) was transferred to the Public Safety Business Agency effective 1 November 2013 as part of the machinery of government change. Refer to note 27(b)

At 30 June 2013, an independent valuation of the aircraft was performed by JD Dodds, Plant and Machinery Valuers using 'fair value' principles. The valuation was determined using current market values. These values reflect prices to purchase similar equipment in a similar condition at that date.

21. Property, Plant and Equipment (cont'd)

Property, Plant and Equipment Reconciliation

|   | Plant and Equipment |              | Major Plant and Equipment |              | Capital Works in Progress |           | Total        |               |
|---|---------------------|--------------|---------------------------|--------------|---------------------------|-----------|--------------|---------------|
|   | 2014                | 2013         | 2014                      | 2013         | 2014                      | 2013      | 2014         | 2013          |
|   | \$'000              | \$'000       | \$'000                    | \$'000       | \$'000                    | \$'000    | \$'000       | \$'000        |
| Carrying amount at 1 July               | 1,953               | 2,404        | 9,661                     | 9,519        | 48                        | 42        | 11,662       | 11,965        |
| Acquisitions                            | 112                 | 24           | -                         | -            | 29                        | 50        | 141          | 74            |
| Disposals                               | (41)                | -            | -                         | -            | -                         | -         | (41)         | -             |
| Transfers between asset classes         | 65                  | 44           | -                         | -            | (65)                      | (44)      | -            | -             |
| Net revaluation increments/(decrements) | -                   | -            | -                         | 290          | -                         | -         | -            | 290           |
| Disposals through restructures/MOG      | (14)                | -            | (9,661)                   | -            | -                         | -         | (9,675)      | -             |
| Impairment losses                       | (1)                 | (3)          | -                         | -            | -                         | -         | (1)          | (3)           |
| Depreciation/amortisation               | (529)               | (516)        | -                         | (147)        | -                         | -         | (529)        | (663)         |
| <b>Carrying amount at 30 June</b>       | <b>1,545</b>        | <b>1,953</b> | <b>-</b>                  | <b>9,661</b> | <b>12</b>                 | <b>48</b> | <b>1,557</b> | <b>11,662</b> |

The department has plant and equipment with an original cost of \$3,742,463 and a written down value of zero still being used in the provision of services. Regular assessment by management is conducted and a number of items are currently assessed for replacement in the 2014-15 financial year.

|                              | 2014<br>\$'000 | 2013<br>\$'000 |
|------------------------------|----------------|----------------|
| <b>22. Payables</b>          |                |                |
| Trade creditors and accruals | 7,978          | 6,201          |
| Other                        | 391            | 613            |
| <b>Total</b>                 | <b>8,369</b>   | <b>6,814</b>   |

**23. Interest-bearing liabilities**

**Current**

|  |          |              |
|--|----------|--------------|
| Queensland Treasury Corporation borrowings | -        | 1,304        |
| <b>Total current</b>                       | <b>-</b> | <b>1,304</b> |

**Non-current**

|  |          |               |
|--|----------|---------------|
| Queensland Treasury Corporation borrowings | -        | 11,174        |
| <b>Total non-current</b>                   | <b>-</b> | <b>11,174</b> |
| <b>Total</b>                               | <b>-</b> | <b>12,478</b> |

Queensland Treasury Corporation borrowings were transferred to the Public Safety Business Agency effective 1 November 2013 as part of the machinery of government change. Refer note 27(b).

No assets have been pledged as security for the borrowings.

All borrowings are in \$AUD denominated amounts and no interest has been capitalised during the current or comparative reporting period.

There have been no defaults or breaches of the loan agreements during the financial year. Principal and interest repayments were made quarterly in arrears. The applicable fixed interest rates for the loans were 5.71% and 6.22%.

**24. Accrued Employee Benefits**

**Current**

|                                 |              |              |
|---------------------------------|--------------|--------------|
| Long service leave levy payable | 218          | 237          |
| Annual leave levy payable       | 1,266        | 1,118        |
| Accrued salaries and wages      | 51           | 51           |
| Accrued redundancy payments *   | 195          | 340          |
| <b>Total</b>                    | <b>1,730</b> | <b>1,746</b> |

\*Refer to note 8.

|  | 2014<br>\$'000 | 2013<br>\$'000 |
|--|----------------|----------------|
| <b>25. Reconciliation of Operating Surplus/(Deficit) to Net Cash from Operating Activities</b> |                |                |
| <b>Operating surplus/(deficit)</b>   | -              | -              |
| <b>Non-cash items:</b>   |                |                |
| Depreciation and amortisation expense  | 1,195          | 1,281          |
| Loss on sale of plant and equipment  | 40             | -              |
| Impairment losses  | 1              | 4              |
| Revaluation increment  | -              | (290)          |
| <b>Change in assets and liabilities:</b>   |                |                |
| (Increase)/decrease in departmental services revenue receivable                                | 1,824          | (1,194)        |
| (Increase)/decrease in trade debtors   | (4,001)        | 812            |
| (Increase)/decrease in other receivables   | (1,335)        | 1,085          |
| (Increase)/decrease in GST receivable  | 523            | (185)          |
| (Increase)/decrease in long service leave reimbursement receivable                             | (20)           | 153            |
| (Increase)/decrease in annual leave reimbursement receivables                                  | 24             | 316            |
| (Increase)/decrease in inventories   | 8              | (11)           |
| (Increase)/decrease in other current assets  | 219            | (372)          |
| Increase/(decrease) in payables  | 2,731          | 3,246          |
| Increase/(decrease) in accrued employee benefits   | (16)           | (147)          |
| Increase/(decrease) in other current liabilities   | (33)           | (3)            |
| <b>Net cash from operating activities</b>  | <b>1,160</b>   | <b>4,695</b>   |

## 26. Non-Cash Financing and Investing Activities

Assets and liabilities received or transferred by the department as a result of non-reciprocal transfers are recognised in note 7 Other Revenue and note 21 Property, Plant and Equipment.

Assets and liabilities received or transferred by the department as a result of machinery of government changes are set out in note 27.

## 27. Machinery of Government Transfers

### (a) Transfer of Public Sector Renewal

As a result of the Public Service Departmental Arrangements Notice (No.7) 2013, dated 1 November 2013 with financial effect from 1 October 2013, the responsibilities for Public Sector Renewal (PSR) were transferred into the department.

No assets or liabilities were transferred.

### (b) Transfer of Government Airwing to Public Safety Business Agency

As a result of the Public Service Departmental Arrangements Notice (No.8) 2013, dated 8 November 2013 with financial effect from 1 November 2013, the Government Airwing was transferred to the Public Safety Business Agency.



## 27. Machinery of Government Transfers (cont'd)

The following assets and liabilities were transferred to the Public Safety Business Agency. The department transferred \$1,013,000 cash and the balance of \$1,176,249 was accounted for as an equity adjustment.

### Assets and Liabilities Transferred

|  | 2014           | 2013   |
|--|----------------|--------|
|  | \$'000         | \$'000 |
| <i>Assets</i>                              |                |        |
| Major Plant and Equipment                  | 9,661          | -      |
| Plant and Equipment                        | 14             | -      |
| Inventory                                  | 101            | -      |
| Prepayments                                | 169            | -      |
| <i>Liabilities</i>                         |                |        |
| Queensland Treasury Corporation borrowings | (12,134)       | -      |
| <b>Total</b>                               | <b>(2,189)</b> |        |

## 28. Commitments for Expenditure

### (a) Non-Cancellable Operating Lease

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

|   |            |            |
|---|------------|------------|
| · Not later than one year                           | 168        | 57         |
| · Later than one year and not later than five years | -          | 229        |
| · Later than five years                             | -          | 555        |
| <b>Total</b>  | <b>168</b> | <b>841</b> |

Operating leases are entered into as a means of acquiring access to office accommodation and storage facilities. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

### (b) Capital Expenditure Commitments

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

|                           |              |          |
|---------------------------|--------------|----------|
| · Not later than one year | 1,472        | 5        |
| <b>Total</b>              | <b>1,472</b> | <b>5</b> |

### (c) Expenditure Commitments

Material classes of expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts are payable as follows:

|   |              |              |
|---|--------------|--------------|
| · Not later than one year                           | 7,379        | 3,597        |
| · Later than one year and not later than five years | 252          | 62           |
| · Later than five years                             | -            | 27           |
| <b>Total</b>  | <b>7,631</b> | <b>3,686</b> |

|  | 2014   | 2013   |
|--|--------|--------|
|  | \$'000 | \$'000 |

## 28. Commitments for Expenditure (cont'd)

### (d) Grants and Subsidies Commitments

Approval has been given to various grantees in accordance with formal agreements to pay the following grants and subsidies inclusive of GST provided certain criteria are met:

|   |              |              |
|---|--------------|--------------|
| · Not later than one year                           | 2,340        | 977          |
| · Later than one year and not later than five years | 1,460        | 1,819        |
| <b>Total</b>  | <b>3,800</b> | <b>2,796</b> |

The above commitments for grants and subsidies expenditure are allocated to the following categories:

|   |              |              |
|---|--------------|--------------|
| Grants to Charities/Community Groups            | 1,641        | -            |
| Grants to Non Queensland Government departments | 849          | 926          |
| Grants to Queensland Government recipients      | 480          | 600          |
| Grants to industries                            | 440          | 550          |
| Sponsorship                                     | 328          | 687          |
| Donations                                       | 62           | -            |
| Grants to universities/tertiary education       | -            | 33           |
| <b>Total</b>                                    | <b>3,800</b> | <b>2,796</b> |

## 29. Contingencies

### (a) Litigation in progress

As at 30 June 2014, the following cases were filed in the courts naming various State Queensland respondents acting through the Department of the Premier and Cabinet as defendant.

|               | 2014            | 2013            |
|---------------|-----------------|-----------------|
|               | Number of cases | Number of cases |
| Supreme Court | 2               | -               |
|               | 2               | Nil             |

It is not possible to make a reliable estimate of the final amount payable, if any, in respect of the litigation before the courts at this time.

Effective 1 July 2001, the department joined the Queensland Government Insurance Fund (QGIF). Under the QGIF, the department would be able to claim back, less a \$10,000 deductible, the amount paid to successful litigants. This includes any cases that existed as at 1 July 2001 and cases that have arisen since that date.

### (b) Financial Guarantees

A guarantee was provided in February 2007 for the Gold Coast Fishermen's Cooperative in respect of a loan of \$253,500 to that entity from the Queensland Rural Adjustment Authority (QRAA). The department provided an undertaking to make full repayment of the loan should there be any balance outstanding following the eventual sale of the pontoons or upon expiration of the loan. The department opted not to extend this guarantee upon its expiration on 19 October 2013.

As financial guarantee contracts are measured in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*, the details of the guarantees have been disclosed in this note, in addition to note 31 Financial Instruments for full transparency purposes.

### 30. Events Occurring after Balance Date

As at the date of management certification of these financial statements, the eligibility to a performance payment for the Director-General, Department of the Premier and Cabinet for 2013-14 year had not yet been confirmed. With response to the process to determine eligibility, recommendations are yet to be made by the Evaluation Committee, therefore any performance payment will be reported as an expense in the 2014-15 financial year.

There were no other material events subsequent to the reporting date but prior to the signing date of these accounts of which management was aware.

### 31. Financial Instruments

#### (a) Categorisation of Financial Instruments

The department has the following categories of financial assets and financial liabilities:

|  | Note | 2014<br>\$'000 | 2013<br>\$'000 |
|--|------|----------------|----------------|
| <b>Financial Assets</b>                            |      |                |                |
| Cash and cash equivalents                          | 16   | 4,058          | 5,220          |
| Receivables  | 17   | 9,812          | 6,827          |
| <b>Total</b>                                       |      | <b>13,870</b>  | <b>12,047</b>  |
| <b>Financial Liabilities</b>                       |      |                |                |
| Financial liabilities measured at amortised costs: |      |                |                |
| Payables   | 22   | 8,369          | 6,814          |
| Other financial liabilities                        | 23   | -              | 12,478         |
| Guarantees   | 29   | -              | 254            |
| <b>Total</b>                                       |      | <b>8,369</b>   | <b>19,546</b>  |

#### (b) Financial Risk Management

The Department of the Premier and Cabinet's activities expose it to a variety of financial risks - interest rate risk, credit risk, liquidity risk and market risk.

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

All financial risks are managed by Financial Services under the policies approved by the accountable officer of the Department of the Premier and Cabinet. The department provides written principles for overall risk management, as well as policies covering specific areas.

The department measures risk exposure using a variety of methods as follows -

| Risk Exposure  | Measurement method                 |
|----------------|------------------------------------|
| Credit risk    | Ageing analysis, earnings at risk  |
| Liquidity risk | Sensitivity analysis               |
| Market risk    | Interest rate sensitivity analysis |

### 31. Financial Instruments (cont'd)

#### (c) Credit Risk Exposure

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

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

The following table represents the department's maximum exposure to credit risk based on contractual amounts net of any allowances:

| Maximum Exposure to Credit Risk |      |                |                |
|---------------------------------|------|----------------|----------------|
| Category                        | Note | 2014<br>\$'000 | 2013<br>\$'000 |
| <b>Financial Liabilities</b>    |      |                |                |
| Guarantees                      | 29   | -              | 254            |
| <b>Total</b>                    |      | <b>-</b>       | <b>254</b>     |

#### Financial Assets

The carrying amount of receivables represents the maximum exposure to credit risk. As such, receivables are not included in the above disclosure.

No collateral is held as security and no credit enhancements relate to financial assets, other than loans and advances.

The department manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the department 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 or financial liabilities have been offset and presented net in the Statement of Financial Position.

The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in paying a debt to the department, according to the due date (normally terms of 30 days). Economic changes impacting the department's debtors, and relevant industry data, also form part of the department's documented risk analysis.

If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If the department determines that an amount owing by such a debtor does become uncollectible (after appropriate range of debt recovery actions), that amount is recognised as a Bad Debt expense and written-off directly against Receivables. In other cases where a debt becomes uncollectible but the uncollectible amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as a Bad Debt expense and written off directly against Receivables.

### 31. Financial Instruments (cont'd)

#### (c) Credit Risk Exposure (cont'd)

Ageing of past due but not impaired as well as impaired financial assets are disclosed in the following tables:

| 2014 Financial Assets Past Due But Not Impaired |                                |                           |                         |                                |                 |
|---|--------------------------------|---------------------------|-------------------------|--------------------------------|-----------------|
|   | Overdue                        |                           |                         |                                | Total<br>\$'000 |
|   | Less than<br>30 Days<br>\$'000 | 30 - 60<br>Days<br>\$'000 | 61-90<br>Days<br>\$'000 | More than<br>90 Days<br>\$'000 |                 |
|   |                                |                           |                         |                                |                 |
| <b>Financial Assets</b>                         |                                |                           |                         |                                |                 |
| Receivables                                     | 1                              | -                         | -                       | -                              | 1               |
| <b>Total</b>                                    | <b>1</b>                       | <b>-</b>                  | <b>-</b>                | <b>-</b>                       | <b>1</b>        |

#### 2013 Financial Assets Past Due But Not Impaired

|                         | Overdue                        |                           |                         |                                | Total<br>\$'000 |
|-------------------------|--------------------------------|---------------------------|-------------------------|--------------------------------|-----------------|
|                         | Less than<br>30 Days<br>\$'000 | 30 - 60<br>Days<br>\$'000 | 61-90<br>Days<br>\$'000 | More than<br>90 Days<br>\$'000 |                 |
|                         |                                |                           |                         |                                |                 |
| <b>Financial Assets</b> |                                |                           |                         |                                |                 |
| Receivables             | 184                            | 16                        | -                       | 27                             | 227             |
| <b>Total</b>            | <b>184</b>                     | <b>16</b>                 | <b>-</b>                | <b>27</b>                      | <b>227</b>      |

There were no individually impaired financial assets as at 30 June 2014 or as at 30 June 2013 for the department.

#### Financial Liabilities

The guarantee given by the department met the definition of a financial guarantee contract as per AASB 139 *Financial Instruments: Recognition and Measurement* and as such the maximum exposure to the department is disclosed on the previous page. Details of the guarantee can be found in note 29(b).

Management of the department assess on an annual basis the fair value of the financial guarantees as at reporting date. It has been determined that fair value is nil at 30 June 2014 as the financial guarantee for the Gold Coast Fishermen's Cooperative expired on 19th October 2013. As such, the fair value of the guarantee has not been recognised in the Statement of Financial Position.

#### (d) Liquidity Risk

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

The department manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the department 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 various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following table sets out the liquidity risk of financial liabilities held by the department. It represents the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the Statement of Financial Position that are based on discounted cash flows.

31. Financial Instruments (cont'd)

(d) Liquidity Risk (cont'd)

|                              | Note | 2014 Payable in    |                     |                    | Total        |
|------------------------------|------|--------------------|---------------------|--------------------|--------------|
|                              |      | < 1 year<br>\$'000 | 1-5 years<br>\$'000 | > 5 year<br>\$'000 | \$'000       |
| <b>Financial Liabilities</b> |      |                    |                     |                    |              |
| Payables                     | 22   | 8,369              | -                   | -                  | 8,369        |
| <b>Total</b>                 |      | <b>8,369</b>       | <b>-</b>            | <b>-</b>           | <b>8,369</b> |

|                              | Note | 2013 Payable in    |                     |                     | Total         |
|------------------------------|------|--------------------|---------------------|---------------------|---------------|
|                              |      | < 1 year<br>\$'000 | 1-5 years<br>\$'000 | > 5 years<br>\$'000 | \$'000        |
| <b>Financial Liabilities</b> |      |                    |                     |                     |               |
| Payables                     | 22   | 6,814              | -                   | -                   | 6,814         |
| Financial Liabilities        | 23   | 1,995              | 12,290              | -                   | 14,285        |
| <b>Total</b>                 |      | <b>8,809</b>       | <b>12,290</b>       | <b>-</b>            | <b>21,099</b> |

(e) Market Risk

The department does not trade in foreign currency and is not materially exposed to commodity price changes. The department is not exposed to interest rate risk from either borrowings from Queensland Treasury Corporation or cash deposited in interest bearing accounts. The department does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy articulated in the department's Financial Management Practice Manual.

(f) Interest Rate Sensitivity Analysis

The department did not have any financial liabilities as at 30 June 2014. Therefore no sensitivity analysis has been conducted.

The department does not earn interest on cash deposited in interest bearing accounts. Therefore no financial assets were subject to interest rate sensitivity as at 30 June 2014 or as at 30 June 2013. Refer to note 31(e).

(g) Fair Value

Apart from cash and cash equivalents, the department does not recognise any financial assets or financial liabilities at fair value in the Statement of Financial Position.

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

The fair value of borrowings is notified by Queensland Treasury Corporation. It is calculated using discounted cash flow analysis and the effective interest rate (refer to note 23) and is disclosed below.

The loan was related to Government Airwing that was transferred to the Public Safety Business Agency effective 1 November 2013 as part of the machinery of government change. Refer to note 27(b).

|                              | 2014                      |                      | 2013                      |                      |
|------------------------------|---------------------------|----------------------|---------------------------|----------------------|
|                              | Carrying Amount<br>\$'000 | Fair Value<br>\$'000 | Carrying Amount<br>\$'000 | Fair Value<br>\$'000 |
| <b>Financial Liabilities</b> |                           |                      |                           |                      |
| QTC Borrowings               | -                         | -                    | 12,478                    | 13,253               |
| <b>Total</b>                 | <b>-</b>                  | <b>-</b>             | <b>12,478</b>             | <b>13,253</b>        |

**32. Schedule of Administered Items**

|                                     | <b>Ministerial Offices, Assistant<br/>Ministers and Office of the Leader of<br/>the Opposition</b> |               | <b>Former Governor's Pension</b> |               | <b>Total Administered</b> |               |
|-------------------------------------|--|---------------|----------------------------------|---------------|---------------------------|---------------|
|                                     | <b>2014</b>  | <b>2013</b>   | <b>2014</b>                      | <b>2013</b>   | <b>2014</b>               | <b>2013</b>   |
|                                     | <b>\$'000</b>  | <b>\$'000</b> | <b>\$'000</b>                    | <b>\$'000</b> | <b>\$'000</b>             | <b>\$'000</b> |
| <b>Administered Revenues</b>        |  |               |                                  |               |                           |               |
| Appropriation revenue               | 39,983   | 39,283        | 150                              | 145           | 40,133                    | 39,428        |
| Other revenue                       | 65   | -             | -                                | -             | 65                        | -             |
| Gain on disposal of assets          | 19   | 399           | -                                | -             | 19                        | 399           |
| <b>Total Administered Revenues</b>  | <b>40,067</b>  | <b>39,682</b> | <b>150</b>                       | <b>145</b>    | <b>40,217</b>             | <b>39,827</b> |
| <b>Administered Expenses</b>        |  |               |                                  |               |                           |               |
| Employee expenses                   | 26,042   | 26,536        | 116                              | 117           | 26,158                    | 26,653        |
| Supplies and services               | 13,051   | 12,651        | -                                | -             | 13,051                    | 12,651        |
| Depreciation and amortisation       | 231  | 248           | -                                | -             | 231                       | 248           |
| Other expenses                      | 205  | 247           | -                                | -             | 205                       | 247           |
| <b>Total Administered Expenses</b>  | <b>39,529</b>  | <b>39,682</b> | <b>116</b>                       | <b>117</b>    | <b>39,645</b>             | <b>39,799</b> |
| <b>Operating Surplus/ (Deficit)</b> | <b>538</b>   | <b>-</b>      | <b>34</b>                        | <b>28</b>     | <b>572</b>                | <b>28</b>     |
| <b>Administered Assets</b>          |  |               |                                  |               |                           |               |
| <b>Current</b>                      |  |               |                                  |               |                           |               |
| Cash and cash equivalents           | 8,961  | 6,223         | 51                               | 17            | 9,012                     | 6,240         |
| Receivables                         | 523  | 2,659         | -                                | -             | 523                       | 2,659         |
| Other current assets                | 35   | 46            | -                                | -             | 35                        | 46            |
| <b>Total Current Assets</b>         | <b>9,519</b>   | <b>8,928</b>  | <b>51</b>                        | <b>17</b>     | <b>9,570</b>              | <b>8,945</b>  |
| <b>Non-current</b>                  |  |               |                                  |               |                           |               |
| Property, plant and equipment       | 776  | 817           | -                                | -             | 776                       | 817           |
| <b>Total Non-current Assets</b>     | <b>776</b>   | <b>817</b>    | <b>-</b>                         | <b>-</b>      | <b>776</b>                | <b>817</b>    |
| <b>Total Assets</b>                 | <b>10,295</b>  | <b>9,745</b>  | <b>51</b>                        | <b>17</b>     | <b>10,346</b>             | <b>9,762</b>  |



32. Schedule of Administered Items (cont'd)

|                                      | Ministerial Offices, Assistant<br>Ministers and Office of the Leader of<br>the Opposition |              | Former Governor's Pension |           | Total Administered |              |
|--------------------------------------|---|--------------|---------------------------|-----------|--------------------|--------------|
|                                      | 2014  | 2013         | 2014                      | 2013      | 2014               | 2013         |
|                                      | \$'000  | \$'000       | \$'000                    | \$'000    | \$'000             | \$'000       |
| <b>Administered Liabilities</b>      |   |              |                           |           |                    |              |
| <b>Current</b>                       |   |              |                           |           |                    |              |
| Payables                             | 636   | 675          | -                         | -         | 636                | 675          |
| Accrued employee benefits            | 872   | 797          | -                         | -         | 872                | 797          |
| <b>Total Current Liabilities</b>     | <b>1,508</b>  | <b>1,472</b> | <b>-</b>                  | <b>-</b>  | <b>1,508</b>       | <b>1,472</b> |
| <b>Non-current</b>                   |   |              |                           |           |                    |              |
| Accrued employee benefits            | 3,949   | 3,973        | -                         | -         | 3,949              | 3,973        |
| <b>Total Non-current Liabilities</b> | <b>3,949</b>  | <b>3,973</b> | <b>-</b>                  | <b>-</b>  | <b>3,949</b>       | <b>3,973</b> |
| <b>Total Liabilities</b>             | <b>5,457</b>  | <b>5,445</b> | <b>-</b>                  | <b>-</b>  | <b>5,457</b>       | <b>5,445</b> |
| <b>Net Administered Assets</b>       | <b>4,838</b>  | <b>4,300</b> | <b>51</b>                 | <b>17</b> | <b>4,889</b>       | <b>4,317</b> |
| <b>Administered Equity</b>           |   |              |                           |           |                    |              |
| Contributed equity                   | 2,982   | 2,982        | -                         | -         | 2,982              | 2,982        |
| Retained Surplus                     | 1,856   | 1,318        | 51                        | 17        | 1,907              | 1,335        |
| <b>Total Administered Equity</b>     | <b>4,838</b>  | <b>4,300</b> | <b>51</b>                 | <b>17</b> | <b>4,889</b>       | <b>4,317</b> |

The department will be managing funds for the Queensland Families and Children Commission (administered) effective from 1 July 2014.

|  | 2014<br>\$'000 | 2013<br>\$'000 |
|--|----------------|----------------|
| <b>33. Reconciliation of Payments from Consolidated Fund to Administered Revenue</b> |                |                |
| Budgeted appropriation   | 45,423         | 46,676         |
| Transfers from/(to) other headings   | (3,018)        | -              |
| Lapsed appropriation   |                | (6,946)        |
| <b>Total administered receipts</b>   | <b>42,405</b>  | <b>39,730</b>  |
| Plus: Closing balance of departmental services revenue receivable                    | -              | 2,272          |
| Less: Opening balance of departmental services revenue receivable                    | (2,272)        | (2,574)        |
| <b>Administered revenue recognised above</b>   | <b>40,133</b>  | <b>39,428</b>  |

### 34. Trust Transactions and Balances

As the department performs only a custodial role in respect of these transactions and balances, they are not recognised in the financial statements, but are disclosed here for information purposes.

The Queensland Auditor-General performed the audit of the department's trust transactions for 2013-14.

All management and administration costs incurred by the following Trusts are met by the department.

#### (a) Premier's Disaster Relief Appeal Fund

The Premier's Disaster Relief Appeal (PDRA) was initially launched in response to the flooding in Northern, Central and Western Queensland in February 2000. The principal purpose of this trust is to relieve the suffering and distress in Queensland, other Australian States or Territories and developing countries in the South Pacific by providing money, property or benefits. It has remained in operation in order to facilitate a timely response should future public appeals be required.

No donations were collected and no distributions were made in 2013-14.

The revenue of \$3,000 includes interest received for the year and refund of fraudulent claims made under 2010-2011 Queensland Floods and Cyclone Yasi Disaster Relief Fund.

The PDRA prepared general purpose financial statements for 2013-14 and 2012-13. Please refer to these statements for more detailed financial information.

A summary of the financial statements is shown below.

|                    | 2014<br>\$'000 | 2013<br>\$'000 |
|--------------------|----------------|----------------|
| Revenue            | 3              | 162            |
| Expenses           | -              | 208            |
| <b>Net Surplus</b> | <b>3</b>       | <b>(46)</b>    |
| Assets             | 4              | 1              |
| Liabilities        | -              | -              |
| <b>Net Assets</b>  | <b>4</b>       | <b>1</b>       |

**34. Trust Transactions and Balances (cont'd)**

**(b) Queensland Floods Appeal 2013**

On the 28 January 2013 the Premier launched the Queensland Floods Appeal 2013, a Queensland Government/Red Cross partnership to help Queenslanders affected by floods over the Australia Day long weekend.

As part of the Memorandum of Understanding signed on 14 February 2013, the department acted as a paying agent for the Red Cross in distributing payments to the victims. To facilitate this process the department opened a separate bank account through which the donations collected by the Red Cross were channelled.

A summary of the transactions in this account is shown below.

|   | <b>2014</b>   | <b>2013</b>   |
|---|---------------|---------------|
|   | <b>\$'000</b> | <b>\$'000</b> |
| <b>Receipts</b>                                 |               |               |
| Funds transferred from Red Cross                | -             | 10,865        |
| Interest  | -             | 4             |
| <b>Total</b>                                    | <b>-</b>      | <b>10,869</b> |
| <b>Payments</b>                                 |               |               |
| Payments made to victims on behalf of Red Cross | -             | 10,869        |
| <b>Total</b>                                    | <b>-</b>      | <b>10,869</b> |
| <b>Balance at 30 June</b>                       | <b>-</b>      | <b>-</b>      |

### **Certificate of the Department of the Premier and Cabinet**

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

- a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects;
- b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Department of the Premier and Cabinet for the financial year ended 30 June 2014 and of the financial position of the department at the end of that year;
- c) these assertions are based on an appropriate system of internal controls being effective, in all material respects, with respect to financial reporting throughout the reporting period; and
- d) management is aware of some weaknesses relating to risk management, however in all material respects the true and fair view of the financial statements is not affected.

Jon Grayson  
**Director-General**

20 August 2014

Dee Mundell CPA  
**Chief Finance Officer**

20 August 2014

## INDEPENDENT AUDITOR'S REPORT

To the Accountable Officer of Department of the Premier and Cabinet

### Report on the Financial Report

I have audited the accompanying financial report of Department of the Premier and Cabinet, which comprises the statement of financial position and statement of assets and liabilities by major departmental services, CBUs and SSPs as at 30 June 2014, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of comprehensive income by major departmental services, CBUs and SSPs for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the certificates given by the Director-General and Chief Finance Officer of the Department.

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

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

#### *Auditor's Responsibility*

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

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

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

#### *Independence*

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

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

#### *Opinion*

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

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and

- (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Department of Premier and Cabinet for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year.

**Other Matters - Electronic Presentation of the Audited Financial Report**

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

A M GREAVES FCA FCPA  
Auditor-General of Queensland

Queensland Audit Office  
Brisbane