

# Corporate governance

Under the *Tourism and Events Queensland Act 2012*, the Chairman and board are appointed by the Governor in Council and are responsible to the Minister for Education and Minister for Tourism and Major Events. As at 30 June 2016, TEQ's board had nine members including the Director-General of the Department of Tourism, Major Events, Small Business and the Commonwealth Games (DTEsb).

Members are appointed in accordance with section 20 of the *Act*, with the Governor in Council having regard to the person's experience and expertise in business, financial management, and promoting and staging events, and their knowledge of the tourism industry. The Board is to consist of the CEO (Director-General) of DTEsb and at least eight other members. A Board member holds office for a period of not more than three years, and a member may be appointed for no more than two consecutive periods.

TEQ's Board is responsible for the overall performance of the organisation. The Board is to ensure TEQ performs its functions in a way that is appropriate, effective and efficient, forming committees as appropriate.

Duties and responsibilities of the Board include:

- Ensuring TEQ's direction is aligned to the needs of industry and the objectives of the Government;
- Conducting meetings of the members (including its committees) and the affairs of the organisation having full regard for the best corporate governance practices;
- Agreeing performance targets and monitoring performance;
- Approving the strategic direction and related objectives for TEQ;
- Considering and approving the annual budget, as proposed by management, ensuring that appropriate resources are available to achieve the business objectives;
- Ensuring business risks are identified and approve systems of risk management, regulatory compliance, control and related policies to manage those risks;
- Monitoring the financial performance of the organisation, and reviewing and approving the annual financial statements; and
- Determining and approving the level of authority to be delegated to the Chief Executive Officer and management.

## Board performance

Each year the Board and its committees conduct an evaluation of their performance, as part of their commitment to the ongoing development of both individual members, the Board, and the committees as a whole.

Between Board meetings, there is continuing contact between the Chairman and Chief Executive Officer to discuss major policy and strategic matters, especially when such matters are the subject of Board interest, or are likely to become so.

Regular Board papers inform Board members of current and forthcoming strategic issues and other matters relevant to TEQ's operations and performance, including financial performance.

## Board committees

To foster good corporate governance and for the Board to focus on strategy and performance management matters, the Board delegates certain duties to Board committees.

### 1. Events Committee

The role of the Events Committee is to assess and consider event investment opportunities and make recommendations to the Board. The Events Committee was formed in December 2012 and meets ahead of Board meetings.

Six Events Committee meetings were held in 2015-16. The Committee members included Prof Judith McLean (Chairman), Gary Smith (Member), Paul Donovan (Member) and Karen Hanna-Miller (Member).

### 2. Audit and Remuneration Committee

The Audit and Remuneration Committee assists the Board in fulfilling its corporate governance and oversight responsibilities in regard to:

- The reliability and integrity of financial information for inclusion in TEQ's Annual Report;
- Compliance with legislative, regulatory, contractual, policy, industry standards, and good governance principles;
- The integrity of TEQ's internal control framework;
- Safeguarding the independence of the external and internal auditors; and
- Ensuring that appropriate remuneration policies are designed to meet the needs of TEQ and to enhance corporate and individual performance.

The Committee regularly reports to the Board on its activities and recommendations.

During the year, the Committee reviewed and observed the terms of the *Audit and Remuneration Committee Charter* and the *Internal Audit Charter* in line with *Queensland Treasury's Audit Committee Guidelines*. In addition, the Committee tracked the implementation of agreed internal, external and performance audit recommendations.

Four Audit and Remuneration Committee meetings were held in 2015-16. The Committee members included Gary Smith (Chairman), Julieanne Alroe (Member) and Anna Guillan (Member).

The Chief Executive Officer, financial management staff and internal and external auditors attend Audit and Remuneration Committee meetings as requested by the Committee. The Committee also holds discussions with the auditors without management attending.

### 3. Contestable Grants Committee

The role of the Contestable Grants Committee was to consider and approve the successful contestable grant project applications received from the RTO Contestable Grants Assessment Committee, and provide recommendations to the TEQ board, which are subsequently provided to the Minister for noting and announcement. The Committee met once in 2015-16 and committee members included Julieanne Alroe (Chairman), Gary Smith (Member) and Leanne Coddington (Member).

The RTO Contestable Grant program concluded in 2015-16. As this committee is no longer required it will be formally dissolved.

#### Internal audit

Internal audit advises all levels of management and the Audit and Remuneration Committee on TEQ's internal control systems and management of business risk.

The internal audit function is responsible for:

- Assisting executives with risk management through the provision of advice and assurance;
- Developing:
  - a plan that is based on assessed business risks and objectives and which is flexible enough to meet changing business needs; and
  - resourcing arrangements that will cope with special requests;
- Providing regular progress reports to management and the Audit and Remuneration Committee;
- Ensuring internal audit remains effective, credible, productive and focused on those areas of most significance to the corporation;
- Working with management to challenge and improve established and proposed practices and put forward ideas for improving processes;
- Providing an appropriately skilled team supported, where necessary, by specialist expertise;
- Maintaining an open relationship with the external auditors; and
- Fostering a culture of working with management towards agreed solutions.

Internal audit works with management and the Audit and Remuneration Committee to align its audit program with TEQ's strategic risk profile.

During the year:

- Internal audit operated under an approved charter that is consistent with relevant audit and ethical standards;
- Internal audit worked in accordance with the strategic plan;
- Systems were in place to ensure the effective, efficient and economical operation of the function;
- The internal audit function was independent of management and the authorised auditors;
- The internal audit function had due regard for *Queensland Treasury's Audit Committee Guidelines*; and
- Internal audits were conducted in the areas of contestable and core grant acquittals, project and campaign management, information technology vendor management and information technology business/ disaster recovery planning.

#### Risk management

TEQ has a risk management framework, including a risk management policy and a risk register owned by the TEQ Board. Senior management regularly review the risk register.

TEQ seeks to continuously improve its approach to identifying and managing risk. In December 2015 the organisation completed a review and update of its Risk Management Policy. Improvements to the policy include an update of the risk appetite statements and greater clarity of risk register processes.

The Audit and Remuneration Committee is responsible for reviewing and reporting to the Board with regard to TEQ's risk management framework, liaising with management to ensure there is a common understanding of the key risks to, and for, TEQ, reviewing the effectiveness of processes for identifying and escalating strategic risks, and assessing and contributing to the audit planning processes relating to the risks and threats to TEQ.

#### External scrutiny

Each year, an external audit is conducted of TEQ's consolidated financial reports and the financial statements of controlled entities. The Queensland Audit Office issued unqualified audit reports for the:

- TEQ consolidated financial statements for 2015-16 on 31 August 2016;
- TEQ Employing Office financial statements for 2015-16 on 31 August 2016; and
- Gold Coast Events Management Ltd financial statements for 2015-16 on 25 August 2016.

There were no issues identified by external audit in 2015-16.

## Board meetings

During the year six board meetings were held.

Four of the six meetings were held in regional areas in order for Board members to connect and engage with RTOs, stakeholders and the local tourism industry. While in region, Board members meet with local industry to discuss issues and challenges they are facing and receive feedback from tourism operators to help inform their decision-making.

TEQ Board meetings were held in Tropical North Queensland (October 2015), the Gold Coast (December 2015), the Whitsundays (April 2016) and the Outback (June 2016) during 2015-16 and the Board plans to continue hosting further meetings in regional areas in 2016-17. Two meetings were held in Brisbane.

The names, positions and appointment terms for members of the TEQ Board are outlined in the following table.

Name	Position	Appointment Date	End Date
Bob East	Chairman	3 August 2015	3 August 2018
Julieanne Alroe	Member	2 September 2010	3 August 2018
	Deputy Chairman	1 November 2011 31 October 2013 7 August 2014	2 August 2013 31 January 2014 3 August 2018
Paul Donovan	Member	10 August 2012	3 August 2018
Anna Guillan	Member	20 December 2012	3 August 2018
Karen Hanna-Miller	Member	3 August 2015	3 August 2018
Michael Healy	Member	3 August 2015	3 August 2018
Prof Judith McLean	Member	20 December 2012	3 August 2018
Gary Smith	Member	20 December 2012	3 August 2018
Director-General, Tourism, Major Events, Small Business and the Commonwealth Games	Member	<i>Permanent member under Tourism and Events Queensland Act 2012</i>	
Libby Marshall	Member	10 August 2012	Term expired 2 August 2015
Garth Prowd OAM	Member	10 August 2012	Term expired 2 August 2015
Ian Gillespie	Member	10 August 2012	Term expired 2 August 2015
James Corvan	Member	10 August 2012	Term expired 2 August 2015
Elizabeth Ward	Member	10 August 2012	Term expired 2 August 2015
Alan Smith	Member	10 August 2012	Term expired 2 August 2015

## Government bodies

### Tourism and Events Queensland Board

Act or instrument	<i>Tourism and Events Queensland Act 2012</i>				
Functions	The primary role of the board is to provide strategic direction, effective governance and risk guidance over Tourism and Events Queensland's affairs, ensuring it discharges its legislated responsibilities and performs its functions in a way that is appropriate, effective and efficient. The board forms committees as appropriate to delegate its powers, duties and responsibilities.				
Achievements	During 2015-16, the TEQ Board set the strategic direction for the corporation through the 2016-2020 Strategic Plan, led the development of a new marketing strategy, reformed the support of the Regional Tourism Organisation (RTO) network with a new three-year Tourism Network Funding model and approved investment in a range of major events throughout the State driving economic and social benefits for Queensland.				
Financial reporting	The transactions of the entity are accounted for in the financial statements. The entity is audited by the Queensland Audit Office.				
Remuneration					
Position	Name	Meeting attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Bob East	6	\$35,000 pa	N/A	\$31,635
Deputy Chair	Julianne Alroe	6	\$10,000 pa	N/A	\$10,000
Member	Paul Donovan	3	\$10,000 pa	N/A	\$10,000
Member	Anna Guillan	6	\$10,000 pa	N/A	\$10,000
Member	Karen Hanna-Miller	6	\$10,000 pa	N/A	\$9,039
Member	Michael Healy	5	\$10,000 pa	N/A	\$9,039
Member	Prof Judith McLean	6	\$10,000 pa	N/A	\$10,000
Member	Gary Smith	4	\$10,000 pa	N/A	\$10,000
Member	Director-General, Tourism, Major Events, Small Business and the Commonwealth Games	4	N/A	N/A	N/A
Member	James Corvan	0	\$10,000 pa	N/A	\$962
Member	Ian Gillespie	0	\$10,000 pa	N/A	\$962
Member	Libby Marshall	0	\$10,000 pa	N/A	\$962
Member	Garth Prowd OAM	0	\$10,000 pa	N/A	\$962
Member	Alan Smith	0	\$10,000 pa	N/A	\$962
Member	Elizabeth Ward	0	\$10,000 pa	N/A	\$962
No. scheduled meetings/sessions	6				
Total out of pocket expenses	\$494				

**Gold Coast Events Management Ltd**

Act or instrument	<i>Corporations Act 2001</i>				
Functions	Gold Coast Events Management Ltd trades as Events Management Queensland and operates the Gold Coast Airport Marathon, an annual running event, and the Pan Pacific Masters Games, a biennial multi-sports masters event, both held on the Gold Coast.				
Achievements	The principal achievements of the entity for the 2015-16 reporting period were the planning and staging of the 2015 Gold Coast Airport Marathon and planning for the 2016 Gold Coast Airport Marathon and 2016 Jupiters Pan Pacific Masters Games.				
Financial reporting	The transactions of the entity are accounted for in the financial statements. The entity is not exempted from audit by the Auditor-General.				
Remuneration					
Position	Name	Meetings/sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair	Kerry Watson	6	\$60,000	N/A	\$60,000
Director	Daphne Pirie	5	N/A	N/A	N/A
Director	Mark Reaburn	5	N/A	N/A	N/A
Director	Nick Elliott (from 5 November 2015)	3	N/A	N/A	N/A
Director	Lindsay Wallace	5	N/A	N/A	N/A
Director	Sandra Passaro (to 2 November 2015)	2	N/A	N/A	N/A
No. scheduled meetings/sessions	6				
Total out of pocket expenses	\$347				

## Statutory obligations

A summary of TEQ's recent progress towards ensuring compliance with statutory obligations is as follows:

### 1. Public Sector Ethics Act 1994

TEQ's *Code of Conduct* (the code) is aligned with the four ethics principles and values outlined in the *Public Sector Ethics Act 1994*. The code was amended to reflect the revised *Crime and Corruption Act 2001*. Staff education and training was undertaken during the year.

The code is intended to give staff a framework to ensure the organisation maintains its professional standards. The code outlines the expectations of all staff and provides information on the ethical values and behaviour required in TEQ's daily business activities. Adherence to these values is fundamental in building a relationship of trust between industry, Government and the community.

The code applies to all staff as well as the Chairman, Board members and contractors. Information on the code is provided to all new employees during their induction and electronic copies are available for ongoing reference. If the code is not followed, performance feedback will ensue, with the outcome of this feedback ranging from counselling to termination of employment.

TEQ's human resource management procedures and practices, including staff performance reviews, have been put in place in accord with the code.

### 2. Work Health & Safety Act 2011

During 2015-16 TEQ continued to comply with the *Work Health & Safety Act 2011*. TEQ's Work Health and Safety (WHS) Policy and related procedures were updated by the WHS Committee, approved by the Executive team and communicated to all staff during the year.

In addition, TEQ procured an automated external defibrillator in May 2016 as part of its continued commitment to providing a safe working environment.

## Information systems and recordkeeping

The *Public Records Act 2002* requires public authorities to make and keep full and accurate records of their activities and have regard to recordkeeping policies, standards and guidelines issued by the State Archivist.

TEQ uses the HP-RM8 (Records Management 8.1) electronic document and records management system. Other systems record other information including FinanceOne for financial records and transactions, and contract management. Microsoft Exchange Online stores all internal and external electronic communications. TEQ has engaged an external partner to manage TEQ's backup, archival and retrieval of all digital records held in RM8, FinanceOne, Microsoft Exchange Online and other systems. All systems are maintained and updated with current or previous software releases and hosted in cloud-based infrastructure for resiliency and security. All permanent and temporary staff receive training in the making and keeping of public records upon commencement.

TEQ has an agreement with Recall Information Management Australia Pty Ltd, in accordance with the Queensland Government Chief Procurement Office, to store, retrieve and destroy its physical documents and records, as required. TEQ has an assigned part-time role for records management. During 2015-16, TEQ continued the practice of digitising all new physical records into RM8 and FinanceOne, in addition to the significant majority of its existing contracts, financial records and communications which are already held digitally in RM8 or other systems.

There were no breaches of TEQ's information security during the year.

## Efficient business operations

TEQ continued to review its business operations during 2015-16 to identify cost savings and operational efficiencies. During the year, TEQ:

- Developed the Tourism Network Funding Program 2016-19 to replace the former annual Core and Contestable grant funding programs, which will bring significant administration efficiencies for both TEQ and RTOs;

- Entered into efficiency arrangements with Tourism Australia and Trade and Investment Queensland (TIQ) to streamline invoicing and payments between the organisations, vastly reducing administration;
- Sublet vacant office space reducing the net cost of office lease costs;
- Established a Business Process Improvement Task Force which operates across the business to identify and implement improvements to operational processes;
- Continued improvements in IT infrastructure support as a result of the appointment of the Information and Communications Technology (ICT) managed services provider;
- Commenced implementation of a new Customer Relationship Management (CRM) system to support internal and external public relations and stakeholder activities;
- Implemented a secure digital Board Member information management system, eliminating the need for paper based Board reporting;
- Implemented a support management system for FinanceOne and digitised various online workflow processes; and
- Engaged supplier panels for public relations, digital and creative services resulting in lower costs and administration efficiencies.

TEQ's procurement plan and associated procedures continue to incorporate a value-for-money framework and guide the efficient and effective conduct of TEQ's operations, consistent with the Queensland Procurement Policy.

## Open Data

The following information for 2015-16 will be published online at the Queensland Government Open Data website <https://data.qld.gov.au>:

- Consultancies
- Overseas travel.

Information relating to Government bodies (Tourism and Events Queensland Board and Gold Coast Events Management Ltd) is published within the body of this annual report, please refer to page 32.