



INDEPENDENT AUDIT REPORT

To Members of the Parliament of Tasmania

LEGISLATIVE COUNCIL

Financial Statements for the Year Ended 30 June 2010

Report on the Financial Statements

I have audited the accompanying financial statements of the Legislative Council, which comprise the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Clerk.

The Responsibility of the Clerk for the Financial Statements

The Clerk is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and Section 27 (1) of the *Financial Management and Audit Act 1990*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based upon my audit. My audit was conducted in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of accounting estimates made by the Clerk, as well as evaluating the overall presentation of the financial statements.

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

My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the financial statements.

Independence

In conducting this audit, I have complied with the independence requirements of Australian Auditing Standards and other relevant ethical requirements. The *Audit Act 2008* further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of State Entities but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Tasmanian Audit Office are not compromised in their role by the possibility of losing clients or income.

Auditor's Opinion

In my opinion the financial statements of the Legislative Council:

- (a) present fairly, in all material respects, its financial position as at 30 June 2010, and its financial performance, cash flows and changes in equity for the year then ended; and
- (b) are in accordance with the *Financial Management and Audit Act 1990* and Australian Accounting Standards (including Australian Accounting Interpretations).

TASMANIAN AUDIT OFFICE



H M Blake
AUDITOR-GENERAL

HOBART
28 September 2010



OFFICE OF THE CLERK
LEGISLATIVE COUNCIL

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CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of the Legislative Council are in agreement with the relevant accounts and records and have been prepared in compliance with Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990* to present fairly the financial transactions for the year ended 30 June 2010 and the financial position as at the end of the year.

At the date of signing, I am not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

A handwritten signature in black ink, appearing to read 'D T Pearce'.

D T Pearce
Clerk of the Legislative Council

13 August 2010

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Legislative Council Comprehensive Income for the year ended 30 June 2010

	Notes	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Continuing operations				
Revenue and other income from transactions				
Revenue from Government				
Appropriation revenue - recurrent	1.6(a), 5.1	5,509	5,656	5,657
Total revenue and other income from transactions		5,509	5,656	5,657
Expenses from transactions				
Employee benefits	1.7(a), 6.1	4,532	5,066	5,000
Depreciation and amortisation	1.7(b), 6.2	30	20	26
Supplies and consumables	6.3	868	566	639
Other expenses	6.4	121	105	85
Total expenses from transactions		5,551	5,757	5,750
Net result from transactions (net operating balance)		(42)	(101)	(93)
Net result		(42)	(101)	(93)
Comprehensive result		(42)	(101)	(93)

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 3 of the accompanying notes.

Legislative Council Statement of Financial Position as at 30 June 2010

	Notes	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	1.8(a), 11.1	10	-	-
Receivables	1.8(b), 7.1	8	6	7
<i>Non-financial assets</i>				
Property, plant and equipment	1.8(c), 7.2	1,094	1,108	1,128
Total assets		1,112	1,114	1,135
Liabilities				
Payables	1.9(a), 8.1	86	64	76
Employee benefits	1.9(b), 8.2	566	739	647
Other liabilities		39	-	-
Total liabilities		691	803	723
Net assets (liabilities)		421	311	412
Equity				
Reserves	10.1	221	221	221
Accumulated funds		200	90	191
Total equity		421	311	412

This Statement of Financial Position should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 3 of the accompanying notes.

Legislative Council Statement of Cash Flows for the year ended 30 June 2010

	Notes	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Cash flows from operating activities		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Appropriation receipts – recurrent		5,509	5,655	5,646
GST receipts		68	57	17
Total cash inflows		5,577	5,712	5,663
Cash outflows				
Employee benefits		(4,228)	(4,713)	(4,688)
Superannuation		(292)	(279)	(243)
GST payments		(68)	(57)	(17)
Supplies and consumables		(868)	(577)	(639)
Other cash payments		(121)	(86)	(86)
Total cash outflows		(5,577)	(5,712)	(5,673)
Net cash from (used by) operating activities	11.2	-	-	(10)
Net increase (decrease) in cash held and cash equivalents		-	-	(10)
Cash and deposits at the beginning of the reporting period		10	-	10
Cash and deposits at the end of the reporting period	11.1	10	-	-

This Statement of Cash Flows should be read in conjunction with the accompanying notes.

Budget information refers to original estimates and has not been subject to audit.

Explanations of material variances between budget and actual outcomes are provided in Note 3 of the accompanying notes.

Legislative Council Statement of Changes in Equity for the year ended 30 June 2010

	Reserves \$'000	Accumulated surplus / deficit \$'000	Total equity \$'000
Balance as at 1 July 2009	221	191	412
Total comprehensive result	-	(101)	(101)
Total	221	90	311
Balance as at 30 June 2010	221	90	311

	Reserves \$'000	Accumulated surplus / deficit \$'000	Total Equity \$'000
Balance as at 1 July 2008	221	284	505
Total comprehensive result	-	(93)	(93)
Total	221	191	412
Balance as at 30 June 2009	221	191	412

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements for the year ended 30 June 2010

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Note 1 Significant Accounting Policies

1.1 Objectives and Funding

The Legislative Council is the Upper House of the Parliament and functions as a House of Review.

The role of the Members of the Legislative Council is twofold:

- To examine the merits of legislation from alternative perspectives and to authorise expenditure of State monies; and
- To provide a parliamentary check on the Government of the day. In modern time, the Legislative Council has expanded from the base of being a purely legislative body to a House that involves itself with the examination and analysis of actions, decisions and workings of the Executive Government.

The overall objectives of the Legislative Council remain constant over time. Services may increase with parliamentary evolution, but are invariant in the medium term. The major objectives and responsibilities of the Clerk of the Legislative Council are to:

- Support the Legislative Council in its constitutional role;
- To provide an accurate retrieval and assessment system of precedent, law, history and parliamentary method necessary for the effective functioning of the Legislative Council and its Committees;
- Provide effective apolitical support including administrative, research, policy and procedural support and advice to the President of the Legislative Council and other elected Members;
- Ensure the effective custody of documents including journals, records and papers of the Legislative Council, the responsibility of which, in accordance with Standing Orders, is vested in the Clerk of the Legislative Council;
- Ensure the effective functions of Standing, Sessional and Select Committees including the provision of adequate and appropriate resources;
- Accurately prepare and present legislation, once passed through both Houses, to His Excellency the Governor for the Royal Assent;
- Promote public awareness of the purpose, functions and work of the Legislative Council;
- Maximise the potential of all staff through effective human resource practices; and
- Efficiently manage resources, both financial and human.

The Council is funded by Parliamentary appropriations and Reserved-by Law allocations. The financial statements encompass all funds through which the Council controls resources to carry on its functions.

1.2 Basis of Accounting

The Financial Statements are a general purpose financial report and have been prepared in accordance with:

- Australian Accounting Standards issued by the Australian Accounting Standards Board and Interpretations; and
- The Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*.

The Financial Statements were signed by the Clerk on 13 August 2010.

Compliance with the Australian Accounting Standards may not result in compliance with International Financial Reporting Standards, as the AAS include requirements and options available to not-for-profit organisations that are inconsistent with IFRS. The Department is considered to be not-for-profit and has adopted some accounting policies under the AAS that do not comply with IFRS.

The Financial Statements have been prepared on an accrual basis and, except where stated, are in accordance with the historical cost convention. The accounting policies are generally consistent with the previous year except for those changes outlined in Note 1.5.

1.3 Reporting Entity

The Financial Statements include all the controlled activities of the Council. The Financial Statements consolidate material transactions and balances of the Council and entities included in its output groups. Material transactions and balances between the Council and such entities have been eliminated.

1.4 Functional and Presentation Currency

These Financial Statements are presented in Australian dollars, which is the Council's functional currency.

1.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

In the current year, the Council has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. These include:

- *AASB 101 Presentation of Financial Statements* – This Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of this revised Standard.
- *AASB Interpretation 14 AASB 119 the Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* - The interpretation clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements on such assets. It also gives guidance on when a MFR might give rise to a liability. The Interpretation will not have a material financial impact on the Financial Statements.

(b) Impact of new and revised Accounting Standards yet to be applied

The following applicable Standards have been issued by the AASB and are yet to be applied:

- *AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101* - revised Standard to be applied from reporting periods beginning on or after 1 January 2010. This Standard changes the term "general purpose financial report" to "general purpose Financial Statements" and the term "financial report" to "Financial Statements", where appropriate, in Australian Accounting Standards (including Interpretations) and the *Framework* to better align with IFRS terminology. The Standard will not have a financial impact on the Financial Statements.
- *AASB 2009-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project* – revised Standard to be applied from reporting periods beginning on or after 1 January 2010. The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting. The Standard will not have a material financial impact on the Department's Financial Statements.
- *AASB 2009-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* - revised Standard to be applied from annual reporting periods beginning on or after 1 July 2010. This Standard amends AASB 1 and AASB 5 to include requirements relating to a sale plan involving the loss of control of a subsidiary. The amendments require all the assets and liabilities of such a subsidiary to be classified as held for sale and clarify the disclosures required when the subsidiary is part of a disposal group that meets the definition of a discontinued operation. The Standard will not have a financial impact on the Financial Statements.

1.6 Income from transactions

Income is recognised in the Statement of Comprehensive Income when an increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably.

(a) Revenue from Government

Appropriations, whether recurrent or capital, are recognised as revenues in the period in which the Council gains control of the appropriated funds.

(b) Other revenue

Revenue is recognised when they are controlled by the Council.

1.7 Expenses from transactions

Expenses are recognised in the Statement of Comprehensive Income when a decrease in future economic benefits related to a decrease in asset or an increase of a liability has arisen that can be measured reliably.

(a) Employee benefits

Employee benefits include, where applicable, entitlements to wages and salaries, annual leave, sick leave, long service leave, superannuation and any other post-employment benefits.

(b) Depreciation and amortisation

All applicable Non-financial assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their service potential. Land, being an asset with an unlimited useful life, is not depreciated.

Depreciation is provided for on a straight line basis, using rates which are reviewed annually. Major depreciation periods are:

Computer Equipment	3 years
Furniture and Fittings	10 years
Office Equipment	10 years
Leasehold Improvements	5 years

1.8 Assets

Assets are recognised in the Statement of Financial Position when it is probable that the future economic benefits will flow to the Council and the asset has a cost or value that can be measured reliably.

(a) Cash and deposits

Cash means notes, coins, any deposits held at call with a bank or financial institution, as well as funds held in the Special Deposits and Trust Fund. Deposits are recognised at amortised cost, being their face value.

(b) Receivables

Receivables are recognised at amortised cost, less any impairment losses, however, due to the short settlement period, receivables are not discounted back to their present value.

(c) Plant and equipment

(i) Valuation basis

Heritage assets, comprising antique furniture, artworks and artefacts are recorded at fair value. All other Non-current physical assets, including work in progress, are recorded at historic cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

(iii) Asset recognition threshold

The asset capitalisation threshold adopted by the Council is \$5,000. Assets valued at less than \$5,000 are charged to the Statement of Comprehensive Income in the year of purchase (other than where they form part of a group of similar items which are material in total). Antique furniture and artworks and artefacts are treated as discrete groups of assets and all items in these groups are recorded as non-current assets.

(iv) Revaluations

The Council has adopted a revaluation threshold of \$5,000. Re-valuations are conducted with sufficient regularity so as to ensure that carrying amounts reasonably equate with fair value at each balance date.

Assets are grouped on the basis of having a similar nature or function in the operations of the Council.

1.9 Liabilities

Liabilities are recognised in the Statement of Financial Position when it is probable that an outflow of resources embodying economic benefits will result from the settlement of a present obligation and the amount at which the settlement will take place can be measured reliably.

(a) Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised at amortised cost, which due to the short settlement period, equates to face value, when the Department becomes obliged to make future payments as a result of a purchase of assets or services.

(b) Employee benefits

Liabilities for wages and salaries and annual leave are recognised when an employee becomes entitled to receive a benefit. Those liabilities expected to be realised within 12 months are measured as the amount expected to be paid. Other employee entitlements are measured as the present value of the benefit at 30 June 2010, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

A liability for long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

(c) Superannuation

The Council does not recognise a liability for the accruing superannuation benefits of Council employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

1.10 Judgments and Assumptions

In the application of Australian Accounting Standards, the Council is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by the Council that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Statements.

The Council has made no assumptions concerning the future that may cause a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.11 Comparative Figures

Comparative figures have been adjusted to reflect any changes in accounting policy or the adoption of new standards.

1.12 Budget Information

Budget information refers to original estimates as disclosed in the 2009-10 Budget Papers and is not subject to audit.

1.13 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated.

1.14 Taxation

The Council is exempt from all forms of taxation except Fringe Benefits Tax, Payroll Tax and the Goods and Services Tax.

1.15 Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax, except where the GST incurred is not recoverable from the Australian Taxation Office. Receivables and payables are stated inclusive of GST. The net amount recoverable, or payable, to the ATO is recognised as an asset or liability within the Statement of Financial Position.

In the Statement of Cash Flows, the GST component of cash flows arising from operating, investing or financing activities which is recoverable from, or payable to, the Australian Taxation Office is, in accordance with the Australian Accounting Standards, classified as operating cash flows.

Note 2 Departmental Output Schedules

2.1 Output Group Information

Comparative information has not been restated for external administrative restructures.

Budget information refers to original estimates and has not been subject to audit.

Output Group 1 – Legislative Council Support Services

	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	2,736	2,846	2,840
Total revenue and other income from transactions	2,736	2,846	2,840
Expenses from transactions			
Employee benefits	1,759	2,256	2,190
Depreciation and amortisation	30	20	26
Communications	-	165	150
Travel	-	74	86
Information technology	-	17	27
Other expenses	989	415	454
Total expenses from transactions	2,778	2,947	2,933
Net result from transactions (net operating balance)	(42)	(101)	(93)
Expense by output			
Output Group 1	2,778	2,947	2,933
Total	2,778	2,947	2,933
Net Assets			
Total assets deployed for Output Group 1		1,114	1,135
Total liabilities incurred for Output Group 1		(803)	(723)
Net assets deployed for Output Group 1		311	412

Output Group 2 – Payments administered by the Legislative Council

	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Revenue and other income from transactions			
Revenue from appropriation	2,773	2,810	2,817
Total revenue and other income from transactions	2,773	2,810	2,817
Expenses from transactions			
Parliamentary salaries and allowances	2,452	2,352	2,370
Parliamentary travelling allowances	281	409	388
Parliamentary Committee fees and allowances	40	49	59
Total expenses from transactions	2,773	2,810	2,817
Net result from transactions (net operating balance)	-	-	-
Expense by output			
Output Group 1	2,773	2,810	2,817
Total	2,773	2,810	2,817

Net Assets

Total assets deployed for Output Group 2	-	-
Total liabilities incurred for Output Group 2	-	-
Net assets deployed for Output Group 2	-	-

2.2 Reconciliation of Total Administered Output Groups Comprehensive Result to Statement of Comprehensive Income

	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Total comprehensive result of Output Groups	(42)	(101)	(93)
Comprehensive result	(42)	(101)	(93)

2.3 Reconciliation of Total Administered Output Groups Net Assets to Statement of Financial Position

	2010 Actual \$'000	2009 Actual \$'000
Total net assets deployed for Output Groups	311	412
Reconciliation to net assets		
Assets unallocated to Output Groups	1,114	1,135
Liabilities unallocated to Output Groups	(803)	(723)
Net assets	311	412

Note 3 Explanations of Material Variances between Budget and Actual Outcomes

The following are brief explanations of material variances between Budget estimates and actual outcomes. Variances are considered material where the variance exceeds the greater of 10 per cent of Budget estimate and \$100,000.

3.1 Statement of Comprehensive Income

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue - recurrent	(a)	5,509	5,656	147	3
Employee benefits	(b)	4,532	5,066	534	12
Supplies and consumables	(c)	868	595	(273)	(31)
Other expenses	(d)	121	105	(16)	(13)

3.2 Statement of Financial Position

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Receivables	(e)	8	6	2	25
Payables	(e)	86	64	22	26
Employee benefits	(b)	566	739	(173)	(31)

3.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts – recurrent	(a)	5,509	5,655	146	3
Employee and Member benefits	(b)	(4,228)	(4,713)	(485)	(11)

Notes to Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows variances

(a) The increase in Appropriation receipts reflects an increase in expenditure in relation to Committee activity, an increase in staffing to some regional offices and the increase salaries paid in accordance with the "Tasmanian State Services Award".

(b) The increase in Employee benefits reflects the salary increases contained in the translation and application of the "Tasmanian State Services Award". Long service leave balances remain high due to the high rate of staff retention.

(c) The decrease in Supplies and consumables reflects the reduction in the costs of Regional office operations and the overall efficiency of operation of the Council.

(d) The decrease in Other expenses reflects lower than expected Payroll Tax.

(e) Receivables and Payables were less than expected when preparing budget figures

Note 4 Events Occurring After Balance Date

There have been no events subsequent to balance date which would have a material effect on the Council's financial statements as at 30 June 2010.

Note 5 Income from transactions

5.1 Revenue from Government

Revenue from Government includes revenue from appropriations, appropriations carried forward under section 8A(2) of the *Public Account Act 1986* and Items Reserved by Law.

The Budget information is based on original estimates and has not been subject to audit.

	2010 Budget \$'000	2010 Actual \$'000	2009 Actual \$'000
Appropriation revenue - recurrent			
Current year	2,736	2,846	2,840
Items Reserved by Law			
R003 Parliamentary Salaries and Allowances (<i>Parliamentary Salaries, Superannuation and Allowances Act 1973</i>)	2,452	2,352	2,370
R004 Travelling Allowances (<i>Parliamentary Salaries, Superannuation and Allowances Act 1973</i>)	281	409	388
R005 Members' Committee Fees and Allowances (<i>Parliamentary Salaries, Superannuation and Allowances Act 1973</i>)	40	49	59
Total revenue from Government	5,509	5,656	5,657

Note 6 Expenses from transactions

6.1 Employee benefits

	2010 \$'000	2009 \$'000
Wages and salaries	4,415	4,465
Annual leave	167	170
Long service leave	89	20
Fringe benefits tax	91	101
Superannuation	304	244
Total	5,066	5,000

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account held centrally and recognised within the Finance-General Division of the Department of Treasury and Finance. The amount of the payment is based on an employer contribution rate determined by the Treasurer, on the advice of the State Actuary. The current employer contribution is 11 per cent of salary.

Superannuation expenses relating to the defined contribution scheme are paid directly to the superannuation fund at a rate of nine per cent of salary. In addition, departments are also required to pay into the SPA a "gap" payment equivalent to two per cent of salary in respect of employees who are members of the contribution scheme.

6.2 Depreciation and amortisation

(a) Depreciation

	2010 \$'000	2009 \$'000
Furniture and fittings	9	9
Computer equipment	4	8
Office equipment	1	1
Total	14	18

(b) Amortisation

	2010 \$'000	2009 \$'000
Leasehold improvements	6	8
Total	6	8
Total depreciation and amortisation	20	26

6.3 Supplies and consumables

	2010	2009
	\$'000	\$'000
Audit fees – financial audit	11	11
Resource support	92	104
Communications	165	150
Information technology	17	27
Travel and transport	74	86
Regional office support	82	120
Other supplies and consumables	125	141
Total	566	639

6.4 Other expenses

	2010	2009
	\$'000	\$'000
Payroll tax	105	85
Total	105	85

Note 7 Assets

7.1 Receivables

	2010	2009
	\$'000	\$'000
Receivables	6	7
Total	6	7
Settled within 12 months	6	7
Total	6	7

7.2 Plant and equipment

(a) Carrying amount

	2010 \$'000	2009 \$'000
Antique Furniture		
At fair value (16 June 2006)	905	905
Total	905	905
Artworks and Artefacts		
At fair value (21 July 2006)	172	172
Total	172	172
Leasehold improvements		
At cost	36	36
Less: Accumulated amortisation	(34)	(28)
Total	2	8
Furniture and Fittings		
At cost	84	84
Less: Accumulated depreciation	(65)	(56)
Total	19	28
Computer equipment		
At cost	49	49
Less: Accumulated depreciation	(45)	(41)
Total	4	8
Office equipment		
At Cost	13	13
Less: Accumulated depreciation	(7)	(6)
Total	6	7
Total plant and equipment	1,108	1,128

The latest revaluations as at 16 June 2006 and 21 July 2006 were independently conducted. The valuer of the Antique furniture was Mr A F Colman and the valuer of the Artworks was Mr W N Hurst.

Reconciliations of the carrying amounts of each class of Property, plant and equipment at the beginning and end of the current and previous financial year are set out below. Carrying value means the net amount after deducting accumulated depreciation and accumulated impairment losses.

2010	Antique Furniture \$'000	Artwork and Artefacts \$'000	Leasehold improve- ments \$'000	Furniture and Fittings \$'000	Computer equipment \$'000	Office equipment \$'000	Total \$'000
Carrying value at 1 July	905	172	8	28	8	7	1,128
Depreciation and amortisation	-	-	(6)	(9)	(4)	(1)	(20)
Carrying value at 30 June	905	172	2	19	4	6	1,108

2009	Antique Furniture \$'000	Artwork and Artefacts \$'000	Leasehold improvements \$'000	Furniture and Fittings \$'000	Computer equipment \$'000	Office equipment \$'000	Total \$'000
Carrying value at 1 July	905	172	16	37	16	8	1,154
Depreciation and amortisation	-	-	(8)	(9)	(8)	(1)	(26)
Carrying value at 30 June	905	172	8	28	8	7	1,128

Note 8 Liabilities

8.1 Payables

	2010 \$'000	2009 \$'000
Creditors	57	71
Accrued expenses	7	5
Total	64	76
Settled within 12 months	64	76
Total	64	76

8.2 Employee benefits

	2010 \$'000	2009 \$'000
Accrued salaries	66	42
Annual leave	278	272
Long service leave	395	333
Total	739	647
Settled within 12 months	374	343
Settled in more than 12 months	365	304
Total	739	647

Note 9 Commitments and Contingencies

9.1 Schedule of Commitments

	2010 \$'000	2009 \$'000
By maturity		
<i>Operating lease commitments</i>		
One year or less	96	106
From one to five years	43	77
<i>Total operating lease commitments</i>	139	183
Total	139	183

Note 10 Reserves

10.1 Reserves

	2010	2009
	\$'000	\$'000
Physical asset revaluation reserve		
Balance at the beginning of financial year	221	221
Balance at end of financial year	221	221

(a) Nature and purpose of reserves

Asset Revaluation Reserve

The Asset Revaluation Reserve is used to record increments and decrements on the revaluation of Non-financial assets, as described in Note 1.8(c).

Other reserves

Note 11 Cash Flow Reconciliation

11.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Accounts held by the Department, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2010	2009
	\$'000	\$'000
Special Deposits and Trust Fund balance		
Legislative Council operating account	-	-
Total	-	-
Total cash and deposits	-	-

11.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2010	2009
	\$'000	\$'000
Net result	(101)	(93)
Depreciation and amortisation	19	26
Decrease (increase) in Receivables	2	1
Increase (decrease) in Employee entitlements	92	105
Increase (decrease) in Payables	(12)	(39)
Increase (decrease) in Other liabilities	-	(10)
Net cash from (used by) operating activities	-	(10)

Note 12 Financial Instruments

12.1 Risk exposures

(a) Risk management policies

The Council has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

The Head of Agency has overall responsibility for the establishment and oversight of the Council's risk management framework. Risk management policies are established to identify and analyse risks faced by the Department, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Council if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets recorded in the Financial Statements, net of any allowances for losses, represents the Council's maximum exposure to credit risk without taking into account of any collateral or other security.

(c) Liquidity risk

Liquidity risk is the risk that the Council will not be able to meet its financial obligations as they fall due. The Council's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they fall due.

The following tables detail the undiscounted cash flows payable by the Council by remaining contractual maturity for its financial liabilities. It should be noted that as these are undiscounted, totals may not reconcile to the carrying amounts presented in the Statement of Financial Position:

2010

	Maturity analysis for financial liabilities						Undiscounted Total \$'000	Carrying Amount \$'000
	1 Year	2 Years	3 Years	4 Years	5	More		
	\$'000	\$'000	\$'000	\$'000	Years \$'000	than 5 Years \$'000		
Financial liabilities								
Payables	64	-	-	-	-	-	64	
Total	64	-	-	-	-	-	64	

2009

	Maturity analysis for financial liabilities						Undiscounted Total \$'000	Carrying Amount \$'000
	1 Year	2 Years	3 Years	4 Years	5	More		
	\$'000	\$'000	\$'000	\$'000	Years \$'000	than 5 Years \$'000		
Financial liabilities								
Payables	76	-	-	-	-	-	76	
Total	76	-	-	-	-	-	76	

(d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Council is not exposed to interest rate risk.

12.2 Assets and Liabilities

	2010 \$'000	2009 \$'000
Financial assets		
Receivables	6	7
Total	6	7
Financial Liabilities		
Financial liabilities at fair value through profit and loss	64	76
Total	64	76

12.3 Net Fair Values of Financial Assets and Liabilities

2010

	Total Carrying Amount \$'000	Net fair Value \$'000	Net Fair Value Total \$'000
Financial assets			
Receivables	6	6	6
Total financial assets	6	6	6
Financial liabilities (Recognised)			
Trade creditors	64	64	64
Total financial liabilities (Recognised)	64	64	64

2009

	Total Carrying Amount \$'000	Net fair Value \$'000	Net Fair Value Total \$'000
Financial assets			
Receivables	7	7	7
Total financial assets	7	7	7
Financial liabilities (Recognised)			
Trade creditors	76	76	76
Total financial liabilities (Recognised)	76	76	76

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.