



Independent Auditor's Report

To Members of the Parliament of Tasmania

Legislative Council

Financial Statements for the Year Ended 30 June 2012

I have audited the accompanying financial report of Legislative Council, which comprise the statement of financial position as at 30 June 2012, the statements of comprehensive income, changes in equity and cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Clerk of Legislative Council.

Auditor's Opinion

In my opinion the Legislative Council's financial report:

- (a) present fairly, in all material respects, its financial position as at 30 June 2012, 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.

The Responsibility of the Clerks for the Financial Report

The Clerk of the Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards 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 report 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 report is free of 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 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 Clerks' preparation and fair presentation of the financial report 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 the Legislative Council's 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 report.

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

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.

Tasmanian Audit Office



H M Blake
Auditor-General

HOBART
6 September 2012



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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 2012 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

6 September 2012

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Statement of Comprehensive Income for the year ended 30 June 2012

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Revenue and other income from transactions				
Revenue from Government				
Appropriation revenue - recurrent	1.6(a), 5.1	6,199	6,345	5,985
Total revenue and other income from transactions		6,199	6,345	5,985
Expenses from transactions				
Employee benefits	1.7(a), 6.1	5,175	5,640	5,289
Depreciation and amortisation	1.7(b), 6.2	12	4	15
Supplies and consumables	6.3	886	527	636
Other expenses	6.4	150	144	125
Total expenses from transactions		6,223	6,315	6,065
Net result from transactions (net operating balance)		(24)	30	(80)
Net result		(24)	30	(80)
Other Comprehensive Income				
Change in Asset Revaluation Reserve		-	-	469
Comprehensive result		(24)	30	389

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.

Statement of Financial Position as at 30 June 2012

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	1.8(a), 11.1	-	-	-
Receivables	1.8(b), 7.1	6	8	8
<i>Non-financial assets</i>				
Plant and equipment	1.8(c), 7.2	1,080	1,582	1,561
Total assets		1,086	1,590	1,569
Liabilities				
Payables	1.9(a), 8.1	64	109	125
Employee benefits	1.9(b), 8.2	763	751	744
Total liabilities		827	860	869
Net assets		259	730	700
Equity				
Reserves	10.1	221	690	690
Accumulated surplus		38	40	10
Total equity		259	730	700

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.

Statement of Cash Flows for the year ended 30 June 2012

	Notes	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities				
Cash inflows				
Appropriation receipts - recurrent		6,199	6,345	5,985
GST receipts		70	63	11
Total cash inflows		6,269	6,408	5,996
Cash outflows				
Employee benefits		(4,784)	(5,301)	(4,886)
Superannuation		(379)	(358)	(337)
GST payments		(70)	(62)	(11)
Supplies and consumables		(886)	(535)	(676)
Other cash payments		(150)	(127)	(86)
Total cash outflows		(6,269)	(6,383)	(5,996)
Net cash from (used by) operating activities	11.2	-	25	-
Cash flows from investing activities				
Cash outflows				
Payments for acquisition of non-financial assets		-	(25)	-
Total cash outflows		-	(25)	-
Net cash from (used by) investing activities		-	(25)	-
Net increase (decrease) in cash and cash equivalents held		-	-	-
Cash and deposits at the beginning of the reporting period		-	-	-
Cash and deposits at the end of the reporting period	11.1	-	-	-

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.

Statement of Changes in Equity for the year ended 30 June 2012

	Reserves	Accumulated	Total
		surplus/ deficit	equity
	\$'000	\$'000	\$'000
Balance as at 1 July 2011	690	10	700
Total comprehensive result	-	30	30
Total	690	40	730
Balance as at 30 June 2012	690	40	730

	Reserves	Accumulated	Total
		surplus	equity
	\$'000	\$'000	\$'000
Balance as at 1 July 2010	221	90	311
Total comprehensive result	469	(80)	389
Total	690	10	700
Balance as at 30 June 2011	690	10	700

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

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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 and Interpretations issued by the Australian Accounting Standards Board; 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 6th September 2012.

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.

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 1054 Australian Additional Disclosures – This Standard in conjunction with AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
- AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] – This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.
- AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASBs 1, 7, 101, & 134 and Interpretation 13] – This Standard amends a range of Australian Accounting Standards and Interpretation as a consequence of the annual improvements project.
- The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired, whose terms have been renegotiated, is no longer required to be disclosed. There is no financial impact.
- The amendments to AASB 101 clarify the presentation of the Statements of Changes in Equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the period for each component of equity is no longer required. There is no financial impact.
- AASB 2010-5 Amendments to Australian Accounting Standards [AASBs 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] – This Standard makes editorial amendments to a range of Australian Accounting Standards. There is no financial impact.
- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASBs 1 & 7]* – This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.
- AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASBs 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113] – this Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standards to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
- AASB 2011-15 Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASBs 127, 128 & 131] – this Standard extends the

relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.

(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 9 *Financial Instruments* – This Standard supersedes AASB 139 *Financial Instruments: recognition and Measurement*, introducing a number of changes to accounting treatments. The Standard was reissued in December 2010. The Council has not yet determined the potential financial impact of the standard.
- AASB 10 *Consolidated Financial Statements* – This Standard supersedes requirements under AASB 127 *Consolidated and Separate Financial Statements* and Interpretation 112 *Consolidation – Special Purpose Entities*, introducing a number of changes to accounting treatments. The standard was issue in August 2011. The Council has not yet determined the application or the potential impact of the Standard.
- AASB 11 *Joint arrangements* – this Standard supersedes AASB 131 *Interest in Joint Ventures*, introducing a number of changes to accounting treatments. The Standard was issued in August 2011. The Council has not yet determined the application or the potential impact of the Standard.
- AASB 12 *Disclosure of Interests in Other Entities* – This Standard supersedes disclosure requirements under AASB 127 *Consolidated and Separate Financial Statements* and AASB 131 *Interests in Joint Ventures*. The Standard was issue in August 2011. The Council has not yet determined the application or the potential impact of the Standard.
- AASB 13 *Fair Value Measurement* – This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.
- AASB 119 *Employee Benefits* – This Standard supersedes AASB 119 *Employee Benefits*, introducing a number of changes to accounting treatments. The Standard was issued in September 2011. The Council has not yet determined the application or the potential impact of the Standard.
- AASB 127 *Separate Financial Statements* – This standard supersedes requirements under AASB 127 *Consolidated and Separate Financial Statements*, introducing a number of changes to accounting treatments. The Standard was issue in August 2011. The Council has not yet determined the application or the potential impact of the Standard.
- AASB 128 *Investments in Associates and Joint Ventures* – This Standard supersedes AASB 128 *Investments in Associates* and introduces a number of changes to accounting treatments. The Standard was issue in August 2011. The Council has not yet determined the application or the potential impact of the Standard.
- AASB 1053 *Application of Tiers of Australian Accounting Standards* – This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. The Standard does not have any financial impact on the Council. However, it may affect disclosures if reduced disclosure requirements apply.
- AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* [AASBs 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050, & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129, & 1052] – This Standard makes amendments to Australian accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* [AASBs 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] – This Standard makes consequential amendments to other

Australian Accounting Standards and Interpretations as a result of issuing AASB in December 2010. It is not anticipated that there will be any financial impact.

- AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASBs 101 & 1054] – This Standard makes amendments to introduce reduced disclosure requirements for certain types of entities. There is no expected financial impact of applying these changes, as the Council is a Tier 1 entity.
- AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASBs 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 and 17] – This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. It is not expected to have a financial impact.
- AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASBs 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] – This Standard replaces the existing definition of fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no expected financial impact.
- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASBs 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] – This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). It is not expected to have a financial impact.
- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASBs 1, 8, 101, 124, 134, 1049 & 2011-8 and Interpretations 14] – This Standard makes amendments to other Australian Accounting Standards and Interpretation as a result of issuing AASB 119 Employee Benefits in September 2011. It is not expected to have a financial impact.
- AASB 2011-11 *Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements* – This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.
- (name of any other new Accounting Standard yet to be adopted not listed above, the nature of the change, and date of application).

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 from other sources 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.

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

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

(ii) 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.

(iii) Revaluations

The Council has adopted a revaluation threshold of \$5,000.

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

Assets are revalued with sufficient regularity to ensure they reflect fair value at balance date.

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 Council 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 2012, 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 to Council employees. This liability is held centrally and is recognised with the Finance-General Division of the Department of Treasury and Finance.

1.10 Judgements and Assumptions

In the application of Australian Accounting Standards, the Council is required to make judgements, 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 judgements. 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.

Judgements made by the Council that have significant effects on the Financial Statements are disclosed in the relevant notes to the Financial Statements. However, there were no assets or liabilities requiring particular judgement at 30 June 2012.

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 2011-12 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 Australian Taxation Office 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 Council 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

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Revenue from appropriation	3,278	3,347	3,108
Total revenue and other income from transactions	3,278	3,347	3,108
Expenses from transactions			
Employee benefits	2,254	2,642	2,412
Depreciation and amortisation	12	4	15
Communications	-	185	159
Travel	-	62	80
Information technology	-	22	34
Other expenses	1,036	402	488
Total expenses from transactions	3,302	3,317	3,188
Net result from transactions (net operating balance)	(24)	30	(80)
Expense by output			
Output Group 1	3,302	3,317	3,188
Total	3,302	3,317	3,188
Net Assets			
Total assets deployed for Output Group 1		1,590	1,569
Total liabilities incurred for Output Group 1		(860)	(869)
Net assets deployed for Output Group 1		730	700

Output Group 2 – Payments administered by the Legislative Council

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Continuing operations			
Revenue and other income from transactions			
Revenue from appropriation	2,921	2,998	2,877
Total revenue and other income from transactions	2,921	2,998	2,877
expenses from transactions			
Parliamentary salaries and allowances	2,600	2,552	2,428
Parliamentary travelling allowances	281	410	403
Parliamentary Committee fees and allowances	40	36	46
Total expenses from transactions	2,921	2,998	2,877
Net result from transactions (net operating balance)	-	-	-
Expense by output			
Output Group 2	2,921	2,998	2,877
Total	2,921	2,998	2,877

Net Assets

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

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

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Total comprehensive result of Output Groups	(24)	30	(80)
Comprehensive result	(24)	30	(80)

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

	2012 Actual \$'000	2011 Actual \$'000
Total net assets deployed for Output Groups	730	700
Reconciliation to net assets		
Assets allocated to Output Groups	1,590	1,569
Liabilities allocated to Output Groups	(860)	(869)
Net assets	730	700

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 %
Employee benefits	(a)	5,175	5,640	(465)	(8)
Supplies and consumables	(b)	886	527	359	40

3.2 Statement of Financial Position

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Plant and Equipment	(c)	1,080	1,582	502	46
Payables	(d)	64	109	(45)	(70)

3.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Employee and Member Benefits	(a)	4,784	5,301	(517)	(10)
Supplies and Consumables	(b)	886	601	285	32
Other outflows	(b)	150	86	64	43

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

(a) The increase in Employee benefits reflects the salary increases contained in the translation and application of the "Tasmanian State Services Award" and the high number of long term employees eligible for long Service leave.

(b) The decrease in supplies and consumables and other outflows reflects the improvement in the overall efficiency of operation of the Council.

(c) The increase in Plant and Equipment and asset revaluation reserve is due to the August 2010 revaluation of Artworks and Artefacts held by the Council and consultation for the Legislative Council chamber design study. There was no provision in the budget for this revaluation.

(d) The increase in Payables is due to the receipt of invoices, including large motor vehicle lease payments and telephone, subsequent to the end of the financial year

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 2012.

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.

	2012 Budget \$'000	2012 Actual \$'000	2011 Actual \$'000
Appropriation revenue - recurrent			
Current year	3,278	3,347	3,108
Items Reserved by Law			
R003 Parliamentary Salaries and Allowances (<i>Parliamentary Salaries, Superannuation and Allowances Act 1973</i>)	2,600	2,552	2,428
R004 Travelling Allowances (<i>Parliamentary Salaries, Superannuation and Allowances Act 1973</i>)	281	410	403
R005 Members' Committee Fees and Allowances (<i>Parliamentary Salaries, Superannuation and Allowances Act 1973</i>)	40	36	46
Total revenue from Government	6,199	6,345	5,985

Note 6 Expenses from transactions

6.1 Employee benefits

	2012 \$'000	2011 \$'000
Wages and salaries	4,938	4,618
Annual leave	180	188
Long service leave	51	7
Fringe benefits tax	113	139
Superannuation	358	337
Total	5,640	5,289

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 12.3 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds 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 3.3 per cent of salary in respect of employees who are members of contribution schemes.

6.2 Depreciation and amortisation

(a) Depreciation

	2012	2011
	\$'000	\$'000
Furniture and fittings	3	7
Computer equipment	-	4
Office equipment	1	2
Total	4	13

(b) Amortisation

	2012	2011
	\$'000	\$'000
Leasehold improvements	-	2
Total	-	2

Total depreciation and amortisation	4	15
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6.3 Supplies and consumables

	2012	2011
	\$'000	\$'000
Audit fees – financial audit	14	14
Resource support	69	91
Communications	185	159
Information technology	22	34
Travel and transport	62	80
Regional office support	66	84
Other supplies and consumables	109	174
Total	527	636

6.4 Other expenses

	2012	2011
	\$'000	\$'000
Payroll tax	144	125
Total	144	125

Note 7 Assets

7.1 Receivables

	2012	2011
	\$'000	\$'000
Receivables	8	8
Total	8	8
Settled within 12 months	8	8
Total	8	8

7.2 Plant and equipment

(a) Carrying amount

	2012 \$'000	2011 \$'000
Antique furniture		
At fair value (9 th August 2010)	1,164	1,164
Total	1,164	1,164
Artworks and Artefacts		
At fair value (16 th August 2010)	381	381
Total	381	381
Leasehold improvements		
At cost	36	36
Less: Accumulated amortisation	(36)	(36)
Total	-	-
Leasehold improvements – Work in progress		
At Cost	25	-
Total	25	-
Furniture and Fittings		
At cost	84	84
Less: Accumulated depreciation	(75)	(72)
Total	9	12
Computer equipment		
At cost	49	49
Less: Accumulated depreciation	(49)	(49)
Total	-	-
Office equipment		
At cost	13	13
Less: Accumulated depreciation	(10)	(9)
Total	3	4
Total plant and equipment	1,582	1,561

Antique Furniture was independently re-valued at 9 August 2010 by Mr A F Colman, Approved Government Valuer. Artworks and Artefacts were independently re-valued at 16 August 2010 by Mr W N Hurst, Fine Art Consultant. Valuations were based on a written down value approach. The revaluation surplus was credited to an asset revaluation reserve in equity.

(b) Reconciliation of movements

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.

2012	Leasehold							Total \$'000
	Antique Furniture	Artwork and Artefacts	Leasehold improve- ments	Improve- ments - WIP	Furniture and Fittings	Computer Equipment	Office equipment	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Carrying value at 1 July	1,164	381	-	-	12	-	4	1,561
Additions	-	-	-	25	-	-	-	25
Depreciation and amortisation	-	-	-	-	(3)	-	(1)	(4)
Carrying value at 30 June	1,164	381	-	25	9	-	3	1,582

2011	Leasehold						Total \$'000
	Antique Furniture	Artwork and Artefacts	Leasehold improve- ments	Furniture and Fittings	Computer equipment	Office equipment	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Carrying value at 1 July	905	172	2	19	4	6	1,108
Revaluation increments (decrements)	259	209	-	-	-	-	468
Depreciation and amortisation	-	-	(2)	(7)	(4)	(2)	(15)
Carrying value at 30 June	1,164	381	-	12	-	4	1,561

Note 8 Liabilities

8.1 Payables

	2012 \$'000	2011 \$'000
Creditors	102	116
Accrued expenses	7	9
Total	109	125
Settled within 12 months	109	125
Total	109	125

8.2 Employee benefits

	2012 \$'000	2011 \$'000
Accrued salaries	91	69
Annual leave	262	280
Long service leave	398	395
Total	751	744
Settled within 12 months	645	382
Settled in more than 12 months	106	362
Total	751	744

Note 9 Commitments and Contingencies

9.1 Schedule of Commitments

	2012	2011
	\$'000	\$'000
By maturity		
<i>Operating lease commitments</i>		
One year or less	160	144
From one to five years	51	41
Total operating lease commitments	211	185

Motor vehicle lease payments are made monthly with lease periods of either 12, 18 or 24 months. Lease payments for photo copy machines are made quarterly with lease periods of either 48 or 60 months.

Note 10 Reserves

10.1 Reserves

	2012	2011
Asset revaluation reserve		
Balance at the beginning of financial year	690	221
Revaluation increments	-	469
Balance at end of financial year	690	690

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.

	2012	2011
	\$'000	\$'000
Special Deposits and Trust Fund balance		
Legislative Council operating account – 037001 268331	-	-
Total	-	-
Total cash and deposits	-	-

11.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2012 \$'000	2011 \$'000
Net result	30	(80)
Depreciation and amortisation	4	15
Decrease (increase) in Receivables	-	(2)
Increase (decrease) in Employee entitlements	7	6
Increase (decrease) in Payables	(16)	61
Net cash from (used by) operating activities	25	-

Note 12 Financial Instruments

12.1 Risk exposures

(a) Risk management policies

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

- credit risk; and
- liquidity risk.

The Clerk 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 Council, 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:

2012

	Maturity analysis for financial liabilities						More than 5 Years \$'000	Undiscounted Total \$'000	Carrying Amount \$'000
	1 Year	2 Years	3 Years	4 Years	5 Years				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000			
Financial liabilities									
Payables	109	-	-	-	-	-	-	109	
Total	109	-	-	-	-	-	-	109	

Maturity analysis for financial liabilities								
	1 Year	2 Years	3 Years	4 Years	5 Years	More than 5 Years	Undiscounted Total	Carrying Amount
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial liabilities								
Payables	125	-	-	-	-	-	-	125
Total	125	-	-	-	-	-	-	125

12.2 Categories of Financial Assets and Liabilities

	2012	2011
	\$'000	\$'000
Financial assets		
Receivables	8	8
Total	8	8
Financial Liabilities		
Trade Creditors	109	125
Total	109	125