



INDEPENDENT AUDIT REPORT

To Members of the Parliament of Tasmania

LEGISLATIVE COUNCIL

Financial Statements for the Year Ended 30 June 2009

Report on the Financial Statements

I have audited the accompanying financial statements of the Legislative Council (the Council), which comprise the balance sheet as at 30 June 2009, the income statement, statement of recognised income and expense, and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the statement by the Clerk of the Legislative Council.

The Responsibility of the Clerk for the Financial Statements

The Clerk of the Legislative Council 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 Council's 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 the 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 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 Council's 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, the financial position of the Legislative Council as at 30 June 2009, and of 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.

TASMANIAN AUDIT OFFICE



H M Blake
AUDITOR-GENERAL

HOBART
24 September 2009



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 2009 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', written over a horizontal line.

D T Pearce
Clerk of the Legislative Council

11 August 2009

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Legislative Council Income Statement for the year ended 30 June 2009

	Notes	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Revenue and other income				
Revenue from Government				
Appropriation revenue – recurrent	1.6(a), 5.1	5,529	5,657	5,480
Total revenue and other income		5,529	5,657	5,480
Expenses				
Employee benefits	1.7(a), 6.1	4,433	4,949	4,425
Depreciation and amortisation	1.7(b), 6.2	30	26	29
Supplies and consumables	6.3	991	690	781
Other expenses	6.4	117	85	100
Total expenses		5,571	5,750	5,335
Net surplus (deficit) attributable to the State		(42)	(93)	145

This Income Statement 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 3.1 of the accompanying notes.

Legislative Council Balance Sheet as at 30 June 2009

	Notes	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	1.8(a), 11.1	4	-	10
Receivables	1.8(b), 7.1	14	7	8
<i>Non-financial assets</i>				
Plant and equipment	1.8(c), 7.2	1,108	1,128	1,154
Total assets		1,126	1,135	1,172
Liabilities				
Payables	1.9(a), 8.1	112	76	115
Employee benefits	1.9(b), 8.2	499	647	542
Other liabilities	8.3	36	-	10
Total liabilities		647	723	667
Net assets (liabilities)		479	412	505
Equity				
Asset revaluation reserve	10.2	221	221	221
Accumulated funds	10.1	258	191	284
Total equity		479	412	505

This Balance Sheet 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 3.2 of the accompanying notes.

Legislative Council Cash Flow Statement for the year ended 30 June 2009

	Notes	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Cash flows from operating activities				
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash inflows				
Appropriation receipts - recurrent		5,529	5,646	5,480
GST receipts		66	17	100
Other cash receipts		-	-	6
Total cash inflows		5,595	5,663	5,586
Cash outflows				
Employee and Member benefits		(4,140)	(4,637)	(4,294)
Superannuation		(281)	(243)	(251)
GST payments		(66)	(17)	(100)
Supplies and consumables		(991)	(690)	(831)
Other cash payments		(117)	(86)	(86)
Total cash outflows		(5,595)	(5,673)	(5,562)
Net cash from (used by) operating activities	11.2	-	(10)	24
Cash flows from investing activities				
Cash outflows				
Payments for acquisition of non-financial assets		-	-	(18)
Total cash outflows		-	-	(18)
Net cash from (used by) investing activities		-	-	(18)
Net increase (decrease) in cash held		-	(10)	6
Cash and deposits at the beginning of the reporting period		4	10	4
Cash and deposits at the end of the reporting period	11.1	4	-	10

This Cash Flow Statement 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 3.3 of the accompanying notes.

Legislative Council Statement of Recognised Income and Expense for the year ended 30 June 2009

	Notes	2009 \$'000	2008 \$'000
Income and expenses recognised directly in equity			
Increase(decrease) in Asset revaluation reserve		-	-
Net income recognised directly in equity		-	-
Net surplus/(deficit) for the financial year		(93)	145
Total recognised income and expense for the financial year		(93)	145

This Statement of Recognised Income and Expense should be read in conjunction with the accompanying notes.

Notes to and forming part of the Financial Statements for the year ended 30 June 2009

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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 resent 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 11 August 2009.

1.2 Basis of Accounting (cont'd)

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 Council 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.

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 2007-9 *Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31* – The primary focus of this Standard has been on relocating, where necessary, the requirements in AASs 27, 29 and 31, substantively unamended (with some exceptions), into topic-based Standards. The Standard will not have a material financial impact on the Financial Statements.
- 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 2007-8 *Amendments to Australian Accounting Standards Arising from AASB 101* - revised Standard to be applied in reporting periods beginning on or after 1 January 2009. The Standard will not have a financial impact on the Financial Statements but will require a number of changes in disclosures.
- 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 2009. 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 2008-5 *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 2009. 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 Council's Financial Statements.

1.6 Income

Income is recognised in the Income Statement 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 are recognised when they are controlled by the Council.

1.7 Expenses

Expenses are recognised in the Income Statement 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. Antique furniture, artworks and artefacts are considered to have an unlimited life and are 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 Balance Sheet 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.

(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.

1.8 Assets (cont'd)

(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 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 Income Statement 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. Revaluations are conducted with sufficient regularity so as to ensure that carrying amounts reasonably equate with fair value at each balance date. Heritage Assets are revalued every five years.

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 Balance Sheet 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, and are measured as the amount unpaid at the reporting date at expected pay rates of employees' services up to that date.

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.

During the reporting period, the Council paid 11% of salary in respect of contributory members of the Retirement Benefits Fund into the Superannuation Provision Account within the Special Deposits and Trust Fund. The Council paid the appropriate Superannuation Guarantee Charge into the nominated superannuation fund in respect of non-contributors.

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.

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 2008-09 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 Balance Sheet.

In the Cash Flow Statement, 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

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Revenue			
Revenue from appropriation	2,840	2,840	2,882
Total	2,840	2,840	2,882
Expenses			
Employee benefits	1,744	2,132	1,816
Depreciation and amortisation	30	26	29
Communications	-	150	99
Travel	-	86	125
Information technology	-	27	77
Other expenses	1,108	512	580
Total	2,882	2,933	2,726
Net result	(42)	(93)	156
Expense by output			
Output Group 1	2,882	2,933	2,726
Total	2,882	2,933	2,726
Net Assets			
Total assets deployed for Output Group 1		1,135	1,172
Total liabilities incurred for Output Group 1		(723)	(667)
Net assets deployed for Output Group 1		412	505

Output Group 2 – Payments administered by the Legislative Council

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Revenue			
Revenue from appropriation	2,689	2,817	2,598
Total	2,689	2,817	2,598
Expenses			
Parliamentary salaries and allowances	2,368	2,370	2,246
Parliamentary travelling allowances	281	388	327
Parliamentary Committee fees and allowances	40	59	36
Total	2,689	2,817	2,609
Net result	-	-	(11)
Expense by output			
Output Group 2	2,689	2,817	2,609
Total	2,689	2,817	2,609
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 Net Result to Administered Schedule of Income and Expenses

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Total net result of Output Groups	(42)	(93)	145
Net surplus (deficit)	(42)	(93)	145

2.3 Reconciliation of Total Administered Output Groups Net Assets to Schedule of Administered Assets and Liabilities

	2009 Actual \$'000	2008 Actual \$'000
Total net assets deployed for Output Groups	412	505
Reconciliation to net assets		
Assets unallocated to Output Groups	1,135	1,172
Liabilities unallocated to Output Groups	(723)	(667)
Net assets	412	505

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 Income Statement

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue – recurrent	(a)	5,529	5,657	128	2
Employee benefits	(b)	4,433	4,949	516	12
Supplies and consumables	(c)	991	679	(312)	(31)
Other expenses	(d)	117	96	(21)	(18)

3.2 Balance Sheet

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Receivables	(e)	14	7	7	50
Payables	(e)	112	76	36	32
Employee benefits	(b)	499	647	148	30

3.3 Cash Flow

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts - recurrent	(a)	5,529	5,646	127	2
Employee and Member benefits	(b)	(4,140)	(4,880)	(740)	(18)

Notes to Income Statement, Balance Sheet and Cash Flow Statement variances

(a) The increase in Appropriation receipts reflects an increase in Member travel and committee expenditure due to higher than expected committee activity.

(b) The increase in Employee benefits reflects the salary increases contained in the translation and application of the new "Tasmanian State Services Award". While annual leave balances have substantially reduced, long service leave balances remain high.

(c) The decrease in Supplies and consumables reflects the higher than expected efficiency in operations including lower than budget internet usage in regional offices.

(d) The decrease in Other expenses reflects a lower than expected payroll tax liability.

(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 2009.

Note 5 Income

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.

	2009 Budget \$'000	2009 Actual \$'000	2008 Actual \$'000
Appropriation revenue - recurrent			
Current year	2,840	2,840	2,882
Items Reserved by Law			
R003 Parliamentary Salaries and Allowances (<i>Parliamentary Salaries, Superannuation and Allowances Act 1973</i>)	2,368	2,370	2,249
R004 Travelling Allowances (<i>Parliamentary Salaries, Superannuation and Allowances Act 1973</i>)	281	388	312
R005 Members' Committee Fees and Allowances (<i>Parliamentary Salaries, Superannuation and Allowances Act 1973</i>)	40	59	37
Total revenue from Government	5,529	5,657	5,480

Note 6 Expenses

6.1 Employee and Member benefits

	2009	2008
	\$'000	\$'000
Wages and salaries (<i>including fringe benefits and non-monetary components</i>)	4,515	3,967
Annual leave	170	162
Long service leave	20	44
Superannuation	244	252
Total	4,949	4,425

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

	2009	2008
	\$'000	\$'000
Furniture and fittings	9	8
Computer equipment	8	12
Office equipment	1	2
Total	18	22

(b) Amortisation

	2009	2008
	\$'000	\$'000
Leasehold improvements	8	7
Total	8	7
Total depreciation and amortisation	26	29

6.3 Supplies and consumables

	2009	2008
	\$'000	\$'000
Audit fees – financial audit	11	10
Fringe benefits tax	51	38
Resource support	104	104
Communications	150	99
Information technology	27	77
Travel and transport	86	125
Regional office support	120	184
Other supplies and consumables	141	144
Total	690	781

6.4 Other expenses

	2009	2008
	\$'000	\$'000
Payroll tax	85	100
Total	85	100

Note 7 Assets

7.1 Receivables

	2009	2008
	\$'000	\$'000
Receivables	7	8
Total	7	8
Settled within 12 months	7	8
Total	7	8

7.2 Plant and equipment

(a) Carrying amount

	2009	2008
	\$'000	\$'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	(28)	(20)
Total	8	16
Furniture and Fittings		
At cost	84	84
Less: Accumulated depreciation	(56)	(47)
Total	28	37
Computer equipment		
At cost	49	49
Less: Accumulated depreciation	(41)	(33)
Total	8	16
Office equipment		
At cost	13	13
Less: Accumulated depreciation	(6)	(5)
Total	7	8
Total plant and equipment	1,128	1,154

(a) Carrying amount (cont'd)

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 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, accumulated amortisation and accumulated impairment losses.

2009	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	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

2008	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	23	38	16	10	1,164
Additions	-	-	-	6	12	-	18
Depreciation and amortisation	-	-	(7)	(7)	(12)	(2)	(28)
Carrying value at 30 June	905	172	16	37	16	8	1,154

Note 8 Liabilities

8.1 Payables

	2009 \$'000	2008 \$'000
Creditors	71	86
Accrued expenses	5	29
Total	76	115
Settled within 12 months	76	103
Settled in more than 12 months	-	12
Total	76	115

8.2 Employee benefits

	2009	2008
	\$'000	\$'000
Accrued salaries	42	22
Annual leave	272	265
Long service leave	333	255
Total	647	542
Settled within 12 months	343	311
Settled in more than 12 months	304	231
Total	647	542

8.3 Other liabilities

	2009	2008
	\$'000	\$'000
Advance from Treasury	-	10
Total	-	10

Note 9 Commitments

9.1 Schedule of Commitments

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

Motor vehicles lease terms are between 12 and 31 months, with payments made monthly. At the conclusion of the lease agreement, the lease may be extended or vehicle returned and agreement concluded.

Photocopier lease terms are between 3 and 5 years, with payments made quarterly. At the conclusion of the lease agreement, the lease may be extended or equipment returned and agreement concluded.

Note 10 Equity and Movements in Equity

10.1 Reconciliation of equity

	Accumulated Funds		Asset Revaluation Reserve		Total Equity	
	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July	284	138	221	221	505	359
Net surplus/deficit	(93)	146	-	-	(93)	146
Balance at 30 June	191	284	221	221	412	505

Note that accumulated funds include both contributed capital on formation of the Council and accumulated surpluses or deficits in subsequent years.

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 0.

10.2 Asset revaluation reserve by class of asset

The balance within the Asset Revaluation Reserve for the following classes of assets is:

	2009	2008
	\$'000	\$'000
Antique furniture	188	188
Artworks and artefacts	33	33
Total asset revaluation reserve	221	221

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 Council, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2009	2008
	\$'000	\$'000
Special Deposits and Trust Fund balance		
Legislative Council operating account	-	10
Total	-	10
Total cash and deposits	-	10

11.2 Reconciliation of Operating Surplus (Deficit) to Net Cash from Operating Activities

	2009	2008
	\$'000	\$'000
Net operating surplus (deficit)	(93)	146
Depreciation and amortisation	26	29
Decrease (increase) in Receivables	1	5
Increase (decrease) in Employee entitlements	105	(133)
Increase (decrease) in Payables	(39)	(29)
Increase (decrease) in Other liabilities	(10)	6
Net cash from (used by) operating activities	(10)	24

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 Clerk of the Council has overall responsibility for the establishment and oversight of the Department'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 Department 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 Councils 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 Balance Sheet:

2009

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

Maturity analysis for financial liabilities						More than	Undiscounted	Carrying
	1 Year	2 Years	3 Years	4 Years	5 Years	5 Years	Total	Amount
Financial liabilities								
Payables	115	-	-	-	-	-	115	115
Other financial liabilities	10	-	-	-	-	-	10	10
Total	125	-	-	-	-	-	125	125

(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 is interest rate risk.

12.2 Categories of Financial Assets and Liabilities

	2009	2008
	\$'000	\$'000
Financial assets		
Receivables	7	8
Total	7	8
Financial Liabilities		
Financial liabilities at fair value through profit and loss	76	125
Total	76	125

12.3 Net Fair Values of Financial Assets and Liabilities

	2009		2008	
	Total Carrying Amount \$'000	Net Fair Value \$'000	Total Carrying Amount \$'000	Net Fair Value \$'000
Financial assets				
Cash in Special Deposits and Trust Fund	-	-	10	10
Receivables	7	7	8	8
Total financial assets	7	7	18	18
Financial liabilities (Recognised)				
Trade creditors	76	76	115	115
Other financial liabilities Advance from Treasury	-	-	10	10
Total financial liabilities (Recognised)	76	76	125	125

Financial Assets

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

Financial Liabilities

The net fair values for trade creditors are approximated by their carrying amounts.