

Independent Auditor's Report

To Members of the Tasmanian Parliament

Legislative Council

Financial Report for the Year Ended 30 June 2014

Report on the Financial Report

We have audited the accompanying financial report of Legislative Council, which comprises the statement of financial position as at 30 June 2014 and 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 of compliance by the Clerk of the Legislative Council.

Auditor's Opinion

In my opinion the Legislative Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2014, and its financial performance, cash flows and changes in equity for the year then ended
- (b) is in accordance with the *Financial Management and Audit Act 1990* and Australian Accounting Standards.

The Responsibility of the Clerk for the Financial Report

The Clerk of the Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Section 27(1) of *Financial Management and Audit Act 1990*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is 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.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on my judgement, including the assessment of risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, I considered internal control relevant to the Clerk's 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.


My audit is not designed to provide assurance on the accuracy and appropriateness of the budget information in the Legislative Council's financial report.

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
- 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
22 August 2014

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Legislative Council Financial Statements 30 June 2014

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Statement of Comprehensive Income for the year ended 30 June 2014

	Notes	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Revenue and other income from transactions				
Revenue from Government				
Appropriation revenue - recurrent	1.6(a), 5.1	6,354	6,529	6,436
Total revenue and other income from transactions		6,354	6,529	6,436
Expenses from transactions				
Employee benefits	1.7(a), 6.1	5,771	5,782	5,818
Depreciation and amortisation	1.7(b), 6.2	-	16	5
Supplies and consumables	6.3	595	646	569
Other expenses	6.4	-	-	33
Total expenses from transactions		6,366	6,444	6,425
Net result from transactions (net operating balance)		(12)	85	11
Net result		(12)	85	11
Comprehensive result		(12)	85	11

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 2014

	Notes	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Assets				
<i>Financial assets</i>				
Cash and deposits	1.8(a), 11.1	-	-	-
Receivables	1.8(b), 7.1	8	15	9
<i>Non-financial assets</i>				
Plant and equipment	1.8(c), 7.2	1,582	1,644	1,624
Total assets		1,590	1,659	1,633
Liabilities				
Payables	1.9(a), 8.1	109	60	112
Employee benefits	1.9(b), 8.2	775	773	780
Total liabilities		884	833	892
Net assets		706	826	741
Equity				
Reserves	10.1	690	690	690
Accumulated surplus		16	136	51
Total equity		706	826	741

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 2014

	Notes	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities				
Cash inflows				
Appropriation receipts - recurrent		6,354	6,529	6,436
GST receipts		70	102	71
Total cash inflows		6,424	6,631	6,507
Cash outflows				
Employee benefits		(5,759)	(5,846)	(5,806)
GST payments		(70)	(106)	(72)
Supplies and consumables		(595)	(644)	(549)
Other cash payments		-	-	(33)
Total cash outflows		(6,424)	(6,596)	(6,460)
Net cash from (used by) operating activities	11.2	-	35	47
Cash flows from investing activities				
Cash outflows				
Payments for acquisition of non-financial assets		-	(35)	(47)
Total cash outflows		-	(35)	(47)
Net cash from (used by) investing activities		-	(35)	(47)
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 2014

	Reserves	Accumulated	Total
	\$'000	Funds	equity
	\$'000	\$'000	\$'000
Balance as at 1 July 2013	690	51	741
Total comprehensive result	-	85	85
Total	690	136	826
Balance as at 30 June 2014	690	136	826

	Reserves	Accumulated	Total
	\$'000	surplus	equity
	\$'000	\$'000	\$'000
Balance as at 1 July 2012	690	40	730
Total comprehensive result	-	11	11
Total	690	51	741
Balance as at 30 June 2013	690	51	741

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 2014

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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 4th August 2014.

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 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 13 Fair Value Measurement (AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13)*– This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 sets out a new definition of 'fair value' as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Council's assets and liabilities (excluding leases), that are measured and/or disclosed at fair value or another measurement based on fair value.

The Council has reviewed its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of plant and equipment measured at fair value to ensure those methodologies comply with AASB 13. There is no financial impact.

AASB 13 requires increased disclosures in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not "observable" outside the department, the disclosures are significantly greater.

AASB 2011 8 replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as a result of AASB 13.

- *AASB 119 Employee Benefits (2011-10 Amendments to Australian Accounting Standards arising from AASB 119)*– This Standard supersedes AASB 119 *Employee Benefits*, introducing a number of changes to accounting treatments. The Standard was issued in September 2013. The Council has determined that there is no financial impact.
- *2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132]* – This Standard makes amendments to AASB 7 and AASB 132 as a consequence of the issuance of amendments to IFRS 7 by the International Accounting Standards Board in December 2011. There is no financial impact.
- *AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, AASB 2009-11, AASB 2010-7, AASB 2011-7 & AASB 2011-8]* – This Standard makes amendments to various standards as a consequence of the issuance of International Financial Reporting Standard *Mandatory Effective Date and Transition Disclosures (Amendments to IFRS 9 and IFRS 7)* by the International Accounting Standards Board in December 2011. There is no financial impact.
- *AASB 2013-2 Amendments to Australian Accounting Standards - Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132]* – This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's

recognised financial assets and recognised financial liabilities, on the entity's financial position. 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 Standard was reissued in December 2010. The Standard was issued in August 2011 and is available from 1 January 2017 for application by not-for-profit entities. It is not anticipated that there will be any financial impact.
- *AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]* – This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. It is anticipated that there will not be any financial impact.
- *AASB 2013-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]* – This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. It is anticipated that there will not be any financial impact.

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

Fair value is based on the highest and best use of the asset. Unless there is an explicit Government policy to the contrary, the highest and best use of an asset is the current purpose for which the asset is being used or build occupied.

(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

2014, 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 2014.

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 2013-14 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 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

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Revenue from appropriation	3,331	3,433	3,394
Total revenue and other income from transactions	3,331	3,433	3,394
Expenses from transactions			
Employee benefits	2,748	2,701	2,776
Depreciation and amortisation	-	16	5
Communications	-	134	131
Travel	-	62	61
Information technology	-	45	34
Other expenses	595	405	376
Total expenses from transactions	3,343	3,363	3,383
Net result from transactions (net operating balance)	(12)	70	11
Expense by output			
Output Group 1	3,343	3,363	3,383
Total	3,343	3,363	3,383
Net Assets			
Total assets deployed for Output Group 1		1,659	1,633
Total liabilities incurred for Output Group 1		(833)	(892)
Net assets deployed for Output Group 1		826	741

Output Group 2 – Payments administered by the Legislative Council

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
<i>Continuing operations</i>			
Revenue and other income from transactions			
Revenue from appropriation	3,023	3,096	3,042
Total revenue and other income from transactions	3,023	3,096	3,042
Expenses from transactions			
Parliamentary salaries and allowances	2,702	2,783	2,742
Parliamentary travelling allowances	281	261	243
Parliamentary Committee fees and allowances	40	37	57
Total expenses from transactions	3,023	3,081	3,042
Net result from transactions (net operating balance)	-	15	-
Expense by output			
Output Group 2	3,023	3,081	3,042
Total	3,023	3,081	3,042

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

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Total comprehensive result of Output Groups	(12)	85	11
Comprehensive result	(12)	85	11

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

	2014 Actual \$'000	2013 Actual \$'000
Total net assets deployed for Output Groups	826	741
Reconciliation to net assets		
Assets allocated to Output Groups	1,659	1,633
Liabilities allocated to Output Groups	(833)	(892)
Net assets	826	741

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 10 per cent of Budget estimate.

3.1 Statement of Financial Position

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Receivables	(a)	8	15	7	87.50
Payables	(b)	109	60	49	44.95

Notes to Statement of Statement of Financial Position variances

(a) The increase in receivables is due to amounts owing to the Council following the resignation of a Member and the subsequent purchase of Council equipment.

(b) The decrease in payables is due steps taken to make payments prior to 30 June 2014.

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 2014.

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.

	2014 Budget \$'000	2014 Actual \$'000	2013 Actual \$'000
Appropriation revenue – recurrent			
Current year	3,331	3,433	3,394
Items Reserved by Law			
R003 Parliamentary Salaries and Allowances (<i>Parliamentary Salaries, Superannuation and Allowances Act 2012 (No.18 of 2012)</i>)	2,702	2,587	2,562
R004 Travelling Allowances (<i>Parliamentary Salaries, Superannuation and Allowances Act 2012 (No. 18 of 2012)</i>)	281	473	424
R005 Members' Committee Fees and Allowances (<i>Parliamentary Salaries, Superannuation and Allowances Act 2012 (No.18 of 2012)</i>)	40	36	56
Total revenue from Government	6,354	6,529	6,436

Note 6 Expenses from transactions

6.1 Employee benefits

	2014 \$'000	2013 \$'000
Wages and salaries	4,964	5,034
Annual leave	228	219
Long service leave	63	78
Fringe benefits tax	139	115
Superannuation	388	372
Total	5,782	5,818

Superannuation expenses relating to defined benefits schemes relate to payments into the Consolidated Fund. 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 12.75 per cent (2013: 12.5) of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of 9.25 per cent (2013: nine per cent) of salary. In addition, departments are also required to pay into the Consolidated Fund a "gap" payment equivalent to 3.5 per cent of salary in respect of employees who are members of contribution schemes.

6.2 Depreciation and amortisation

(a) Depreciation

	2014	2013
	\$'000	\$'000
Furniture and fittings	5	4
Computer equipment	9	-
Office equipment	1	1
Total	15	5

(b) Amortisation

	2014	2013
	\$'000	\$'000
Leasehold improvements	1	-
Total	1	-

Total depreciation and amortisation	16	5
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6.3 Supplies and consumables

	2014	2013
	\$'000	\$'000
Audit fees – financial audit	15	14
Resource support	73	62
Communications	134	131
Information technology	45	34
Travel and transport	62	61
Regional office support	67	65
Committee expenses	6	23
Consultancy	63	68
Meal allowance	19	22
Maintenance	42	-
Uniforms	24	9
Replacements	32	18
Other supplies and consumables	64	62
Total	646	569

6.4 Other expenses

	2014	2013
	\$'000	\$'000
Payroll tax	-	33
Total	-	33

Note 7 Assets

7.1 Receivables

	2014	2013
	\$'000	\$'000
Receivables	15	9
Total	15	9
Settled within 12 months	15	9
Total	15	9

7.2 Plant and equipment

(a) Carrying amount

	2014	2013
	\$'000	\$'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	21	42
Less: Accumulated amortisation	(16)	(36)
Total	5	6
Leasehold improvements – Work in progress		
At Cost	25	25
Total	25	25
Furniture and Fittings		
At cost	124	98
Less: Accumulated depreciation	(82)	(78)
Total	42	20
Computer equipment		
At cost	76	75
Less: Accumulated depreciation	(50)	(49)
Total	26	26
Office equipment		
At cost	7	13
Less: Accumulated depreciation	(6)	(11)
Total	1	2
Total plant and equipment	1,644	1,624

Antique Furniture was independently re-valued on 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 replacement value. 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.

2014	Leasehold							Total \$'000		
	Antique Furniture Level 3 \$'000	Artwork and Artefacts Level 3 \$'000	Leasehold improve- ments \$'000	Improve- ments - WIP \$'000	Furniture and Fittings \$'000	Computer Equipment \$'000	Office equipment \$'000			
	Carrying value at 1 July	1,164	381	6	25	20	26		2	1,624
	Additions	-	-	-	-	26	10		-	36
Depreciation and amortisation	-	-	(1)	-	(5)	(9)	(1)	(16)		
Carrying value at 30 June	1,164	381	5	25	41	27	1	1,644		

2013	Leasehold							Total \$'000		
	Antique Furniture \$'000	Artwork and Artefacts \$'000	Leasehold improve- ments \$'000	Improve- ments - WIP \$'000	Furniture and Fittings \$'000	Computer equipment \$'000	Office equipment \$'000			
	Carrying value at 1 July	1,164	381	-	25	9	-		3	1,582
	Additions	-	-	6	-	15	26		-	47
Depreciation and amortisation	-	-	-	-	(4)	-	(1)	(5)		
Carrying value at 30 June	1,164	381	6	25	20	26	2	1,624		

(c) Level 3 significant valuation inputs and relationship to fair value

Description	Fair value at 30 June \$'000	Significant unobservable inputs used in valuation	Possible alternative values for level 3 inputs	Sensitivity of fair value to changes in level 3 inputs
Antique Furniture	1,164	A – Rarity of asset B – Age of asset C – Condition of asset	Valuing antique furniture is an inexact science and it is not likely, that alternative values, applying other inputs would result in materially different values.	Not applicable
Artwork and Artefacts	381	A – Rarity of asset B – Age of asset C – Condition of asset	Valuing artwork and artefacts is an inexact science and it is not likely, that alternative values, applying other inputs would result in materially different values.	Not applicable

Note 8 Liabilities

8.1 Payables

	2014	2013
	\$'000	\$'000
Creditors	48	104
Accrued expenses	12	8
Total	60	112
Settled within 12 months	60	112
Total	60	112

8.2 Employee benefits

	2014	2013
	\$'000	\$'000
Accrued salaries	93	82
Annual leave	231	261
Long service leave	449	437
Total	773	780
Settled within 12 months	381	396
Settled in more than 12 months	392	384
Total	773	780

Note 9 Commitments and Contingencies

9.1 Schedule of Commitments

	2014	2013
	\$'000	\$'000
By maturity		
<i>Operating lease commitments</i>		
One year or less	159	150
From one to five years	69	83
Total operating lease commitments	228	233

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

	2014	2013
Asset revaluation reserve		
Balance at the beginning of financial year	690	690
Revaluation increments	-	-
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 Council, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2014 \$'000	2013 \$'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

	2014 \$'000	2013 \$'000
Net result	85	11
Depreciation and amortisation	16	5
Decrease (increase) in Receivables	(6)	(1)
Increase (decrease) in Employee entitlements	(8)	29
Increase (decrease) in Payables	(52)	3
Net cash from (used by) operating activities	35	47

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; 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:

2014

	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				
Financial liabilities									
Payables	60	-	-	-	-	-	-	60	
Total	60	-	-	-	-	-	-	60	

2013

	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				
Financial liabilities									
Payables	112	-	-	-	-	-	-	112	
Total	112	-	-	-	-	-	-	112	

12.2 Categories of Financial Assets and Liabilities

	2014 \$'000	2013 \$'000
Financial assets		
Receivables	15	9
Total	15	9
Financial Liabilities		
Trade Creditors	60	112
Total	60	112