



## INDEPENDENT AUDITOR'S REPORT

To Members of the Parliament of Tasmania

### LEGISLATIVE COUNCIL

#### Financial Report for the Year Ended 30 June 2011

I have audited the accompanying financial report of Legislative Council, which comprises the statement of financial position as at 30 June 2011 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 by the Clerk of Legislative Council.

#### Auditor's Opinion

In my opinion Legislative Council's financial report:

- (a) presents fairly, in all material respects, its financial position as at 30 June 2011 and its financial performance, cash flows and changes in equity for the year then ended; and
- (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 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 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.

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 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 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  
28 September 2011



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 2011 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

15 August 2011

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# Statement of Comprehensive Income for the year ended 30 June 2011

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Revenue and other income from transactions</b>				
Revenue from Government				
Appropriation revenue - recurrent	1.6(c), 5.1	5,672	5,985	5,656
<b>Total revenue and other income from transactions</b>		<b>5,672</b>	<b>5,985</b>	<b>5,656</b>
<b>Expenses from transactions</b>				
Employee benefits	1.7(a), 6.1	4,688	5,289	5,066
Depreciation and amortisation	1.7(b), 6.2	16	15	20
Supplies and consumables	6.3	871	636	566
Other expenses	6.4	125	125	105
<b>Total expenses from transactions</b>		<b>5,700</b>	<b>6,065</b>	<b>5,757</b>
<b>Net operating result from continuing operations</b>		<b>(28)</b>	<b>(80)</b>	<b>(101)</b>
<b>Net result</b>		<b>(28)</b>	<b>(80)</b>	<b>(101)</b>
<b>Other Comprehensive Income</b>				
Change in Asset Revaluation Reserve		-	469	-
<b>Comprehensive result</b>		<b>(28)</b>	<b>389</b>	<b>(101)</b>

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 2011

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Assets</b>				
<i>Financial assets</i>				
Receivables	1.8(b), 7.1	7	8	6
<i>Non-financial assets</i>				
Plant and equipment	1.8(c), 7.2	1,089	1,561	1,108
<b>Total assets</b>		<b>1,096</b>	<b>1,569</b>	<b>1,114</b>
<b>Liabilities</b>				
Payables	1.9(a), 8.1	71	125	64
Employee benefits	1.9(b), 8.2	671	744	739
Other liabilities		5	-	-
<b>Total liabilities</b>		<b>747</b>	<b>869</b>	<b>803</b>
<b>Net assets</b>		<b>349</b>	<b>700</b>	<b>311</b>
<b>Equity</b>				
Reserves	10.1	221	690	221
Accumulated funds		128	10	90
<b>Total equity</b>		<b>349</b>	<b>700</b>	<b>311</b>

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 2011

	Notes	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
		Inflows (Outflows)	Inflows (Outflows)	Inflows (Outflows)
<b>Cash flows from operating activities</b>				
<b>Cash inflows</b>				
Appropriation receipts – recurrent		5,672	5,985	5,655
GST receipts		70	11	57
<b>Total cash inflows</b>		<b>5,742</b>	<b>5,996</b>	<b>5,712</b>
<b>Cash outflows</b>				
Employee benefits		(4,336)	(4,886)	(4,713)
Superannuation		(340)	(337)	(279)
GST payments		(70)	(11)	(57)
Supplies and consumables		(871)	(676)	(577)
Other cash payments		(125)	(86)	(86)
<b>Total cash outflows</b>		<b>(5,742)</b>	<b>(5,996)</b>	<b>(5,712)</b>
<b>Net cash from (used by) operating activities</b>	11.2	-	-	-
<b>Net increase (decrease) in cash and cash equivalents held</b>		-	-	-
<b>Cash and deposits at the beginning of the reporting period</b>		-	-	-
<b>Cash and deposits at the end of the reporting period</b>	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 2011

	Reserves	Accumulated	Total
	\$'000	funds	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

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

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 2011

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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 15<sup>th</sup> August 2011.

Compliance with 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.

### 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 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 – This Standard introduces some minor terminology changes. There is no expected financial impact of applying these changes.
- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* – This Standard introduces small disclosure and classification changes. There is no expected financial impact of applying these changes.

#### (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 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* – The amendments require modification to the disclosure of categories of financial assets. It is not anticipated that there will be any financial impact.
- 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* – 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 likely to be considered a Tier 1 entity.
- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* – This Standard includes additional presentation and disclosure requirements for financial assets. It is not expected to have a financial impact.
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* – This Standard makes minor revisions, however it is not expected to have a financial impact.
- AASB 2009-12 *Amendments to Australian Accounting Standards* – This Standard introduces a number of terminology changes. There is no expected financial impact.
- AASB 2010-5 *Amendments to Australian Accounting Standards* – This Standard introduces terminology changes as well as presentation changes, however, there is no financial impact from these revisions.

### 1.6 Income from transactions

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

**(c) 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.

**(d) 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 an 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.

**(iii) Asset recognition threshold**

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

#### *(iv) Revaluations*

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

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 2011, where the impact of discounting is material, and at the amount expected to be paid if discounting is not material.

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

#### **(c) Superannuation**

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

### **1.10 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 2011.

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 2010-11 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 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

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Continuing operations</b>			
Revenue and other income from transactions			
Revenue from appropriation	2,816	3,108	2,846
<b>Total revenue and other income from transactions</b>	<b>2,816</b>	<b>3,108</b>	<b>2,846</b>
<b>Expenses from transactions</b>			
Employee benefits	2,153	2,412	2,256
Depreciation and amortisation	16	15	20
Communications	-	159	165
Travel	-	80	74
Information technology	-	34	17
Other expenses	675	488	415
<b>Total expenses from transactions</b>	<b>2,844</b>	<b>3,188</b>	<b>2,947</b>
<b>Net result from transactions (net operating balance)</b>	<b>(28)</b>	<b>(80)</b>	<b>(101)</b>
<b>Expense by output</b>			
Output Group 1	2,844	3,188	2,947
<b>Total</b>	<b>2,844</b>	<b>3,188</b>	<b>2,947</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 1		1,569	1,114
Total liabilities incurred for Output Group 1		(869)	(803)
<b>Net assets deployed for Output Group 1</b>		<b>700</b>	<b>311</b>

## Output Group 2 – Payments administered by the Legislative Council

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Continuing operations</b>			
<b>Revenue and other income from transactions</b>			
Revenue from appropriation	2,856	2,877	2,810
<b>Total revenue and other income from transactions</b>	<b>2,856</b>	<b>2,877</b>	<b>2,810</b>
<b>Expenses from transactions</b>			
Parliamentary salaries and allowances	2,535	2,428	2,352
Parliamentary travelling allowances	281	403	409
Parliamentary Committee fees and allowances	40	46	49
<b>Total expenses from transactions</b>	<b>2,856</b>	<b>2,877</b>	<b>2,810</b>
<b>Net result from transactions (net operating balance)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expense by output</b>			
Output Group 2	2,856	2,877	2,810
<b>Total</b>	<b>2,856</b>	<b>2,877</b>	<b>2,810</b>
<b>Net Assets</b>			
Total assets deployed for Output Group 2		-	-
Total liabilities incurred for Output Group 2		-	-
<b>Net assets deployed for Output Group 2</b>		<b>-</b>	<b>-</b>

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

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
<b>Total comprehensive result of Output Groups</b>	<b>(28)</b>	<b>(80)</b>	<b>(101)</b>
<b>Comprehensive result</b>	<b>(28)</b>	<b>(80)</b>	<b>(101)</b>

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

	2011 Actual \$'000	2010 Actual \$'000
<b>Total net assets deployed for Output Groups</b>	<b>700</b>	<b>311</b>
<b>Reconciliation to net assets</b>		
Assets allocated to Output Groups	1,569	1,114
Liabilities allocated to Output Groups	(869)	(803)
<b>Net assets</b>	<b>700</b>	<b>311</b>

## 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)	4,688	5,289	(601)	(13)
Supplies and consumables	(b)	871	636	235	27

### 3.2 Statement of Financial Position

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Plant and Equipment	(c)	1,089	1,561	472	44
Payables	(d)	76	125	(49)	(61)
Asset revaluation reserve	(c)	221	690	(469)	(213)

### 3.3 Statement of Cash Flows

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Employee and member benefits	(a)	4,336	4,941	(605)	(14)

#### Notes to Statement Comprehensive Income, Statement of Financial Position and Statement of 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". Long service leave balances remain high due to the high number of long term employees.

(b) The decrease in Supplies and consumables 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 revaluation of Artworks and Artefacts held by the Council.

(d) The increase in Payables is due to the increase in PAYG withholding and Payroll tax for the June quarter due to salary increases and appointment of additional staff. Receipt of invoices, including large internet and telephone accounts, subsequent to the end of the financial year also contributed to this increase.

### 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 2011.

### 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.

	2011 Budget \$'000	2011 Actual \$'000	2010 Actual \$'000
Appropriation revenue – recurrent			
Current year	2,816	3,108	2,846
Items Reserved by Law			
R003 Parliamentary Salaries and Allowances ( <i>Parliamentary Salaries, Superannuation and Allowances Act 1973</i> )	2,535	2,428	2,352
R004 Travelling Allowances ( <i>Parliamentary Salaries, Superannuation and Allowances Act 1973</i> )	281	403	409
R005 Members' Committee Fees and Allowances ( <i>Parliamentary Salaries, Superannuation and Allowances Act 1973</i> )	40	46	49
<b>Total revenue from Government</b>	<b>5,672</b>	<b>5,985</b>	<b>5,656</b>

## Note 6 Expenses from transactions

### 6.1 Employee benefits

	2011 \$'000	2010 \$'000
Wages and salaries	4,618	4,415
Annual leave	188	167
Long service leave	7	89
Fringe benefits tax	139	91
Superannuation	337	304
<b>Total</b>	<b>5,289</b>	<b>5,066</b>

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 defined contribution schemes are paid directly to superannuation funds at a rate of nine per cent of salary. In addition, the Council is also required to pay into the SPA a "gap" payment equivalent to two per cent of salary in respect of employees and members of the Council who are members of contribution schemes.

### 6.2 Depreciation and amortisation

#### (a) Depreciation

	2011 \$'000	2010 \$'000
Furniture and fittings	7	9
Computer equipment	4	4
Office equipment	2	1
<b>Total</b>	<b>13</b>	<b>14</b>

#### (b) Amortisation

	2011 \$'000	2010 \$'000
Leasehold improvements	2	6
<b>Total</b>	<b>2</b>	<b>6</b>
<b>Total depreciation and amortisation</b>	<b>15</b>	<b>20</b>

### 6.3 Supplies and consumables

	2011	2010
	\$'000	\$'000
Audit fees – financial audit	14	11
Resource support	91	92
Communications	159	165
Information technology	34	17
Travel and transport	80	74
Regional office support	84	82
Other supplies and consumables	174	125
<b>Total</b>	<b>636</b>	<b>566</b>

### 6.4 Other expenses

	2011	2010
	\$'000	\$'000
Payroll tax	125	105
<b>Total</b>	<b>125</b>	<b>105</b>

## Note 7 Assets

### 7.1 Receivables

	2011	2010
	\$'000	\$'000
Receivables	8	6
<b>Total</b>	<b>8</b>	<b>6</b>
Settled within 12 months	8	6
<b>Total</b>	<b>8</b>	<b>6</b>

## 7.2 Plant and equipment

### (a) Carrying amount

	2011 \$'000	2010 \$'000
<b>Antique furniture</b>		
At fair value (9 <sup>th</sup> August 2010)	1,164	905
<b>Total</b>	<b>1,164</b>	<b>905</b>
<b>Artworks and Artefacts</b>		
At fair value (16 <sup>th</sup> August 2010)	381	172
<b>Total</b>	<b>381</b>	<b>172</b>
<b>Leasehold improvements</b>		
At fair value	36	36
Less: Accumulated amortisation	(36)	(34)
<b>Total</b>	<b>-</b>	<b>2</b>
<b>Furniture and Fittings</b>		
At cost	84	84
Less: Accumulated depreciation	(72)	(65)
<b>Total</b>	<b>12</b>	<b>19</b>
<b>Computer equipment</b>		
At cost	49	49
Less: Accumulated depreciation	(49)	(45)
<b>Total</b>	<b>-</b>	<b>4</b>
<b>Office equipment</b>		
At cost	13	13
Less: Accumulated depreciation	(9)	(7)
<b>Total</b>	<b>4</b>	<b>6</b>
<b>Total plant and equipment</b>	<b>1,561</b>	<b>1,108</b>

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 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.

2011	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	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

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

## Note 8 Liabilities

### 8.1 Payables

	2011 \$'000	2010 \$'000
Creditors	116	57
Accrued expenses	9	7
<b>Total</b>	<b>125</b>	<b>64</b>
Settled within 12 months	125	64
<b>Total</b>	<b>125</b>	<b>64</b>

### 8.2 Employee benefits

	2011 \$'000	2010 \$'000
Accrued salaries	69	66
Annual leave	280	278
Long service leave	395	395
<b>Total</b>	<b>744</b>	<b>739</b>
Settled within 12 months	382	374
Settled in more than 12 months	362	365
<b>Total</b>	<b>744</b>	<b>739</b>

## Note 9 Commitments and Contingencies

### 9.1 Schedule of Commitments

	2011 \$'000	2010 \$'000
<b>By maturity</b>		
<i>Operating lease commitments</i>		
One year or less	144	96
From one to five years	41	43
<b>Total operating lease commitments</b>	<b>185</b>	<b>139</b>
<b>Total</b>	<b>185</b>	<b>139</b>

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

	2011 \$'000	2010 \$'000
<b>Asset revaluation reserve</b>		
Balance at the beginning of financial year	221	221
Revaluation increments	469	-
<b>Balance at end of financial year</b>	<b>690</b>	<b>221</b>

#### (a) Nature and purpose of reserves

##### Asset Revaluation Reserve

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

## 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.

	2011 \$'000	2010 \$'000
<b>Special Deposits and Trust Fund balance</b>		
Legislative Council operating account – 037001 268331	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Total cash and deposits</b>	<b>-</b>	<b>-</b>

### 11.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2011 \$'000	2010 \$'000
Net result	(77)	(101)
Depreciation and amortisation	15	19
Decrease (increase) in Receivables	(2)	2
Increase (decrease) in Employee entitlements	6	92
Increase (decrease) in Payables	58	(12)
<b>Net cash from (used by) operating activities</b>	<b>-</b>	<b>-</b>

## 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:

2011

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

2010

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

## 12.2 Categories of Financial Assets and Liabilities

	2011 \$'000	2010 \$'000
<b>Financial assets</b>		
Receivables	8	6
<b>Total</b>	<b>8</b>	<b>6</b>
<b>Financial Liabilities</b>		
Financial liabilities at fair value through profit and loss	125	64
<b>Total</b>	<b>125</b>	<b>64</b>

## 12.3 Net Fair Values of Financial Assets and Liabilities

### 2011

	Net Fair Value Total \$'000
<b>Financial assets</b>	
Receivables	8
<b>Total financial assets</b>	<b>8</b>
<b>Financial liabilities</b>	
Trade Creditors	125
<b>Total financial liabilities</b>	<b>125</b>

### 2010

	Net Fair Value Total \$'000
<b>Financial assets</b>	
Receivables	6
<b>Total financial assets</b>	<b>6</b>
<b>Financial liabilities</b>	
Trade creditors	64
<b>Total financial liabilities</b>	<b>64</b>

### *Financial Assets*

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



