



INDEPENDENT AUDIT REPORT

To Members of the Parliament of Tasmania

LEGISLATIVE COUNCIL

Financial Statements for the Year Ended 30 June 2008

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 2008, 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 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 report.

Independence

In conducting my audit, I have met applicable independence requirements of Australian professional ethical pronouncements.

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 2008, 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 (including Australian Accounting Interpretations).

TASMANIAN AUDIT OFFICE



H M Blake
AUDITOR-GENERAL

HOBART
22 October 2008

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 2008 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', followed by a period.

D T Pearce
Clerk of the Legislative Council

15 August 2008

Legislative Council

Income Statement for the year ended 30 June 2008

	Note	2008 \$'000 Budget	2008 \$'000 Actual	2007 \$'000 Actual
Income and other revenue				
Appropriation revenue - recurrent	1.6, 3.1, 12.1	5,265	5,480	4,873
Other revenue	3.2	-	-	2
Total income		5,265	5,480	4,875
Expenses				
Employee and member benefits	4.1, 12.1	4,224	4,425	4,121
Depreciation	4.2	26	29	27
Supplies and consumables	4.3	939	781	650
Other expenses	4.4	114	100	90
Total expenses		5,303	5,335	4,888
Net surplus (deficit) attributable to the State		(38)	145	(13)

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 Note 12 of accompanying notes.

Legislative Council

Balance Sheet as at 30 June 2008

	Note	2008 \$'000 Budget	2008 \$'000 Actual	2007 \$'000 Actual
ASSETS				
Financial Assets				
Cash on hand and deposit accounts	9.1	1	10	4
Receivables	6.1	8	8	14
Non-financial Assets				
Plant and Equipment	6.2	1,136	1,138	1,141
Other assets		15	16	23
TOTAL ASSETS		1,160	1,172	1,182
LIABILITIES				
Payables	7.2	119	115	145
Advance from Treasury	7.3	3	10	3
Employee benefits	7.1	720	542	675
TOTAL LIABILITIES		842	667	823
NET ASSETS		318	505	359
EQUITY				
Accumulated funds			284	138
Asset revaluation reserve			221	221
TOTAL EQUITY	8.1	318	505	359

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 Note 12 of accompanying notes.

Legislative Council

**Cash Flow Statement
for the year ended 30 June 2008**

	Note	2008 \$'000 Budget	2008 \$'000 Actual	2007 \$'000 Actual
Cash flows from operating activities				
Cash Inflows				
Appropriation receipts - recurrent	12.1	5,265	5,480	4,873
GST receipts	12.3	64	100	75
Other cash receipts		-	6	2
Total cash inflows		5,329	5,586	4,950
Cash Outflows				
Employee and member benefits	12.1	(4,212)	(4,545)	(4,141)
Supplies and Consumables		(939)	(831)	(638)
Other		(114)	(86)	(86)
GST payments	12.3	(64)	(100)	(75)
Total cash outflows		(5,329)	(5,562)	(4,940)
Net cash from (used by) operating activities	9.2	-	24	10
Cash flows from investing activities				
Cash Outflows				
Payments for acquisition of assets		-	(18)	(9)
Net cash from (used by) investing activities		-	(18)	(9)
Net increase (decrease) in cash held		-	6	1
Cash at the beginning of the reporting period		1	4	3
Cash at the end of the reporting period		1	10	4

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 Note 12 of accompanying notes.

Legislative Council

Statement of Recognised Income and Expense for the year ended 30 June 2008

	2008 \$'000	2007 \$'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 period	145	(13)
Total recognised income and expense for the financial year	<u>145</u>	<u>(13)</u>

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

Legislative Council

Notes to and forming part of the financial statements for the year ended 30 June 2008

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 times, 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 and activities 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 for which, in accordance with Standing Orders, is vested in the Clerk of the Legislative Council;
- ensure the effective functioning 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:

- the Treasurer's Instructions issued under the provisions of the *Financial Management and Audit Act 1990*; and
- Australian Accounting Standards in particular *AAS 29 Financial reporting by Government Departments*.

Compliance with the Australian Accounting Standards (AASBs and AASs) may not result in compliance with International Financial Reporting Standards (IFRS), as the AASBs and AASs 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 AASBs and AASs 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 below.

1.3 Reporting Entity

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

1.4 Functional and Presentation Currency

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

1.5 Changes in Accounting Policies

(a) Impact of new Accounting Standards

The Council has not adopted any new or revised Standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period.

Impact of new Accounting Standards yet to be applied

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

- *AASB 7 Financial Instruments: Disclosures* replaces the presentation requirements of financial instruments in AASB 132 and introduces new financial instrument disclosure requirements. There has been no financial impact on the financial statements.
- *AASB 2007-4 Amendments to Australian Accounting Standards arising from Exposure Draft 151 and Other Amendments* and *Erratum: Proportionate Consolidation*. AASB 2007-4 makes amendments to a number of Australian Accounting Standards to introduce various accounting policy options, delete various disclosures presently required, and to make a number of editorial amendments.

The House has not intended to change any of its current accounting policies on adoption of AASB 2007-4; accordingly, there has been no financial impact to these financial statements. However, in the financial statements, certain information is no longer required to be disclosed, or has been disclosed in an alternative manner, due to amendments made by AASB 2007-4 to the disclosure requirements of various Accounting Standards.

- *AASB 2007-7 Amendments to Australian Accounting Standards* makes editorial amendments to six Standards. The key change removes the encouragement in AASB 107 *Cash Flow Statements* to adopt a particular *format* for the cash flow statement. The Council did not intend to change any of its current accounting policies on adoption of AASB 2007-7; accordingly, there has been no financial impact to these financial statements.

The financial statements are prepared on the basis that the Council will continue to operate in its present form.

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) Appropriation Revenue

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

Revenues 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 entitlements of members and staff to wages and salaries, annual leave, sick leave, long service leave, superannuation and other post-employment benefits.

b) Depreciation and Amortisation

All non-current 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
Leasehold Improvements	5 years

1.8 Assets

Assets are recognised in the Balance Sheet when it is probable that the future economic benefits embodied in the asset will eventuate and the asset possesses a cost or other value that can be measured reliably.

a) Cash on Hand and Deposit Accounts

Cash means notes, coins and 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 the amounts receivable as they are due for settlement. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable, are written off. A provision for doubtful debts is raised where some doubts exist as to collection.

c) Non-financial assets

(i) Valuation basis

Long lived plant and equipment and heritage assets are valued on the fair value basis. Equipment and other non-current assets are recorded at historical cost. Fair Value is 'the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arms length transaction'.

(ii) Asset recognition threshold

With the exception of antique furniture and artworks and artefacts 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 significant 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.

1.9 Liabilities

Liabilities are recognised in the Balance Sheet when it is probable that the future sacrifice of economic benefits will be required and the amount of the liability can be measured reliably.

a) Payables

Payables, including goods received and services incurred but not yet invoiced, are recognised 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 in respect 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

No superannuation liability is recognised for the accruing superannuation benefits of Council members and employees. This liability is held centrally and 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 conform to changes in presentation in these financial statements where required and permitted by accounting standards.

1.12 Budget Information

Budget information refers to original estimates as disclosed in the 2007-08 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.

In the Cash Flow Statement the GST component of cash flows arising from 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 Events Occurring after Balance Date

There have been no events subsequent to balance date which would have a material effect of the Council's financial statements as at 30 June 2008.

Note 3 Income

3.1 Appropriation Revenue

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

	2008 Original Budget \$'000	2008 Actual \$'000	2007 Actual \$'000
Recurrent Appropriation	2,654	2,882	2,434
Items Reserved by Law			
R003 Parliamentary Salaries and Allowances (<i>Parliamentary Salaries, Superannuation and Allowances Act 1973</i>)	2,290	2,249	2,118
R004 Travelling Allowances (<i>Parliamentary Salaries, Superannuation and Allowances Act 1973</i>)	281	312	271
R005 Members' Committee Fees and Allowances (<i>Parliamentary Salaries, Superannuation and Allowances Act 1973</i>)	40	37	50
Total Revenue From Government	5,265	5,480	4,873

3.2 Other Revenue

	2008 \$'000	2007 \$'000
Miscellaneous revenue	0	2
Total	0	2

Note 4 Expenses

4.1 Employee and Member Benefits

	2008 \$'000	2007 \$'000
Wages and salaries (including fringe benefits and non monetary components)	3,967	3,678
Annual leave	162	166
Long service leave	44	35
Superannuation	252	242
Total	4,425	4,121

Superannuation expenses relating to defined benefits schemes relate to payments into the Superannuation Provision Account (SPA) 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 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.

4.2 Depreciation and Amortisation

	2008 \$'000	2007 \$'000
Furniture and fittings	8	8
Leasehold Improvements	7	6
Computer Equipment	12	12
Office Equipment	2	1
Total	29	27

4.3 Supplies and Consumables

	2008 \$'000	2007 \$'000
Audit expenses	10	10
Fringe benefits tax	38	21
Communications	99	96
Supplies and consumables	25	15
Travel	125	98
Information Technology	77	75
Resource support	104	108
Regional Office Support	184	106
Other	119	121
Total	781	650

4.4 Other Expenses

	2008 \$'000	2007 \$'000
Payroll tax	100	90
Total	100	90

Note 5 Council Output Schedules

5.1 Output Group Information

Information about the Council's outputs and the expenses and revenues which are reliably attributable to those outputs, is set out in Note 5.3.

5.2 Output Summary

Output Group 1: Legislative Council Support Services

Services provided under this Output Group include:

- Provision of procedural, administrative and research support and advice to the President and Members of the Legislative Council;
- Assisting Members of the Legislative Council in order that they may be better able to execute their duties and responsibilities as elected representatives of the people of Tasmania;
- Tabling of Legislative Council Select Committee and Parliamentary Joint Select Committee reports on a variety of subject specific matters agreed to by Resolution of the Council;
- The provision of allowance and other administrative support to enable the continuing Statutory obligations of the three Joint Parliamentary Standing Committees to be met;
- The provision of continuing professional development allowances to Members; and
- The provision of travel and research support allowances to Members.

The Clerk of the Legislative Council is charged with the responsibility of providing the necessary levels of support to Members of the Legislative Council. The main issue facing the Clerk of the Council is to continue to provide the highest possible standard of professional advice and support to Members in order that they be fully able to execute their range of duties and responsibilities as elected Members.

Output Group 2: Payments Administered by the Legislative Council

Activities undertaken as part of this Output Group include:

- Debate, passage and presentation for Royal Assent of Legislation, and the examination of other measures presented to the Parliament;
- Making of Statute Law in Tasmania and the proper legislative functioning of the democratically elected Upper House of the Parliament of Tasmania;
- Participation in the maintenance of the democratic Westminster tradition of responsible government; and
- Effective representation of constituents of the single member electoral divisions.

The focus of this Output Group relates principally to the duties and obligations of the elected Members of the Legislative Council to consider and review all legislative and other measures presented to the Council.

Financial resources are provided to enable the payment of the basic salary and electorate allowances to elected Members together with additional Officers' salaries and sitting fees which are payable.

5.3 Statement of Outputs

Note: the following information has been prepared on an accrual accounting basis.

Output Group 1 - Legislative Council Support Services			
	2008 \$'000 Budget	2008 \$'000 Actual	2007 \$'000 Actual
Revenue			
Recurrent appropriations	2,654	2,882	2,434
Other revenue from ordinary activity		0	2
Total revenue	2,654	2,882	2,436
Expenses			
Employee benefits (Note 12.5)	1,953	1,816	1,689
Depreciation and amortisation	26	29	27
Communications	113	99	96
Travel	118	125	98
Information technology	15	77	75
Other expenses from ordinary activities (Note 12.5)	467	580	471
Total expenses	2,692	2,726	2,456
Net result	(38)	156	(20)

Output Group 2 - Payments administered by the Legislative Council			
	2008 \$'000 Budget	2008 \$'000 Actual	2007 \$'000 Actual
Revenue			
Recurrent appropriations (Note 12.1)	2,611	2,598	2,439
Total revenue from ordinary activity	2,611	2,598	2,439
Expenses			
Parliamentary salaries and allowances (Note 12.1)	2,290	2,246	2,099
Parliamentary travelling allowances (Note 12.1)	281	327	282
Parliamentary Committee fees and allowances	40	36	51
Total expenses	2,611	2,609	2,432
Net result	0	(11)	7
Total net result of output groups	(38)	145	(13)
Reconciliation to net surplus (deficit)			
Net surplus (deficit)	(38)	145	(13)

Note 6 Assets

6.1 Receivables

	2008 \$'000	2007 \$'000
Other receivables	8	14
Less: Provision for impairment	0	0
	8	14
Settled within 12 months	8	14
Total	8	14

6.2 Plant and Equipment

	2008 \$'000	2007 \$'000
Antique Furniture		
At fair value (16 June 2006) *	905	905
Total Antique Furniture	<u>905</u>	<u>905</u>
Artworks and Artefacts		
At fair value (21 July 2006) **	172	172
Total Artworks and Artefacts	<u>172</u>	<u>172</u>
Furniture and Fittings		
At cost	84	77
Less: accumulated depreciation	(47)	(39)
Total Furniture and Fittings	<u>37</u>	<u>38</u>
Computer Equipment		
At cost	49	37
Less: accumulated depreciation	(33)	(21)
Total Computer Equipment	<u>16</u>	<u>16</u>
Office Equipment		
At cost	13	13
Less: accumulated depreciation	(5)	(3)
Total Office Equipment	<u>8</u>	<u>10</u>
Leasehold Improvements		
At cost	36	36
Less: accumulated amortisation	(20)	(13)
Total Leasehold Improvements	<u>16</u>	<u>23</u>
Total non-current assets	<u>1,154</u>	<u>1,164</u>

* The latest revaluations as at 18 October 2005 were independently conducted. The valuer was Mr A F Colman.

** The latest revaluations as at 21 July 2006 were independently conducted. The valuer was Mr W N Hurst.

6.3 Reconciliation of Non-Current Physical Assets

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out below.

	Antique Furniture	Artworks and Artefacts	Furniture and Fittings	Computer Equipment	Office Equipment	Leasehold Improvements	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2008							
Carrying value at 1 July	905	172	38	16	10	23	1,164
Additions			6	12			18
Disposals							
Revaluations increments (decrements)							
Depreciation/amortisation expense	-	-	(7)	(12)	(2)	(7)	(28)
Carrying value at 30 June	<u>905</u>	<u>172</u>	<u>37</u>	<u>16</u>	<u>8</u>	<u>16</u>	<u>1,154</u>
	Antique Furniture	Artworks and Artefacts	Furniture and Fittings	Computer Equipment	Office Equipment	Leasehold Improvements	Total

2007	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July	905	172	46	28	11	20	1,182
Additions						9	9
Disposals							
Revaluations increments (decrements)							
Depreciation/amortisation expense	-	-	(8)	(12)	(1)	(6)	(27)
Carrying amount at 30 June	905	172	38	16	10	23	1,164

Note 7 Liabilities

7.1 Employee Benefits

	2008 \$'000	2007 \$'000
Accrued salaries	22	20
Annual leave	265	314
Long service leave	255	341
Total	542	675
Due within 12 months	311	466
Due in more than 12 months	231	209
Total	542	675

7.2 Payables

	2008 \$'000	2007 \$'000
Creditors	86	112
Accrued expenses	29	33
Total	115	145
Due within 12 months	103	129
Due in more than 12 months	12	16
Total	115	145

7.3 Other Liabilities

	2008 \$'000	2007 \$'000
Advance from Treasury	10	3
Total other current liabilities	10	3

Note 8 Equity and Movements in Equity

8.1 Reconciliation of Equity

	Accumulated funds		Asset revaluation reserve		Total equity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Balance at 1 July	138	152	221	221	359	373
Asset revaluation						
Net surplus (deficit)	146	(14)			146	(14)
Balance at 30 June	284	138	221	221	505	359

Note 9 Cash Flow Reconciliation

9.1 Cash and Cash Equivalents

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.

	2008 \$'000	2007 \$'000
Special Deposits and Trust Fund balance		
Legislative Council operating account	10	10
Total	10	10

Other cash held

Cash on hand	-	-
Total	10	10

9.2 Reconciliation of operating surplus to net cash provided by operating activities:

	2008 \$'000	2007 \$'000
Net surplus (deficit)	146	(13)
Depreciation/Amortisation	29	27
Decrease (increase) in receivables	5	(8)
Increase (decrease) in other liabilities	6	0
Increase (decrease) in employee benefits	(133)	11
Increase (decrease) in payables	(29)	(7)
Net cash provided (used) by operating activities	24	10

Note 10 Financial Instruments

10.1 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 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 Balance Sheet:

2008

	Maturity analysis for financial liabilities						Undiscounted Total \$'000	Carrying Amount \$'000
	1 Year \$'000	2 Years \$'000	3 years \$'000	4 years \$'000	5 Years \$'000	More than 5 Years \$'000		
Financial Liabilities								
Payables	115	-	-	-	-	-	115	115
Other financial liabilities	10	-	-	-	-	-	10	10
Total	125	-	-	-	-	-	125	125

2007

	Maturity analysis for financial liabilities						Undiscounted Total \$'000	Carrying Amount \$'000
	1 Year \$'000	2 Years \$'000	3 years \$'000	4 years \$'000	5 Years \$'000	More than 5 Years \$'000		
Financial Liabilities								
Payables	145	-	-	-	-	-	145	145
Other financial liabilities	3	-	-	-	-	-	3	3
Total	148	-	-	-	-	-	148	148

(d) Market risk

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

Note 11 Commitments and Contingencies

The Council has no financial or other commitments.

Note 12 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.

12.1 Income Statement

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation revenue - recurrent	(a)	5,265	5,480	215	4.1
Employee and member benefits	(b)	4,224	4,425	201	4.8

Notes to Income Statement variances

(a) and (b) The increase in Appropriation receipts and Employee and member benefits reflects the full year impact of increases in member entitlements resulting from the report of the Second Committee of Review inquiring into Allowances and Benefits provided to members of the Tasmanian Parliament and the payout of accrued employee entitlements to retiring employees.

12.2 Balance Sheet

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Employee benefits	(a)	720	542	178	24.7

Notes to Balance Sheet variances

(a) The decrease in employee benefits reflects the payout of accrued leave benefits to retiring employees.

12.3 Cash Flow Statement

	Note	Budget \$'000	Actual \$'000	Variance \$'000	Variance %
Appropriation receipts - recurrent	(a)	5,265	5,480	215	4.1
GST receipts	(b)	64	100	36	56.2
Employee and member benefits	(c)	4,212	4,545	333	7.9
Supplies and consumables	(d)	939	831	108	11.5
GST payments	(b)	64	100	36	56.2

Notes to Cash Flow Statement variances

(a) and (c) The increase in Appropriation receipts and Employee and member benefits reflects the full year impact of increases in member entitlements resulting from the report of the Second Committee of Review inquiring into Allowances and Benefits provided to members of the Tasmanian Parliament and the payout of accrued employee entitlements to retiring employees.

(b) The amount of GST payments and receipts were greater than expected when preparing budget figures.

(d) Expenditure on Supplies and Consumables was less than expected when the budget was prepared.