OFFICE OF THE GOVERNOR

Financial Statements

For the year ended

30 June 2013

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TASMANIA 7001

CERTIFICATION OF FINANCIAL STATEMENTS

The accompanying financial statements of the Office of the Governor are in agreement with the relevant accounts and records and have been prepared in compliance with Treasurer's Instructions issued under the provision of the Financial Management and Audit Act 1990 to present fairly the transactions for the year ended 30 June 2013 and the financial position as at the end of the year.

At the date of signing, I am not aware of any circumstances that would render the particulars included in the financial statements misleading or inaccurate.

David Owen

Official Secretary

15 August 2013

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Statement of Comprehensive Income for the year ended 30 June 2013

	Notes	2013 Budget $'000	2013 Actual $'000	2012 Actual $'000
Continuing operations				
Revenue and other income from transactions				
Revenue from Government				
Appropriation revenue - recurrent	1.6(a), 4.1	3,353	3,290	3,339
Other revenue	1.6(b), 4.2	-	15	15
Total revenue and other income from transactions		**3,353**	**3,305**	**3,354**
Expenses from transactions				
Employee benefits	1.7(a), 5.1	2,461	2,522	2,454
Depreciation and amortisation	1.7(b), 5.2	297	317	312
Supplies and consumables	5.3	878	759	846
Other expenses	1.7(c), 5.4	31	51	39
Total expenses from transactions		**3,667**	**3,649**	**3,651**
Net result from transactions (net operating balance)		**(314)**	**(344)**	**(297)**
Other comprehensive income				
Changes in land and buildings revaluation surplus	9.1	300	758	2,786
Total other comprehensive income		**300**	**758**	**2,786**
Comprehensive result		(14)	414	2,489

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 2013

	Notes	2013 Budget $'000	2013 Actual $'000	2012 Actual $'000
Assets				
Financial assets				
Cash and deposits	1.8(a), 10.1	(27)	(10)	(19)
Other financial assets	1.8(b), 6.1	28	14	19
Non-financial assets				
Property, plant and motor vehicles	1.8(c), 6.2	319	273	311
Land and Buildings	1.8(c), 6.2	31,765	34,738	34,242
Heritage Assets	1.8(c), 6.2	3,562	3,563	3,563
		35,647	**38,578**	**38,116**
Total assets		**35,647**	**38,578**	**38,116**
Liabilities				
Payables	1.9(a), 7.1	65	124	84
Employee benefits	1.9(b), 7.2	555	494	486
Total liabilities		**620**	**618**	**570**
Net assets		**35,027**	**37,960**	**37,546**
Equity				
Reserves	9.1	23,180	26,125	25,367
Accumulated funds		11,847	11,835	12,179
Total equity		**35,027**	**37,960**	**37,546**

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 2013

	Notes	2013 Budget $'000	2013 Actual $'000	2012 Actual $'000
		Inflows	Inflows	Inflows
Cash flows from operating activities		(Outflows)	(Outflows)	(Outflows)
Cash inflows				
Appropriation receipts - recurrent		3,353	3,290	3,319
GST receipts		60	67	80
Other cash receipts		-	15	15
Total cash inflows		**3,413**	**3,372**	**3,414**
Cash outflows				
Employee benefits		(2,193)	(2,326)	(2,293)
Superannuation		(252)	(179)	(202)
GST payments		(60)	(58)	(72)
Other cash payments		(908)	(783)	(859)
Total cash outflows		**(3,413)**	**(3,346)**	**(3,426)**
Net cash from (used by) operating activities	10.2	**-**	**26**	**(12)**
Cash flows from investing activities				
Cash outflows				
Payments for acquisition of non-financial assets		-	(17)	-
Total cash outflows		**-**	**(17)**	**-**
Net cash from (used by) investing activities		**-**	**9**	**(12)**
Net increase (decrease) in cash and cash equivalents held		**-**	**9**	**(12)**
Cash and deposits at the beginning of the reporting period		**(27)**	**(19)**	**(7)**
Cash and deposits at the end of the reporting period	10.1	**(27)**	**(10)**	**(19)**

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 2013

	Notes	Reserves $'000	Accumulated Funds $'000	Total Equity $'000
Balance as at 1 July 2012		**25,367**	**12,179**	**37,546**
Total comprehensive result		758	(344)	414
Balance as at 30 June 2013		**26,125**	**11,835**	**37,960**

	Notes	Reserves $'000	Accumulated Funds $'000	Total Equity $'000
Balance as at 1 July 2011		**22,581**	**12,476**	**35,057**
Total comprehensive		2,786	(297)	2,489
Balance as at 30 June 2012		**25,367**	**12,179**	**37,546**

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 2013

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Note 1 Significant Accounting Policies

1.1 Objectives and Funding

The Office's objectives are to support the Governor in the performance of his constitutional, administrative, ceremonial and community responsibilities by:

- providing a high standard of policy advice and administrative support to the Governor, including the organisation of constitutional and ceremonial duties, and his program of community engagements;
- facilitating the efficient and effective interaction between the Office of the Governor, the Parliament, the Executive and the State Service; and
- maintaining Government House estate.

The Office is structured to meet the following outcomes:

- safeguarding the integrity of the State's democratic system of government;
- promoting community involvement in government and understanding of the democratic process;
- promoting community understanding of the role of Governor;
- fostering activities in rural areas through speeches, visits, functions and other events;
- encouraging the involvement of young people in the community;
- supporting activities which promote a multi-cultural, diverse and tolerant society;
- stimulating culture and the arts;
- promoting the State's exports and its tourism industry; and
- protecting and maintaining the heritage values of Government House and its grounds.

The Office's activities are classified as controlled.

Controlled activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the Office in its own right.

The Office is a Tasmanian Government not-for-profit entity that is predominantly funded through Parliamentary appropriations. The financial statements encompass all funds through which the Office 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 Official Secretary on 15th August 2013.

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 Office 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.

The Financial Statements have been prepared on the basis that the Office is a going concern. The continued existence of the Office in its present form, undertaking its current activities, is dependent on Government policy and on continuing appropriations by Parliament for the Office's administration and activities.

1.3 Reporting Entity

The Financial Statements include all the controlled activities of the Office. The Financial Statements consolidate material transactions and balances of the Office.

1.4 Functional and Presentation Currency

These Financial Statements are presented in Australian dollars, which is the Office's functional currency.

1.5 Changes in Accounting Policies

(a) Impact of new and revised Accounting Standards

In the current year, the Office 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 2010-6 A*mendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASBs 1 & 7]* – This Standard introduces additional disclosure relating to transfers of financial assets in AASB 7. An entity shall disclose all transferred financial assets that are not derecognised and any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. There is no financial impact.
- AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASBs 1, 5, 101, 107,108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113] – this Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standards to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.
- AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] – This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). 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 amends the mandatory effective date of AASB 9 Financial Instruments so that AASB 9 is required to be applied for annual reporting periods beginning on or after 1 January 2015 instead of 1 January 2013. 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 issued in August 2011 but is not yet available for application by not-for-profit entities. The Office has not yet determined the potential financial impact of the standard.

- AASB 13 Fair Value Measurement – This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. AASB 13 Fair Value Measurement 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 Office's assets and liabilities (excluding leases), that are measured and/or disclosed at fair value or another measurement based on fair value.

  The Office has commenced reviewing its fair value methodologies (including instructions to valuers, data used and assumptions made) for all items of property, plant and equipment measured at fair value to determine whether those methodologies comply with AASB 13. To the extent that the methodologies don't comply, changes will be necessary. While the Office is yet to complete this review, no substantial changes are anticipated, based on the fair value methodologies presently used. Therefore, at this stage, no consequential material impacts are expected for the Office's property, plant and equipment as from 2013-14.

  AASB 13 will require an increased amount of information to be disclosed 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 Office, the amount of information to be disclosed will be relatively greater.

- AASB 119 *Employee Benefits* – This Stan*dard supersedes A*ASB 119 *Employee Benefits*, introducin*g a number of cha*nges to accounting treatments. The Standard was issued in September 2012. The Office has not yet determined the potential financial impact of the standard.

- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASBs 1, 3, 4, 5, 7, 101, 102, 108,112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19, & 127] – This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB in December 2010. It is not anticipated that there will be any financial impact.

- AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 101, 116, 117, 118, 119, 120, 121, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132] – This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. It is anticipated that there will not be any financial impact.

- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB1, 8, 101, 124, 134, 1049, & 2011-8 and Interpretation 14] – This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. It is anticipated that there will be limited financial impact.

- AASB 2012-2 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. It is anticipated that there will not 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 2012-5 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.
- AASB 2013-1 *Amendments to AASB 1049 – Relocation of Budgetary Reporting Requirements* – This Standard removes the requirements relating to the disclosure of budgetary information from AASB 1049 (without substantive amendment). All budgetary reporting requirements applicable to public sector entities are now located in a single, topic based, Standard AASB 1055 *Budgetary Reporting. Budgetary Reporting.* There is no financial impact.

(c) Voluntary changes in accounting policy

There has been no voluntary change to accounting policy.

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 Office gains control of the appropriated funds. Except for any amounts identified as carried forward in Notes 4.1, control arises in the period of appropriation.

(b) Other revenue

Revenue from any other source is recognised when the obligation to pay arises.

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. Land, being an asset with an unlimited useful life, is not depreciated.

Depreciation is provided for on a straight-line basis, using rates which are reviewed annually. Major depreciation periods are:

Plant, equipment and vehicles		5 years
Buildings		100 years
Other -	Piano	20 years
	Tractor	10 years
	Convotherm Oven	10 years
	Under carpet heating	15 years
	Service lift	20 years

Heritage assets are not depreciated on the basis that they have an unlimited useful life.

Depreciation rates have been adjusted to reflect the life of each asset.

(c) Other expenses

Expenses from acquisition of supplies and services are recognised when the obligation to pay is identified, usually at the time of supply of such supplies and services.

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 Office 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, being short term of three months or less and highly liquid. Deposits are recognised at amortised cost, being their face value.

(b) Other financial assets

Tax assets are recognised when the related transactions occur and are measured at the nominal amount.

Prepayments are recognised when they occur and are measured at the nominal amount.

(c) Property, plant, equipment and infrastructure

(i) Valuation basis

Land, buildings, heritage and cultural assets and other long-lived assets are recorded at fair value less accumulated depreciation. 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. The costs of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Office and its costs can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Asset recognition threshold

Other than heritage assets, including art works, the asset capitalisation threshold adopted by the Office is $10,000. Assets valued at less than $10,000 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).

(iv) Revaluations

The Office has adopted a revaluation threshold of $10,000 above which assets are revalued on a fair value basis. All heritage assets are subject to revaluation and are revalued with sufficient regularity within 3 to 5 years.

Land and buildings are revalued with sufficient regularity to ensure they reflect fair value at balance date. Indices are applied between formal valuations.

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

Revaluations are shown on a net basis.

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 Office 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 2013, 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 Office does not recognise a liability for the accruing superannuation benefits of Office employees. This liability is held centrally and is recognised within the Finance-General Division of the Department of Treasury and Finance.

1.10 Leases

The Office has entered into a number of operating lease agreements for property, plant and equipment, where the lessors effectively retain all the risks and benefits incidental to ownership of the items leased. Equal instalments of lease payments are charged to the Statement of Comprehensive Income over the lease term, as this is representative of the pattern of benefits to be derived from the leased property.

The Office is prohibited by Treasurer's Instruction 502 *Leases* from holding finance leases.

1.11 Judgements and Assumptions

In the application of Australian Accounting Standards, the Office 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 Office that have significant effects on the Financial Statements are disclosed in the relevant notes as follows:

- Basis of assets valuation (refer Notes 1.8(c), 6.2(a)).

The Office 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.

1.12 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date.

1.13 Budget Information

Budget information refers to original estimates as disclosed in the 2012-13 Budget Papers and is not subject to audit.

1.14 Rounding

All amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise stated. Where the result of expressing amounts to the nearest thousand dollars would result in an amount of zero, the financial statement will contain a note expressing the amount to the nearest whole dollar.

1.15 Taxation

The Office is exempt from all forms of taxation except Fringe Benefits Tax and the Goods and Services Tax.

1.16 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 Office Output Schedules

2.1 Output Group Information

The Office only has a single output called Office of the Governor to fulfil its Outcome Statement of ensuring that it provides support of the Governor. The summary of budgeted and actual revenues and expenses for this Output are the same as in the Statement of Comprehensive Income. Therefore, the inclusion of a separate Output Schedule is not necessary.

Explanations of material variances between budget and actual outcomes are provided in Note 3 below. A reconciliation of the net result of the Output Group to the net surplus on the Statement of Comprehensive Income is not necessary as the Office only has one output group. For the same reason there is no separate reconciliation between the total net assets deployed for the Output Group to net assets on the Statement of Financial Position.

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 $40,000.

3.1 Statement of Comprehensive Income

	Note	Budget $'000	Actual $'000	Variance $'000	Variance %
Supplies and consumables	(a)	878	759	119	14
Changes in property, plant and equipment revaluation	(b)	300	758	458	153

Notes to Statement of Comprehensive Income variances

(a) Lower than expected spending in Other property services, building maintenance and operating lease costs.
(b) Higher than anticipated revaluation of land and buildings.

3.2 Statement of Financial Position

	Note	Budget $'000	Actual $'000	Variance $'000	Variance %
Property, plant and motor vehicles	(a)	319	273	(46)	(14)
Payables	(b)	65	124	(59)	(91)
Employee benefits	(c)	555	494	61	11
Reserves	(d)	23,180	26,125	2,945	13

Notes to Statement of Financial Position variances

(a) There were fewer additions, than budgeted, to Property, plant and motor vehicles during the year.
(b) Higher than budgeted expenditure in June 2013 where invoices were not rendered until July 2013.
(c) A decrease in Long service leave liability due to staff actively taking leave to reduce their balance.
(d) The revaluation increments to Land and Buildings were not included in the budget.

3.3 Statement of Cash Flows

	Note	Budget $'000	Actual $'000	Variance $'000	Variance %
Superannuation	(a)	(252)	(179)	73	29
Other cash payments	(b)	(908)	(783)	125	14

Notes to Statement of Cash Flows variances

(a) The budget overestimated the superannuation expense
(b) Lower than anticipated spending on day to day payments

Note 4 Income from transactions

4.1 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.

	2013 Budget $'000	2013 Actual $'000	2012 Actual $'000
Continuing operations			
Appropriation revenue - recurrent			
Current year	3,353	3,290	3,319
Revenue from Government - other			
Appropriation carried forward under section 8A(2) of the *Public Account Act 1986* taken up as revenue in the current year	-	-	20
Total revenue from Government	**3,353**	**3,290**	**3,339**

Section 8A(2) of the Public Account Act allows for an unexpended balance of an appropriation to be transferred to an Account in the Special Deposits and Trust Fund for such purposes and conditions as approved by the Treasurer. In the initial year, the carry forward is recognised as a liability, Revenue Received in Advance. The carry forward from the initial year is recognised as revenue in the reporting year, assuming that the conditions of the carry forward are met and the funds are expended.

4.2 Other revenue

	2013 $'000	2012 $'000
Other fees and recoveries	15	15
Total	**15**	**15**

Note 5 Expenses from transactions

5.1 Employee benefits

	2013 $'000	2012 $'000
Wages and salaries	2,137	2,036
Annual leave	116	121
Long service leave	48	65
Sick leave	19	20
Superannuation	179	202
Other employee expenses *(Training, uniforms, memberships)*	23	10
Total	**2,522**	**2,454**

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 12.3 per cent of salary.

Superannuation expenses relating to defined contribution schemes are paid directly to superannuation funds at a rate of nine per cent of salary. In addition, the Office is also required to pay into the Consolidated Fund a "gap" payment equivalent to 3.3 per cent of salary in respect of employees who are members of contribution schemes.

5.2 Depreciation and amortisation

(a) Depreciation

	2013 $'000	2012 $'000
Plant, equipment and motor vehicles	55	54
Buildings	262	258
Total	**317**	**312**

5.3 Supplies and consumables

	2013 $'000	2012 $'000
Audit fees – financial audit	10	15
Operating lease costs	52	61
Property services	225	237
Maintenance	144	236
Communications	43	35
Information technology	33	25
Travel and transport	7	7
Other supplies and consumables	245	230
Total	**759**	**846**

5.4 Other expenses

	2013 $'000	2012 $'000
Salary on-costs	12	11
Insurance	39	28
Total	**51**	**39**

Note 6 Assets

6.1 Other financial assets

	2013 $'000	2012 $'000
Tax assets	12	18
Prepayments	2	1
Total	**14**	**19**
Settled within 12 months	14	19
Settled in more than 12 months	-	-
Total	**14**	**19**

6.2 Property, plant, equipment and motor vehicles

(a) Carrying amount

	2013 $'000	2012 $'000
Land		
At fair value (1 July 2012)	8,800	8,700
Total	**8,800**	**8,700**
Buildings		
At fair value (1 July 2012)	26,200	25,800
Less: Accumulated depreciation	(262)	(258)
Total	**25,938**	**25,542**
Plant, equipment and motor vehicles		
At cost	429	412
Less: Accumulated depreciation	(156)	(101)
Total	**273**	**311**
Heritage and cultural assets		
At fair value (dates detailed below)	3,563	3,563
Total	**3,563**	**3,563**
Total property, plant, equipment and motor vehicle	**38,574**	**38,116**

Assets have been revalued independently as listed below:

Heritage and cultural assets consisting of:

- Paintings (Heritage assets) – Rosanna Cameron BA, Registered Valuer as at 30 June 2010. Based on fair value.
- Furniture (Heritage assets) – A.F. Coleman, Approved Commonwealth Government Valuer as at 30 June 2011. Based on replacement value.
- China, silver etc. (Heritage assets) – Berenice Clark FGAA, JVCQ, Registered Valuer as at 24 March 2010. Based on replacement value; and

Land and Buildings – Valuer General's Office as at 1 July 2012. Based on fair value for existing use.

(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.

2013	Land $'000	Buildings $'000	Plant equipment and motor vehicles $'000	Heritage and cultural assets $'000	Total $'000
Carrying value at 1 July	**8,700**	**25,542**	**311**	**3,563**	**38,116**
Additions	-	-	17	-	17
Disposals	-	-	-	-	-
Revaluation increments (decrements)	100	658	-	-	758
Depreciation and amortisation	-	(262)	(55)	-	(317)
Carrying value at 30 June	**8,800**	**25,938**	**273**	**3,563**	**38,574**

2012	Land $'000	Buildings $'000	Plant equipment and motor vehicles $'000	Heritage and cultural assets $'000	Total $'000
Carrying value at 1 July	**7,900**	**23,814**	**365**	**3,563**	**35,642**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluation increments (decrements)	800	1,986	-	-	2,786
Depreciation and amortisation	-	(258)	(54)	-	(312)
Carrying value at 30 June	**8,700**	**25,542**	**311**	**3,563**	**38,116**

Note 7 Liabilities

7.1 Payables

	2013 $'000	2012 $'000
Creditors	76	41
Accrued expenses	48	43
Total	**124**	**84**
Settled within 12 months	124	84
Settled in more than 12 months	-	-
Total	**124**	**84**

Settlement is usually made within 30 days.

7.2 Employee benefits

	2013 $'000	2012 $'000
Accrued salaries	70	68
Annual leave	143	128
Long service leave	281	290
Total	**494**	**486**
Settled within 12 months	187	222
Settled in more than 12 months	307	264
Total	**494**	**486**

Note 8 Commitments and Contingencies

8.1 Schedule of Commitments

	2013 $'000	2012 $'000
By type		
Lease Commitments		
Operating leases	199	29
Total lease commitments	**199**	**29**
By maturity		
Operating lease commitments		
One year or less	45	27
From one to five years	103	2
More than five years	51	-
Total operating lease commitments	**199**	**29**
Total	**199**	**29**

Motor Vehicles

- The Office's motor vehicle fleet is managed by LeasePlan Australia Pty Ltd
- Lease payments vary according to the type of vehicle and where applicable the price received for replaced vehicles
- Lease terms are for a maximum of three years, with the exception of one vehicle leased for a ten year term, with no change to the lease rate
- No restrictions or purchased options are contained in the lease arrangements.

Equipment

Photocopiers

- Lease payments are determined at the time of the lease agreement and are paid quarterly
- Lease terms are for three years with no change to the lease rate
- No restrictions or purchased options are contained in the lease arrangements.

8.2 Contingent Assets and Liabilities

As at the 30th June 2013, the Office had no known contingent assets or liabilities.

Note 9 Reserves

9.1 Reserves

2013	Land $'000	Buildings $'000	Heritage and cultural assets $'000	Total $'000
Asset revaluation reserve				
Balance at the beginning of financial year	4,700	15,527	5,140	25,367
Revaluation increments/ (decrements)	100	658	-	758
Balance at end of financial year	**4,800**	**16,185**	**5,140**	**26,125**

2012	Land $'000	Buildings $'000	Heritage and cultural assets $'000	Total $'000
Asset revaluation reserve				
Balance at the beginning of financial year	3,900	13,541	5,140	22,581
Revaluation increments/ (decrements)	800	1,986	-	2,786
Balance at end of financial year	**4,700**	**15,527**	**5,140**	**25,367**

(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 10 Cash Flow Reconciliation

10.1 Cash and deposits

Cash and deposits includes the balance of the Special Deposits and Trust Fund Account held by the Office, and other cash held, excluding those accounts which are administered or held in a trustee capacity or agency arrangement.

	2013 $'000	2012 $'000
Special Deposits and Trust Fund balance		
Operating account	(11)	(20)
Total	**(11)**	**(20)**
Other cash held		
Petty cash	1	1
Total	**1**	**1**
Total cash and deposits	**(10)**	**(19)**

10.2 Reconciliation of Net Result to Net Cash from Operating Activities

	2013 $'000	2012 $'000
Net result from transactions (net operating balance)	(344)	(297)
Depreciation and amortisation	317	312
(Gain) loss from sale of non-financial assets	-	-
Decrease (increase) in Prepayments	(1)	-
Decrease (increase) in Tax assets	6	7
Increase (decrease) in Employee entitlements	8	(37)
Increase (decrease) in Payables	35	21
Increase (decrease) in Accrued expenses	5	2
Increase (decrease) in Other liabilities	-	(20)
Net cash from (used by) operating activities	**26**	**(12)**

Note 11 Financial Instruments

11.1 Risk exposures

(a) Risk management policies

The Office does not hold any derivative financial instruments.

The Official Secretary has overall responsibility for the establishment and oversight of the Office's risk management framework. Risk management policies are established to identify and analyse risks faced by the Office, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(b) Credit risk exposures

The credit risk on financial assets to the Office which have been recognised in the Statement of Financial Position is generally the carrying amount, net of any provision for impairment.

The Office's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Comprehensive Income.

11.2 Net Fair Values of Financial Assets and Liabilities

2013

	Total Carrying Amount $'000	Net Fair Value $'000
Financial assets		
Petty Cash	1	1
Cash in Special Deposits and Trust Fund	(11)	(11)
Total financial assets	**(10)**	**(10)**
Financial liabilities		
Payables	124	124
Total financial liabilities	**124**	**124**

2012

	Total Carrying Amount $'000	Net Fair Value $'000
Financial assets		
Petty Cash	1	1
Cash in Special Deposits and Trust Fund	(20)	(20)
Total financial assets	**(19)**	**(19)**
Financial liabilities		
Payables	84	84
Total financial liabilities	**84**	**84**

Financial Assets

The net fair values of cash approximate their carrying amounts.

Financial Liabilities

The net fair values of accrued expenses are based on their carrying amounts.

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