

Financial Statements

for the financial year ended 30 June 2012



PROFESSIONAL
STANDARDS
COUNCILS

PROFESSIONAL STANDARDS COUNCIL OF WESTERN AUSTRALIA



KEY PERFORMANCE INDICATORS

Certification of Key Performance Indicators for the Year Ending 30 June 2012

The Professional Standards Council of Western Australia is required to report on performance indicators as outlined in the *Financial Management Act 2006* (WA) and its associated Regulations.

Statement of Certification

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Professional Standards Council of Western Australia's performance, and fairly represent the performance of the Professional Standards Council of Western Australia for the financial year ended 30 June 2012.

Brian Rayment QC
Chairman
13 September 2012



Hugh Plaistowe
Council Member
13 September 2012

KEY PERFORMANCE INDICATORS

The Professional Standards Council of Western Australia is responsible for approving *Cover of Excellence*® Schemes. The Schemes become effective on a day specified in the gazetted Scheme or two months after gazettal by the Minister.

Cover of Excellence® Schemes aim to increase consumer protection by improving the standards of professionals who belong to occupational associations that are approved by the Professional Standards Council to administer such Schemes. Members of such occupational associations are required to comply with required codes of ethics, codes of practice, and to engage in risk management and continuing occupational education. Awareness and an active response to these issues can lower the incidence of civil liability claims against participating members, thereby achieving the objectives associated with the *Cover of Excellence*® Schemes.

As a further measure of consumer protection, members of occupational associations that participate in Schemes are also required to hold significant business assets and/or professional indemnity insurance.

There were three *Cover of Excellence*® Schemes operating in Western Australia during 2011-2012:

- The Institute of Chartered Accountants in Australia (Western Australia) Scheme (ICAA WA Scheme) which commenced on 8 October 2007 (*Gazette* 28 September 2007, No. 204);
- The CPA Australia Ltd (Western Australia) Scheme (CPA Scheme) which commenced on 1 April 2008 (*Gazette* 1 February 2008, No. 17); and
- The Engineers Australia Western Australia Scheme which commenced on 1 January 2009 (*Gazette* 9 December 2008, No. 207).

Key Output/Service

Outcome	<i>Cover of Excellence</i>® Schemes limiting the civil liability of the members of occupational associations
Output	<i>Cover of Excellence</i> ® Schemes limiting the liability of occupational associations together with approved compulsory insurance, risk management strategies and appropriate provisions for complaints and disciplinary matters in relation to those associations for the protection of consumers of the services provided by the associations.
Description	<p>A <i>Cover of Excellence</i>® Scheme limits the civil liability of members of the occupational association. Once approved, Schemes may continue for a period of up to five years. Annual fees on a per member basis are payable by the occupational association to the Council.</p> <p>Consumers are protected by a requirement that persons under a Scheme have insurance or assets to the approved level; that members engage in appropriate risk management strategies; and by an approved complaints and disciplinary process.</p>

EFFECTIVENESS

The three associations with *Cover of Excellence*[®] Schemes were invited by the Professional Standards Council of Western Australia to respond to a survey that sought their comments on the Council's effectiveness indicators as at 30 June 2012. During the reporting period there was only one member of the Engineers Australia Western Australia Scheme, while the Schemes of the ICAA and CPA have a combined membership in excess of 3,000 professionals.

To assist in determining the extent to which the objectives of the *Cover of Excellence*[®] Schemes are being achieved, the associations were asked to comment on the following:

1. The impact of *Cover of Excellence*[®] Schemes based on the number of claims and cases brought against members;
2. The effectiveness of schemes on the associations' perceptions of cost and availability of insurance for scheme members, taking into account:
 - » Cost of insurance (decreasing premium or increasing at a slower than market rate);
 - » Better value insurance for the same premium prices; and
 - » Availability of insurance.

Effectiveness Indicators ^{(1) (2)}

Indicator	2008-2009 ⁽³⁾ Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2011-12 Target ⁽⁴⁾
<i>Cover of Excellence</i> [®] Schemes have lowered the incidence of civil liability claims.	Two associations were unable to determine.	Two associations disagreed. One association did not comment.	Two associations agreed. One association disagreed.	Three associations disagreed. ⁽⁵⁾	Lower incidence of civil liability claims as a result of <i>Cover of Excellence</i> [®] Schemes.
Cost of insurance (decreasing premium or increasing at a slower than market rate).	Two associations disagreed.	One association agreed. Two associations disagreed	One association agreed. Two associations disagreed.	One association agreed. Two associations disagreed. ⁽⁶⁾	Decreasing cost of insurance.
Better value insurance for same premium prices.	Two associations agreed.	Two associations agreed. One association did not comment.	One association agreed. Two associations disagreed.	One association agreed. Two associations disagreed. ⁽⁷⁾	Better value insurance.
Availability of insurance.	Two associations agreed.	Two associations agreed. One association disagreed.	Three associations disagreed.	One association agreed. Two associations disagreed. ⁽⁸⁾	Better availability of insurance.

1. Associations have not been individually identified to protect the confidentiality of the information supplied.
2. Data is reported on a calendar year basis due to the data collection methodology undertaken by the associations.
3. For 2009 there were three associations with *Cover of Excellence*® schemes. However, as one association had only been operating for six months and did not have any members in its scheme, the responses were drawn from the other two associations.
4. Targets are derived from the stated objectives of the *Professional Standards Act 1997* (WA) as outlined in the second reading speech in Parliament on 25 June 1997 (Hansard, page 4569).
5. Two associations experienced an increase in claim numbers compared to the previous year while one association did not record any claims, commensurate with the previous year's data.
6. While one association reported that there had not been any significant increase in costs another association advised that it did not know if costs had changed. A third association advised that costs had continued to decline slightly.
7. Two associations commented that there was no difference in obtaining better value insurance for members while a third association noted that since 2008 there has been an improvement in the number and percentage of member practices obtaining professional indemnity cover.
8. One association advised that insurance has become more available, another association did not note any difference in the availability of insurance while a third association commented that insurance continued to be readily available to members in public practice.

EFFICIENCY

Indicator	2008-2009 Actual	2009-2010 Actual	2010-2011 Actual	2011-2012 Actual	2011-12 Target ⁽³⁾
Cost per scheme ⁽¹⁾	\$30,443	\$35,581	\$31,957	\$34,537 ⁽²⁾	\$65,333

1. The Cost per Scheme incorporates the Secretariat service charges, Resources Received Free of Charge and any bank charges.
2. The figure for 2011-2012 is lower than projected as a result of a number of projects planned for the year being deferred and WA achieving a smaller proportion of total revenue for all Councils than anticipated (5.41% as opposed to 6.02% in budget).
3. The target was derived from the approved budget figure for Secretariat plus Resources Received Free of Charge.



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

PROFESSIONAL STANDARDS COUNCIL

Report on the Financial Statements

I have audited the accounts and financial statements of the Professional Standards Council.

The financial statements comprise the Statement of Financial Position as at 30 June 2012, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Council's Responsibility for the Financial Statements

The Council is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from 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 the 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 in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Professional Standards Council at 30 June 2012 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the Professional Standards Council during the year ended 30 June 2012.

Controls exercised by the Professional Standards Council are those policies and procedures established by the Council to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Council's Responsibility for Controls

The Council is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Professional Standards Council based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Council complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the controls exercised by the Professional Standards Council are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2012.

Report on the Key Performance Indicators

I have audited the key performance indicators of the Professional Standards Council for the year ended 30 June 2012.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Council's Responsibility for the Key Performance Indicators

The Council is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Council determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Council's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the key performance indicators of the Professional Standards Council are relevant and appropriate to assist users to assess the Council's performance and fairly represent indicated performance for the year ended 30 June 2012.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Professional Standards Council for the year ended 30 June 2012 included on the Council's website. The Council's management is responsible for the integrity of the Council's website. This audit does not provide assurance on the integrity of the Council's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



GLEN CLARKE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
19 September 2012



Disclosures and Legal Compliance

Financial Statements

Certification of Financial Statements

For the year ended 30 June 2012

The accompanying financial statements of the Professional Standards Council have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2012 and the financial position as at 30 June 2012.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.

Mr. B Rayment QC
Chairman

13 September 2012

Mr. M Plaistowe
Council Member

13 September 2012

Mr. Alan Andersson
Chief Finance Officer

13 September 2012

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
COST OF SERVICES			
Expenses			
Supplies and services	4	103,606	95,851
Other expenses	5	5	22
Total cost of services		103,611	95,873
Income			
<i>Revenue</i>			
User charges and fees	6	137,894	154,301
Total Revenue		137,894	154,301
Total income other than income from State Government		137,894	154,301
NET COST OF SERVICES		(34,283)	(58,428)
Income from State Government	7		
Resources received free of charge		20,126	23,575
Total income from State Government		20,126	23,575
SURPLUS/(DEFICIT) FOR THE PERIOD		54,409	82,003
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		54,409	82,003

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION*As at 30 June 2012*

	Note	2012 \$	2011 \$
ASSETS			
Current Assets			
Cash and cash equivalents	12	416,362	370,049
Receivables	8	14,553	11,613
Total Current Assets		430,915	381,662
TOTAL ASSETS		430,915	381,662
LIABILITIES			
Current Liabilities			
Payables	9	22,046	21,919
Unearned revenue	10	24,429	29,712
Total Current Liabilities		46,475	51,631
TOTAL LIABILITIES		46,475	51,631
NET ASSETS		384,440	330,031
EQUITY			
Accumulated surplus/(deficit)	11	384,440	330,031
TOTAL EQUITY		384,440	330,031

The Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY*For the year ended 30 June 2012*

	Note	Contributed equity \$	Accumulated surplus/ (deficit) \$	Total equity \$
Balance at 1 July 2010	11	-	248,028	248,028
Total comprehensive income for the period		-	82,003	82,003
Balance at 30 June 2011		-	330,031	330,031
Balance at 1 July 2011		-	330,031	330,031
Total comprehensive income for the period		-	54,409	54,409
Balance at 30 June 2012		-	384,440	384,440

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

PROFESSIONAL STANDARDS COUNCIL
STATEMENT OF CASH FLOWS

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Payments to members and suppliers		(72,279)	(68,955)
GST Payments		(8,337)	(6,716)
Receipts			
User charges and fees		118,811	158,250
GST Receipts		8,118	7,018
Net cash provided by/(used in) operating activities	12	46,313	89,597
Net increase/(decrease) in cash and cash equivalents		46,313	89,597
Cash and cash equivalents at the beginning of the period		370,049	280,452
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	12	416,362	370,049

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2012

1 Australian Accounting Standards

General

The Professional Standards Council's (the "Council" for the purpose of these notes) financial statements for the year ended 30 June 2012 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Council has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Council cannot adopt an Australian Accounting Standard earlier than the commencement date unless specifically permitted by Treasurer's instruction (TI) 1101 *Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not yet operative) by the Council for the annual reporting period ended 30 June 2012.

2 Summary of significant accounting policies

(a) General statement

The Council is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB as applied by the Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act* and the TIs impose legislative provisions governing the preparation of financial statements and take precedence over the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar.

(c) Reporting entity

The reporting entity comprises the Council and no other related bodies.

NOTES TO THE FINANCIAL STATEMENTS (CONT)

For the year ended 30 June 2012

(d) Mission

The Professional Standards Council is concerned with the regulation and education of members of occupational associations to improve service standards, and to assist and promote the self-regulation of those associations. The objective of the program is to ensure that the community receives professional services that are affordable, accountable and of a high standard, and provide safeguards regarding professional liability commitment.

(e) Unearned revenue

Unearned revenue represents the portion of schemes received or receivable not earned and relates to periods of the scheme subsequent to the end of the reporting period.

(f) Income

Revenue is recognised in the Statement of Comprehensive Income when it has been earned from memberships and is calculated from the commencement date over the period of the scheme. The pattern of recognition over the policy period is based on time.

(g) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets include restricted cash and cash on hand.

(h) Receivables

Receivables are recognised at original invoice amount less an allowance for any uncollectible amounts (i.e. impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Council will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(i) Payables

Payables are recognised when the Council becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

(j) Resources received free of charge or for nominal cost

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income at fair value. Where the resource represents a service that the Council would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(k) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT)

For the year ended 30 June 2012

3 Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

The Council has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2011 that impacted on the Council.

AASB 1054

Australian Additional Disclosures

This Standard, in conjunction with AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project*, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

AASB 2009-12

Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretation 2, 4, 16, 1039 & 1052]

This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

AASB 2010-4

Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, 7, 101 & 134 and Interpretation 13]

The amendments to AASB 7 clarify financial instrument disclosures in relation to credit risk. The carrying amount of financial assets that would otherwise be past due or impaired whose terms have been renegotiated is no longer required to be disclosed. There is no financial impact.

The amendments to AASB 101 clarify the presentation of the Statement of Changes in Equity. The disaggregation of other comprehensive income reconciling the carrying amount at the beginning and the end of the period for each component of equity can be presented in either the Statement of Changes in Equity or the Notes. There is no financial impact.

AASB 2010-5

Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretation 112, 115, 127, 132 & 1042]

This Standard makes editorial amendments to a range of Australian Accounting Standards and Interpretations. There is no financial impact.

AASB 2010-6

Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets [AASB 1 & 7]

This Standard introduces additional disclosures 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT)

For the year ended 30 June 2012

AASB 2011-1

Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Int 2, 112 & 113]

This Standard, in conjunction with AASB 1054, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards. There is no financial impact.

AASB 2011-5

Amendments to Australian Accounting Standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation [AASB 127, 128 & 131]

This Standard extends the relief from consolidation, the equity method and proportionate consolidation by removing the requirement for the consolidated financial statements prepared by the ultimate or any intermediate parent entity to be IFRS compliant, provided that the parent entity, investor or venturer and the ultimate or intermediate parent entity are not-for-profit non-reporting entities that comply with Australian Accounting Standards. There is no financial impact.

Future impact of Australian Accounting Standards not yet operative

The Council cannot adopt an Australian Accounting Standard earlier than the commencement date, unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Council has not applied early any following Australian Accounting Standards that have been issued that may impact the Council. Where applicable, the Council plans to apply these Australian Accounting Standards from their application date.

Title	Operative for reporting periods beginning on/after
AASB 2009-11	1 July 2013
<i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretation 10 & 12]</i> <i>[Modified by AASB 2010-7]</i>	
AASB 1053	1 July 2013
<i>Application of Tiers of Australian Accounting Standards</i>	
This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.	

NOTES TO THE FINANCIAL STATEMENTS (CONT)

For the year ended 30 June 2012

AASB 2010-2	1 July 2013
<i>Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretation 2, 4, 5, 15, 17, 127, 129 & 1052]</i>	
This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.	
AASB 2010-7	1 January 2013
<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretation 2, 5, 10, 12, 19 & 127]</i>	
This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The Council has not yet determined the application or the potential impact of the Standard.	
AASB 9	1 January 2013
<i>Financial Instruments</i>	
This Standard supersedes <i>AASB 139 Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments.	
The Standard was reissued in December 2010. The Council has not yet determined the application or the potential impact of the Standard.	

NOTES TO THE FINANCIAL STATEMENTS (CONT)

For the year ended 30 June 2012

	2012 \$	2011 \$
4 Supplies and services		
Secretarial services ^(a)	83,480	72,276
Resources received free of charge (note 7)	20,126	23,575
	103,606	95,851
<i>(a) Includes audit fee of \$9,500 (2012); \$8,800 (2011).</i>		
5 Other expenses		
Bank charges and credit card fees	5	22
	5	22
6 User charges and fees		
Scheme fees	137,894	154,301
	137,894	154,301
7 Income from State Government		
Resources received free of charge ^(a)		
Determined on the basis of the following estimates provided by agencies:		
Department of the Attorney General		
- financial, human resources and information technology services	20,126	23,575
	20,126	23,575

(a) Where services have been received free of charge or for nominal cost, the Council recognises revenue equivalent to the fair value of those services that can be reliably measured and which would have been purchased if they were not donated, and those fair values shall be recognised as expenses. Where the contribution of services is in the nature of contributions by owners, the Council makes an adjustment direct to equity.

NOTES TO THE FINANCIAL STATEMENTS (CONT)

For the year ended 30 June 2012

	2012 \$	2011 \$
8 Receivables		
<i>Current</i>		
GST receivable	1,684	1,465
Receivables	12,869	10,148
Total current	14,553	11,613
9 Payables		
<i>Current</i>		
Accrued expenses	22,046	21,919
Total current	22,046	21,919
10 Unearned revenue		
Unearned revenue ^(a)	24,429	29,712
	24,429	29,712
(a) Membership subscriptions in advance.		
11 Equity		
Equity represents the residual interest in the net assets of the Council. The Government holds the equity interest in the Council on behalf of the community.		
Accumulated surplus/(deficit)		
Balance at start of period	330,031	248,028
Result for the period	54,409	82,003
Balance at end of period	384,440	330,031
Total Equity at end of period	384,440	330,031

NOTES TO THE FINANCIAL STATEMENTS (CONT)

For the year ended 30 June 2012

	2012 \$	2011 \$
12 Notes to the Statement of Cash Flows		
Reconciliation of cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents	416,362	370,049
	416,362	370,049
Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities		
Net cost of services	34,283	58,428
<i>Non-cash items:</i>		
Resources received free of charge	20,126	23,575
<i>(Increase)/decrease in assets:</i>		
Receivables ^(a)	(2,721)	2,391
GST receivables	(219)	302
<i>Increase/(decrease) in liabilities:</i>		
Current payables	127	3,343
Other current liabilities	(5,283)	1,558
Net cash provided by/(used in) operating activities	46,313	89,597

(a) The amount of receivables excludes GST recoverable from the Australian Taxation Office.

13 Commitments

There were no commitments as at 30 June 2012 (2011 nil).

NOTES TO THE FINANCIAL STATEMENTS (CONT)

For the year ended 30 June 2012

14 Explanatory statement

Significant variations between the actual results for 2011 and 2012 for income and expense are shown below. Significant variations are considered to be those greater than 5% or \$7,000.

Significant variances between actual results for 2011 and 2012.

	2012 \$	2011 \$	Variance
User charges and fees			
Scheme fees	137,894	154,301	(16,407)
The Councils used their discretionary authority to apply a discount of 20% to membership fees from 1 April 2011 to 31 March 2012 which resulted in a reduction in revenue for 2012.			
Expenses			
Supplies and services	103,606	95,851	7,755

The increase in expenditure this financial year is due to the Council incurring extra expenses for additional staff, payments for first round of Star Grants, increase in number of schemes being processed and expansion of the office to accommodate additional staff.

15 Financial Instruments**(a) Financial risk management objectives and policies**

Financial instruments held by the Council are cash and cash equivalents, receivables, and payables. The Council has limited exposure to financial risks. The Council's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Council's receivables defaulting on their contractual obligations resulting in financial loss to the Council. The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at Note 15(c) 'Financial Instruments Disclosures' and Note 8 'Receivables'.

Credit risk associated with the Council's financial assets is minimal because the main receivable is the amount receivable for services. The Council trades only with recognised, creditworthy third parties. The Council has policies in place to ensure that receivable balances are monitored on an ongoing basis, with the result that the Council's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

NOTES TO THE FINANCIAL STATEMENTS (CONT)

For the year ended 30 June 2012

Liquidity risk

Liquidity risk arises when the Council is unable to meet its financial obligations as they fall due. The Council is exposed to liquidity risk through its trading in the normal course of business.

The Council has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

The Council does not trade in foreign currency and is not materially exposed to other price risks. The Council has no exposure to market risk for changes in interest rates as it does not currently have long-term debt obligations or borrowings. The Council is not exposed to interest rate risk because apart from minor amounts of restricted cash, all other cash and cash equivalents and restricted cash are non-interest bearing and the Council has no borrowings.

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2012 \$	2011 \$
<i>Financial assets</i>		
Cash and cash equivalents	416,362	370,049
Receivables ^(a)	12,869	10,148
	429,231	380,197
<i>Financial liabilities</i>		
Financial liabilities measured at amortised cost	46,475	51,631
	46,475	51,631

(a) The amount of receivables excludes GST recoverable from the Australian Taxation Office (statutory receivable).

NOTES TO THE FINANCIAL STATEMENTS (CONT)

For the year ended 30 June 2012

(c) Financial instruments disclosures*Credit risk*

The following table details the Council's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Council's maximum exposure to credit risk at the end of the reporting period is the carrying amount of the financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Council.

The Council does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

Ageing analysis of financial assets

	Carrying Amount	Not past due and not impaired	<i>Past due but not impaired</i>					Impaired financial assets
			Up to 1 month	1-3 months	3 months to 1 year	1 - 5 years	More than 5 years	
2012	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	416,362	416,362	-	-	-	-	-	-
Restricted cash and cash equivalent assets	-	-	-	-	-	-	-	-
Receivables (a)	12,869	12,869	-	12,869	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-
Amounts receivable for services	-	-	-	-	-	-	-	-
	429,231	429,231	-	12,869	-	-	-	-
2011								
Cash and cash equivalents	370,049	370,049	-	-	-	-	-	-
Restricted cash and cash equivalent assets	-	-	-	-	-	-	-	-
Receivables (a)	10,148	10,148	-	10,148	-	-	-	-
Loans and advances	-	-	-	-	-	-	-	-
Amounts receivable for services	-	-	-	-	-	-	-	-
	380,197	380,197	-	10,148	-	-	-	-

(a) The amount of receivables excludes the GST recoverable from the Australian Taxation Office (statutory receivable).

NOTES TO THE FINANCIAL STATEMENTS (CONT)

For the year ended 30 June 2012

Liquidity risk and interest rate exposure

The following table details the Council's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities											
	Interest rate exposure					Nominal Amount \$	Maturity dates				
	Weighted average interest rate \$	Carrying Amount \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non-interest bearing \$		Up to 1 month \$	1-3 months \$	3 months to 1 year \$	1 - 5 years \$	More than 5 years \$
2012											
<i>Financial Assets</i>											
Cash and cash equivalents	-	416,362	-	-	416,362	416,362	416,362	-	-	-	
Restricted cash and cash equivalent assets	-	-	-	-	-	-	-	-	-	-	
Receivables ^(a)	-	12,869	-	-	12,869	12,869	12,869	-	-	-	
		429,231	-	-	429,231	429,231	429,231	-	-	-	
<i>Financial Liabilities</i>											
Payables	-	22,046	-	-	22,046	22,046	22,046	-	-	-	
Unearned Revenue	-	24,429	-	-	24,429	24,429	-	-	-	-	
Other borrowings	-	-	-	-	-	-	-	-	-	-	
Finance lease liabilities	-	-	-	-	-	-	-	-	-	-	
		46,475	-	-	46,475	46,475	22,046	-	-	-	

(a) The amounts of receivables excludes the GST recoverable from the Australian Taxation Office (statutory receivable).

NOTES TO THE FINANCIAL STATEMENTS (CONT)

For the year ended 30 June 2012

Interest rate exposure and maturity analysis of financial assets and financial liabilities											
	Interest rate exposure					Nominal Amount \$	Maturity dates				
	Weighted average interest rate \$	Carrying Amount \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non-interest bearing \$		Up to 1 month \$	1-3 months \$	3 months	1 - 5 years \$	More than 5 years \$
									to 1 year \$		
2011											
<i>Financial Assets</i>											
Cash and cash equivalents	-	370,049	-	-	370,049	370,049	370,049	-	-	-	
Restricted cash and cash equivalent assets	-	-	-	-	-	-	-	-	-	-	
Receivables ^(a)	-	10,148	-	-	10,148	10,148	10,148	-	-	-	
Loans and advances	-	-	-	-	-	-	-	-	-	-	
Amounts receivable for services	-	-	-	-	-	-	-	-	-	-	
		380,197	-	-	380,197	380,197	380,197	-	-	-	
<i>Financial Liabilities</i>											
Payables	-	21,919	-	-	21,919	21,919	21,919	-	-	-	
Unearned Revenue	-	29,712	-	-	29,712	29,712	-	-	-	-	
Other borrowings	-	-	-	-	-	-	-	-	-	-	
Finance lease liabilities	-	-	-	-	-	-	-	-	-	-	
		51,631	-	-	51,631	51,631	21,919	-	-	-	

(a) The amounts of receivables excludes the GST recoverable from the Australian Taxation Office (statutory receivable).

Interest rate sensitivity analysis

The Council is not exposed to interest rate risk because cash and cash equivalents and restricted cash are non-interest bearing.

Fair values

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

NOTES TO THE FINANCIAL STATEMENTS (CONT)

for the financial year ended 30 June 2012

	2012 \$	2011 \$
16 Remuneration of members of the Council		
The number of members of the Council, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year fall within the following bands, are:		
\$	11	11
0 - 10,000		
Total remuneration of members of the Council	\$31,913	\$34,145
17 Remuneration of auditor		
Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:		
Auditing the accounts, financial statements and performance indicators	\$9,500	\$8,800

18 Contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets as at 30 June 2012 (2011: nil).

19 Events occurring after the end of the reporting period

There were no significant events occurring after the end of the reporting period.

20 Related bodies

The Council had no related bodies as at 30 June 2012 (2011: Nil).

21 Affiliated bodies

The Council had no affiliated bodies as at 30 June 2012 (2011: Nil).

22 Special purpose accounts

The Council had no special purpose accounts as at 30 June 2012 (2011: Nil).

23 Supplementary financial information

There were no losses of public moneys or other public property through theft or default during the financial year (2011: nil).

There were no write offs of public money or other public property during the financial year (2011: nil).

There were no gifts of public property during the financial year (2011: nil).

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