



**Paramedicine
Council
of NSW**

Paramedicine Council of NSW

Financial Statements
Year ended 30 June 2018



INDEPENDENT AUDITOR'S REPORT

Paramedicine Council of New South Wales

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Paramedicine Council of New South Wales (the Council), which comprise the Statement of Comprehensive Income for the period 8 January 2018 to 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the period 8 January 2018 to 30 June 2018, notes comprising a Summary of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the period 8 January 2018 to 30 June 2018 in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

Other Information

Other information comprises the information included in the Council's annual report for the period ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The Executive Officer of the Council is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Executive Officer.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Executive Officer's Responsibilities for the Financial Statements

The Executive Officer of the Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Executive Officer determines necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Officer of the Council is responsible for assessing the Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved by an Act of Parliament or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Somaiya Ahmed
Director, Financial Audit Services

16 October 2018
SYDNEY

Statement by Executive Officer of the council

Pursuant to s 41C(1B) *Public Finance and Audit Act 1983*, I declare that in my opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Paramedicine Council of New South Wales as at 30 June 2018 and financial performance for the year then ended.
2. The financial statements have been prepared in accordance with the provisions of applicable Australian Accounting Standards, Accounting Interpretations, the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2015*, and the Financial Reporting Directions issued by the NSW Treasurer.

Further, I am not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Ms Asha Mears
Executive Officer

Date: 1s October 2018

Part 3: Financial Statements
Paramedicine Council of New South Wales

Statement of Comprehensive Income
for the Year Ended 30 June 2018

	Notes	2018 \$
EXPENSES EXCLUDING LOSSES		
Operating Expenses		
Other Operating Expenses	2	7,837
Total Expenses Excluding Losses		7,837
REVENUE		
Investment Revenue	1(f), 4	51
Grants and Other Contributions	1(f), 5	50,000
Total Revenue		50,051
Net Result	9	42,214
Total other comprehensive income		-
TOTAL COMPREHENSIVE INCOME		42,214

The accompanying notes form part of these financial statements.

Part 3: Financial Statements
Paramedicine Council of New South Wales

Statement of Financial Position
as at 30 June 2018

	Notes	2018 \$
ASSETS		
Current Assets		
Cash and cash equivalents	6	42,214
Total Current Assets		<u>42,214</u>
Total Assets		<u>42,214</u>
LIABILITIES		
Total Liabilities		-
Net Assets		<u>42,214</u>
EQUITY		
Accumulated funds		42,214
Total Equity		<u>42,214</u>

The accompanying notes form part of these financial statements.

Part 3: Financial Statements
Paramedicine Council of New South Wales

Statement of Changes in Equity
for the Year Ended 30 June 2018

	Accumulated Funds
	\$
Balance at 8 January 2018	-
Net Result for the period	42,214
Balance at 30 June 2018	<u>42,214</u>

The accompanying notes form part of these financial statements.

Part 3: Financial Statements
Paramedicine Council of New South Wales

Statement of Cash Flows
for the Year Ended 30 June 2018

	Notes	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Other		(7,837)
Total Payments		(7,837)
Receipts		
Interest Received		51
Grants and Contributions		50,000
Total Receipts		50,051
Net Cash Flows from Operating Activities	9	42,214
Net Increase/(Decrease) in Cash and Cash Equivalents		42,214
Opening cash and cash equivalents	6	-
Closing Cash and Cash Equivalents	6	42,214

The accompanying notes form part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) The Reporting Entity

The Paramedicine Council of New South Wales (the Council) established on 8 January 2018 as a not-for-profit reporting entity with no cash generating units, performs the duties and functions contained in the Health Practitioner Regulation National Law (NSW) No 86a (the Law).

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Council on 12 October 2018.

b) Basis of Preparation

The Council's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the requirements of the Health Services Act 1997 and its regulations (including observation of the Accounts and Audit Determination for Public Health Organisations), the Public Finance and Audit Act 1983 and Public Finance and Audit Regulation 2015, and mandatory NSW Treasury accounting publications.

The financial statements of the Council have been prepared on a going concern basis.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest dollar and are expressed in Australian currency.

c) Comparative Information

No Comparative information as this is the first year of operation. The Council was established on 8 January 2018.

d) Statement of Compliance

The financial statements and notes comply with Australian Accounting Standards which include Australian Accounting Interpretations.

e) Significant Accounting Judgements, Estimates and Assumptions

The Council will start cost sharing with the other Health Professional Councils from 1 July 2018.

The agreed cost sharing arrangements for the distribution of pooled costs between Health Professional Councils were introduced effective 1 July 2012. Since 2012 some revisions have been made to the cost allocation methodology

These indirect costs are shown as part of the Council's statement of comprehensive income and includes the following expense line items:

1. Personnel services
2. Other operating expenses:
 - Rent and building expenses
 - Contracted labour
 - Postage and communication
 - Printing and stationery
3. Depreciation and amortisation

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

f) Income Recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139, Financial Instruments: Recognition and Measurement.

Grants and Contributions

Income from grants (other than contribution by owners) is recognised when the entity obtains control over the contribution. The entity is deemed to have assumed control when the grant is received or receivable.

g) Accounting for the Goods & Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- amount of GST incurred by the Council as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

h) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the net result when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

An allowance for impairment of receivables is established when there is objective evidence that the Council will not be able to collect all amounts due. The amount of the allowance is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate. Bad debts are written off with approval of the Council as incurred.

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

i) Payables

These amounts represent liabilities for goods and services provided to the Council and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value.

Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

j) Equity and Reserves

(i) Accumulated Funds

The category “accumulated funds” includes all current and prior period retained funds.

k) Changes in Accounting Policy, including new or revised Australian Accounting Standards

(i) Effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those applied by HPCA to the other Councils in the previous financial year. The following revised Australian Accounting Standards are effective for the first time in 2017-18, however they have no significant impact on the 2017-18 results:

AASB 2016-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107 applies to annual periods beginning on or after 1 January 2017. The standard amends AASB 107 Statement of Cash Flows to require additional disclosures for financing activities in the Statement of Cash Flows.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following new Australian Accounting Standards, excluding standards not considered applicable or material to the Council have not been applied and are not yet effective. The possible impact of these Standards in the period of initial application includes:

AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 are applicable for reporting period on or after 1 January 2018. AASB 9 will replace AASB 139 Financial Instruments: Recognition and Measurement and establishes new principles for the financial reporting of financial assets, financial liabilities and hedge accounting. AASB 9 also introduces a forward-looking ‘expected credit losses’ impairment model rather than ‘only incurred credit losses’, which may significantly impact the timing and amount of impairment recognition, and may result in earlier recognition of credit loss provisions.

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

AASB 16 Leases replaces all existing leases requirements and applies to annual periods beginning on or after 1 January 2019. For lessees, the distinction between operating and finance leases will no longer exist. Instead, AASB 16 will require lessees to account for practically all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of ‘low value’ assets (e.g. personal computers below \$10,000) and short term leases (i.e. leases with a lease term of 12 months or less). At the commencement of a lease, a lessee will recognise a liability representing its obligation to make future lease payments and an asset representing its right of use to the underlying asset for the lease term. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the Right of Use asset rather than operating lease expense.

The lease expense recognition pattern for leases will generally be accelerated as compared to today. Some key balance sheet metrics may also be impacted. Also, the statement of cash flows for lessees will be affected as payments for the principal portion of the lease liability will be presented within financing activities.

Lessor accounting is substantially unchanged from today’s accounting under AASB 117. Lessors will continue to classify all leases using the same classification as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The standard permits two methods of adoption: full retrospective – by retrospectively adjusting each prior reporting period presented and recognising the cumulative effect of initially applying the new requirements at the start of the earliest period, which would be 1 July 2018; or modified retrospective – by recognising the cumulative effect of initially applying the new requirements at the initial application, which would be 1 July 2019. NSW Treasury has mandated modified retrospective application of this accounting standard.

AASB 15 Revenue from contracts with customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 becomes mandatory for reporting periods beginning on or after 1 January 2019 for not-for-profit entities. AASB 15 establishes a comprehensive framework for determining the timing and quantum of revenue recognised. It replaces existing guidance, including AASB 118 Revenue and AASB 111 Construction Contracts. The core principle of AASB 15 is that an entity shall recognise revenue when control of a good or service transfers to a customer. AASB 15 permits either full retrospective or a modified retrospective approach for adoption. NSW Treasury is in the process of assessing which transition method it will mandate.

AASB 1058 Income of Not-for-Profit Entities applies to not-for-profit entities and is effective for annual periods beginning on or after 1 January 2019. This standard requires entities to recognise income where the consideration to acquire an asset, including cash, is significantly less than the fair value principally to enable the entity to further its objectives. Under this standard, the timing of income recognition may be impacted depending on whether there is a liability or other performance obligation associated with the acquired asset, including cash. AASB 1058 also requires government agencies to recognise income for volunteer services received if the fair value of those services can be measured reliably and the services would have been purchased if they had not been donated. This is consistent with current practice under AASB 1004 Contributions and is not expected to materially impact these financial statements.

Notes to the Financial Statements continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Potential Impact on Council's Financial Report

We are continuously analysing and assessing the impact of the new accounting standards. This includes changes to our accounting policies, internal and external reporting requirements, IT systems, business processes and associated internal controls with the objectives of quantifying the expected first time adoption impacts as well as supporting ongoing compliance with the new accounting requirements.

A detailed assessment of the classification and measurement of all of the accounting standards is underway, the following general impacts are expected from the work conducted so far:

Leases

The Council has one operating lease for the offices on Pitt Street to consider under the new accounting standard. The lease will have to adopt the new accounting standard from 1 July 2019.

The total assets and liabilities on the balance sheet will increase. Net total assets are expected to decrease due to a reduction of the capitalised asset being on a straight line basis whilst the liability reduces the principal amount of repayments. Net current assets will also show a decrease due to an element of the liability being disclosed as current liability.

Interest expenses will increase due to the unwinding of the effective interest rate implicit in the lease. Interest expense will be greater earlier in a lease life due to the higher principal value causing profit variability over the course of the lease life. This effect may be partially mitigated due to the number of leases held in the entity at different stages of their lease terms.

Depreciation expense will be booked on Right of Use assets, which will be on a straight-line basis.

Operating cash flows will be higher as repayment of the principal portion of all lease liabilities will be classified as financing activities.

Revenue and Income of Not-for-Profit Entities

The deferral of some revenues, in particular grant income for the Council may occur in the future. A liability will be recognised when revenue is received and subsequently released to match expenditure. This will smooth out the impact on the net result of the Council over the period the revenue is released.

Financial Instruments

No significant impact is expected on the Council.

Notes to the Financial Statements continued

	2018
	\$
2. OTHER OPERATING EXPENSES	
Contractors	7,837
	7,837
3. EXPENDITURE MANAGED ON BEHALF OF THE COUNCIL THROUGH THE NSW MINISTRY OF HEALTH	
<p>The Council's accounts are managed by the Health Administration Corporation (HAC). Executive and administrative support functions are provided by the Health Professional Councils Authority (HPCA), which is an executive agency of the NSW Ministry of Health (MOH).</p> <p>In accordance with an agreed Memorandum of Understanding, salaries and associated oncosts are paid by the MOH. The MOH continues to pay for the staff and associated oncosts. These costs are reimbursed by the Council to the MOH.</p>	
4. INVESTMENT REVENUE	
Interest	51
	51
5. GRANTS AND OTHER CONTRIBUTIONS	
Other Grants	50,000
	50,000
6. CASH AND CASH EQUIVALENTS	
Cash at Bank and On Hand	-
Cash at Bank - Held by HPCA*	42,214
	42,214

*This is cash held by the HPCA, an executive agency of the MOH, on behalf of the Council for its operating activities.

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the Statement of Cash Flows as follows:

Cash and Cash Equivalents (per Statement of Financial Position)	42,214
Closing Cash and Cash Equivalents (per Statement of Cash Flows)	42,214

Refer to Note 10 for details regarding credit risk, liquidity risk and market risk arising from financial instruments.

Notes to the Financial Statements continued

	2018 \$
7. COMMITMENTS FOR EXPENDITURE	
a) Capital Commitments	
Aggregate capital expenditure for the acquisition of plant and equipment contracted for at balance date and not provided for:	
Within one year	-
Later than one year and not later than five years	-
Later than five years	-
Total Capital Expenditure Commitments (Including GST)	-
b) Operating Lease Commitments	
Future non-cancellable operating lease rentals not provided for and payable:	
Within one year	11,163
Later than one year and not later than five years	28,922
Later than five years	-
Total Operating Lease Commitments (Including GST)	40,085
c) Contingent Asset Related to Commitments for Expenditure	
The total 'Capital Expenditure Commitments' and 'Operating Lease Commitments' of \$40,085 as at 30 June 2018 includes input tax credits of \$3,634 that are expected to be recoverable from the Australian Taxation Office.	
8. CONTINGENT LIABILITIES AND ASSETS	
There are no material contingent assets or liabilities as at 30 June 2018.	
9. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET RESULT	
Net Cash Flows from Operating Activities	42,214
Depreciation and Amortisation	-
(Increase)/ Decrease Income in Advance	-
(Increase)/ Decrease in Provisions	-
Increase / (Decrease) in Receivables	-
(Increase)/ Decrease in Payables from Operating Activities	-
Net Result	42,214

Notes to the Financial Statements continued

10. FINANCIAL INSTRUMENTS

The Council's principal financial instruments are outlined below. These financial instruments arise directly from the Council's operations or are required to finance its operations. The Council does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Council's main risks arising from financial instruments are outlined below, together with the Council's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Council has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Council, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed on a continuous basis.

(a) Financial Instrument Categories

Financial Assets Class:	Category	Carrying Amount 2018 \$
Financial Assets		
Cash and Cash Equivalents (note 6)	N/A	42,214
Receivables (note n/a)*	Loans and receivables (at amortised cost)	-
		<u>42,214</u>
Financial Liabilities		
Payables (note n/a)**	Financial liabilities measured at amortised cost	-
		<u>-</u>

Notes

* Excludes statutory receivables and prepayments (i.e. not within scope of AASB7 Financial Instruments Disclosures).

**Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries, Wages and On-Costs.

Notes to the Financial Statements continued

10. FINANCIAL INSTRUMENTS continued

(b) Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to the Council. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from financial assets of the Council, including cash, receivables and authority deposits. No collateral is held by the Council. The Council has not granted any financial guarantees.

Cash

Cash comprises cash on hand and bank balances deposited within the NSW Treasury banking system. Interest is earned on daily bank balances and the interest rate remains unchanged at 1.50% from 1 July 2017 to 30 June 2018.

Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

The Council is materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. This is somewhat mitigated by an agreed Memorandum of Understanding (MOU) between HPCA and AHPRA on behalf of the Councils and payment of debt in a timely manner.

	2018
	\$
Neither past due nor impaired	-
Past due but not impaired ^{1,2}	
< 3 months overdue	-
3 - 6 months overdue	-
> 6 months overdue	-
Impaired ^{1,2}	
< 3 months overdue	-
3 - 6 months overdue	-
> 6 months overdue	-
Total^{1,2}	-

Notes

1 Each column in the table reports "gross receivables".

2 The ageing analysis excludes statutory receivables, as these are not within the scope of AASB7 Financial Instruments Disclosures and excludes receivables that are not past due and not impaired. Therefore, the "total" will not reconcile to the receivables total recognised in the statement of financial position.

Notes to the Financial Statements continued

10. FINANCIAL INSTRUMENTS continued

(c) Liquidity Risk

Liquidity risk is the risk that the Council will be unable to meet its payment obligations when they fall due. The HPCA on behalf of The Council continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through effective management of cash, investments and liquid assets and liabilities.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set by the NSW Ministry of Health in accordance with NSW Treasury Circular 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise.

For other suppliers, where settlement cannot be effected in accordance with the above, e.g. due to short term liquidity constraints, contact is made with creditors and terms of payment are negotiated to the satisfaction of both parties.

The table below summarises the maturity profile of the Council's financial liabilities together with the interest rate exposure.

Maturity Analysis and interest rate exposure of financial liabilities

	Nominal Amount ¹	Interest Rate Exposure			Maturity Dates		
		Fixed Interest Rate	Variable Interest Rate	Non - Interest Bearing	< 1 Yr	1-5 Yr	> 5Yr
2018	\$	\$	\$	\$	\$	\$	\$
Payables:							
- Creditors ²	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

Notes:

1 The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Council can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the Statement of Financial Position.

2 Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.

Notes to the Financial Statements continued

10. FINANCIAL INSTRUMENTS continued

(d) Market Risk

The Council does not have exposure to market risk on financial instruments.

(e) Interest Rate Risk

The Council has minimal exposure to interest rate risk from its holdings in interest bearing financial assets. In accordance with TC 15-01, the Council holds all 'at call' cash deposits with the Treasury Banking System. These funds are sitting in an interest bearing bank account earning the Reserve Bank of Australia (RBA) Cash Rate. The RBA Cash Rate has not changed from 1 July 2017 and remains at 1.50% as at 30 June 2018.

The Council does not account for any fixed rate financial instruments at fair value through profit or loss or as available-for-sale. Therefore, for these financial instruments, a change of interest rates would not affect net result or equity.

A reasonably possible change of +/-1% is used consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The Council's exposure to interest rate risk is set out below.

	Carrying Amount	-1%		+1%	
		Net Result	Equity	Net Result	Equity
	\$	\$	\$	\$	\$
2018					
Financial Assets					
Cash and Cash Equivalents	42,214	(422)	(422)	422	422
Receivables	-	-	-	-	-
Financial Liabilities					
Payables*	-	-	-	-	-

*Excludes statutory payables and unearned revenue (i.e. not within scope of AASB7 Financial Instruments Disclosures). Prior year comparatives have been restated to include Accrued Salaries Wages, On-Costs and Payroll Deductions.

11. RELATED PARTY TRANSACTIONS

The Council was established on 8 January 2018 by legislation. It is anticipated that proposed council members will be appointed by the Governor in October 2018. Therefore there were no key management personnel and no key management personnel compensation was paid for the year ended 30 June 2018.

12. EVENTS AFTER THE REPORTING PERIOD

There has not been any matters arising subsequent to reporting date that would require these financial statements to be amended.

END OF AUDITED FINANCIAL STATEMENT