



## ATTACHMENT 2: EXAMPLE NOTE DISCLOSURE

### Significant Accounting Policies (extract)

#### **1. J Financial asset and financial liabilities** (extract)

##### Financial assets

Cash and cash equivalents (Note 1.K)

Receivables – measured at amortised cost (Note 1.L)

#### **1. N Other financial assets**

##### **Indigenous Housing Arrangement (40 year lease)**

In December 2008 the Queensland Government signed the *National Partnership Agreement on Remote Indigenous Housing* (NPA). The agreement between the Commonwealth of Australia and the States and Territories aims to facilitate significant reform in the provision of housing for Indigenous people in remote communities and to address overcrowding, homelessness, poor housing conditions and severe housing shortage in remote Indigenous communities.

The Indigenous Housing Arrangement (40 year lease) provides the mechanism for which the Queensland Government will achieve its roles and responsibilities under the NPA. Under a 40 year lease agreement, the Queensland Government (via the Department of Communities) will directly manage, collect rental income, perform repairs and maintenance, upgrade existing and construct additional housing in these communities for a period of 40 years.

##### **Lease details and transfer of Public Housing Assets from Council**

The 40 year lease agreement entered into with the Queensland Government on <insert date> covers all public housing assets on the <insert name of Aboriginal community> community together with <insert details of DOGIT /freehold land leased to State Government>.

Under the lease agreement, the <insert council name> will receive a once-off upfront payment of <insert initial amount> and annual payments of <insert annual payments> for a period of 40 years, concluding <insert date lease agreement ends>.

#### **1.R Property, Plant and Equipment** (extract)

The Council is located on land assigned to it under a Deed of Grant in Trust (DOGIT) under Section 334 of the Land Act 1962. It comprises an area of approximately xxx hectares.

The land is administered by the Department of the Environment and Resource Management and the Council has restricted use of this land for the benefit of shire inhabitants. The DOGIT land has not been taken up in the Council's assets as it cannot be reliably measured.

A portion of the DOGIT land <insert details> is leased to the State Government pursuant to the Indigenous Housing Arrangement (40 year lease).

#### **1. V Leases** (extract)

##### **Finance leases asset receivable**

Where Council enters into a finance lease, Council recognises an asset equal to the present value of the minimum lease payments receivable. Lease assets are reduced by repayments of principal received. The interest components of the lease payments received are recognised as finance income.



**Finance leases and hire purchase commitments receivable** (new note)

Details surrounding Council's material leasing arrangements can be found in Note 1.N

**Consolidated**

	2011		2010	
	Minimum lease payments \$000	Present value of lease payments \$000	Minimum lease payments \$000	Present value of lease payments \$000
Within one year	x	x	x	x
After one year but not more than five years	x	x	x	x
Total minimum lease payments	x	x	x	x
Less unguaranteed residual	x	x	x	x
Less amounts representing unearned finance income	x	x	x	x
Present value of minimum lease payments	x	x	x	x

**Council**

	2011		2010	
	Minimum lease payments \$000	Present value of lease payments \$000	Minimum lease payments \$000	Present value of lease payments \$000
Within one year	x	x	x	x
After one year but not more than five years	x	x	x	x
Total minimum lease payments	x	x	x	x
Less unguaranteed residual	x	x	x	x
Less amounts representing unearned finance income	x	x	x	x
Present value of minimum lease payments	x	x	x	x



### Assets Transferred

On <insert date lease arrangement entered into> the Council leased its public housing assets and <insert details of DOGIT/freehold land> to the Queensland Government, as part of the Indigenous Housing Arrangement 40 year lease.

The lease is classified as a finance lease. As such, Council has recognised the lease receivable and derecognised the relevant assets in the financial statements.

Details of the leased assets are:

	Amount \$'000
Public Housing Assets	Xxx
Other assets	Xxx
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<b>Book value of assets transferred</b>	<b>Xxx</b>
	<hr/>
Fair value of compensation received (Lease Receivable)	Xxx
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<b>Net gain/loss on transfer</b>	<b>Xxx</b>
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As identified in Note 1R the DOGIT land cannot be reliably measured and has not therefore been included in this note.