
Notes to and forming part of the Financial Statements

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Note 1 Summary of Significant Accounting Policies

1.1 Objectives of the Department of Parliamentary Services (DPS)

DPS is an Australian Parliamentary Service organisation. The objective of DPS is to serve the Australian people by supporting the Parliament and caring for Parliament House.

DPS is structured to meet one outcome. This outcome is:

Occupants of Parliament House are supported by integrated services and facilities, Parliament functions effectively and its work and building are accessible to the public.

The continued existence of DPS in its present form and with its present programs is dependent on continued funding by Parliament for DPS's administration and programs.

DPS's activities contributing towards this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by DPS in its own right. Administered activities involve the management or oversight by DPS, on behalf of the Commonwealth, of items controlled or incurred by the Commonwealth.

DPS conducts the following administered activities:

PARLIAMENT HOUSE WORKS PROGRAM—Supports the operation of Parliament into the future, while at the same time preserving the design integrity of the architecture, engineering systems, art and landscape that make up Parliament House.

1.2 Basis of Preparation of the Financial Statements

The financial statements and notes are required by section 49 of the *Financial Management and Accountability Act 1997* and are general purpose financial statements.

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (**FMOs**), for reporting periods ending on or after 1 July 2011; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (**AASB**) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to DPS or a future sacrifice of economic benefit will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only

Notes to and forming part of the Financial Statements

when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

Administered revenues, expenses, assets and liabilities and cash flows are disclosed in the Schedule of Administered Items and related notes and are accounted for on the same basis, using the same policies as for departmental items, except where otherwise stated at Note 1.21.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, DPS has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of land has been taken to be the market value subject to restricted use clause as determined by an independent valuer. Parliament House, the building, is purpose-built and its fair value is determined using the depreciated replacement cost.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.4 New Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. Of the new standards, amendments to standards, or interpretations issued by the Australian Accounting Standards Board that are applicable to the current reporting year, none had a material financial impact on DPS.

Future Australian Accounting Standard requirements

Of the new standards/revised standards/interpretations/amending standards issued by the Australian Accounting standards board prior to sign-off date, none are expected to have a financial impact on the entity for future reporting periods.

1.5 Revenue

Revenue from the sale of goods is recognised when:

- a) the risks and rewards of ownership have been transferred to the buyer;
- b) DPS retains no managerial involvement or effective control over the goods;
- c) the revenue and transaction costs incurred can be reliably measured; and
- d) it is probable that the economic benefits associated with the transaction will flow to DPS.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- b) the probable economic benefits of the transaction will flow to DPS.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Notes to and forming part of the Financial Statements

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions or reductions) are recognised as Revenue from Government when DPS gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

1.6 Gains

Resources Received Free of Charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition, unless received from another Government entity as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Transactions with the Government as Owner

Equity injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) and Departmental Capital Budgets (**DCBs**) are recognised directly in contributed equity in that year.

Restructuring of Administrative Arrangements

Net assets received or relinquished to another Government entity under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other distributions to owners

The FMOs require that distributions to owners be debited to contributed equity unless they are in the nature of a dividend.

1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of end of reporting period are measured at their nominal amounts.

Notes to and forming part of the Financial Statements

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of DPS is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rate that applies at the time the leave is taken, including the DPS employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been calculated using the short hand method provided by the Australian Government Actuary. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments in circumstances where DPS has made an offer of voluntary redundancy which has been accepted by a staff member and a reliable estimate of the total amount of the payment can be determined.

Superannuation

DPS staff are members of the Commonwealth Superannuation Scheme (**CSS**), the Public Sector Superannuation Scheme (**PSS**) or the PSS accumulation plan (**PSSap**).

The CSS and PSS are defined benefit schemes for the Commonwealth. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance and Deregulation's administered schedules and notes.

DPS makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. DPS accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.9 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Notes to and forming part of the Financial Statements

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

1.10 *Borrowing Costs*

All borrowing costs are expensed as incurred.

1.11 *Cash*

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- a) cash on hand; and
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

1.12 *Financial Assets*

DPS classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss;
- b) held-to-maturity investments;
- c) available-for-sale financial assets; and
- d) loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon trade date.

Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts over the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Financial Assets at Fair Value Through Profit or Loss

DPS has no such instruments.

Available-for-Sale Financial Assets

DPS has no such instruments.

Held-to-Maturity Investments

DPS has no such investments.

Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period.

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.

Available-for-sale financial assets - if there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the statement of comprehensive income.

Financial assets held at cost - if there is objective evidence that an impairment loss has been incurred the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial Liabilities at Fair Value Through Profit and Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced).

1.14 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the

Notes to and forming part of the Financial Statements

amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.15 Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. They are not treated as a Contingent Liability, as they are regarded as financial instruments outside the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

1.16 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

1.17 Property, Plant and Equipment (PP&E)

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total, or add to system assets).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Definition of Assets

In these statements, except for office equipment, technical equipment and furniture which are recorded as individual items, a reportable asset is a functional system in which component parts do not retain a separate identity and are not expected to be used by DPS after the asset is disposed of.

All reportable depreciable assets are recognised in the financial statements if they belong to a class of assets which is represented by:

- complete functional systems valued at cost or independent valuation;
- work in progress valued at cost;
- individual items at cost of acquisition or valuation of at least \$2,000; or
- a group of individual items.

DPS identifies and records all assets individually for fraud control and management purposes.

All monographs added to the Library Collection are capitalised regardless of their individual value as they are regarded as part of a group of similar items significant in total.

Revaluations

Fair values for each class of asset are determined as shown below.

Notes to and forming part of the Financial Statements

Asset class	Fair value measured at:
Land	Market selling price subject to restricted use clause
Buildings	Depreciated replacement cost
Information Technology Assets	Market selling price or depreciated replacement cost
Communication Assets	Market selling price or depreciated replacement cost
Monitoring Assets	Market selling price or depreciated replacement cost
Furniture and Equipment	Market selling price or depreciated replacement cost
Library Collection	Market selling price or depreciated replacement cost
Security Infrastructure	Depreciated replacement cost
Heritage and Cultural	Market selling price

Following initial recognition at cost, property, plant and equipment and heritage and cultural assets are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly through surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is restated proportionately with the change in gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

Work-in-progress

If, at 30 June, an asset is not fully constructed, the expenditure will be disclosed separately as "work in progress". Depreciation will not commence until the project has been completed to a stage where it can provide a service to DPS.

Depreciation

An asset is depreciated from the time it is first put into, or held ready for, use. When an asset is a complex structure made up of interdependent substructures which require installation at successive stages, it is considered as being ready for use only after installation has been completed to a stage where it can provide a service to DPS.

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to DPS. Depreciation is calculated using either the straight-line method, which is consistent with the pattern of usage, or the diminishing value method, which is consistent with the market selling price.

Notes to and forming part of the Financial Statements

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current or current and future reporting periods as appropriate.

Heritage and Cultural assets are not depreciated.

Depreciation rates applying to each class of depreciable assets are based on the following useful lives:

	<u>2012</u>	<u>2011</u>
Building	20 to 200 years	20 to 200 years
IT Assets	2 to 25 years	2 to 25 years
Communication Assets	4 to 30 years	4 to 30 years
Monitoring Assets	3 to 20 years	3 to 20 years
Furniture and Equipment	3 to 50 years	3 to 50 years
Library Collection	3 to 30 years	3 to 30 years
Security Infrastructure	3 to 25 years	3 to 25 years

Impairment

All assets were assessed for impairment at 30 June 2012. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if DPS were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

No indicators of impairment were found for Property, Plant and Equipment (PP&E) assets at fair value.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Heritage and Cultural Assets

DPS has a number of stand-alone collections, collectively managed as the Parliament House Art Collection (PHAC) including:

- the Rotational Collection, consisting largely of contemporary Australian artworks;
- the Architectural Commissions, consisting of artworks that were commissioned as an integrated part of the architectural design of the building (including commissioned artist-made furniture);
- the Historic Memorials Collection, consisting of historical portraits and paintings of significant events;
- the Gift Collection, consisting of gifts that have been made to the Parliament;
- the Constitutional Documents, a group of significant archival documents managed as part of the PHAC; and
- the Archive, a range of historic and archival materials about Parliament, the PHAC and the construction of Parliament House.

Notes to and forming part of the Financial Statements

DPS has classified the collection as heritage and cultural assets because the collection includes artworks that were commissioned as an integrated part of the architectural design of Parliament House, and are intended to be retained for the life of the building. Artworks, documents and artefacts that encompass a very broad time span are also classified as heritage and cultural assets. In addition, some items in the collection are widely regarded as being of national and international importance, to be preserved indefinitely.

DPS has adopted appropriate curatorial and preservation policies for the collections and all items in the collection are deemed to have indefinite useful lives and hence are not depreciated.

DPS curatorial and preservation policies incorporate preventative measures to minimise damage and deterioration. The value and historical significance of individual items determines the level of care, security and intervention required to preserve the collection items. Most of the objects in the collection have characteristics or qualities that require them to be preserved in their original format, and in optimum condition.

1.18 Intangibles

DPS intangibles comprise purchased and internally developed software for internal use and work-in-progress, and other intangibles consisting of Hansard digitised data. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of DPS's software is between 3 to 10 years. Work-in-progress is not depreciated. The useful life of the Hansard digitised data is currently 100 years.

All software assets were assessed for indications of impairment as at 30 June 2012, no indications of impairment were found.

1.19 Inventories

The Parliament Shop inventories are held for resale and are valued at the lower of cost or net realisable value. Values are assigned to stock on a first-in-first-out basis.

1.20 Taxation

DPS is exempt from all forms of taxation except Fringe Benefits Tax (**FBT**) and the Goods and Services Tax (**GST**).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

1.21 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related notes.

Except where otherwise stated below, administered items are reported on the same basis and using the same policies as for Departmental items, including the application of Australian Accounting Standards.

Notes to and forming part of the Financial Statements

Administered cash transfers to and from the Official Public Account (OPA)

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated below, administered items are reported on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Administered Cash Transfers to and from the Official Public Account (OPA)

Revenue collected by DPS is deposited in the OPA for use by Government rather than DPS and is reported as administered revenue. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. Administered appropriations received or receivable from the OPA are not reported as administered revenues and assets respectively. Similarly, administered receipts transferred or transferable to the OPA are not reported as administered expenses or payables. These transfers to and from the OPA are reported as such in the Schedule of Administered Cash Flows and in the Administered Reconciliation Schedule.

1.22 Adjustment to 2010-11 comparatives

Where changes to the presentation of the financial statements have required additional disclosure for 2011-12, DPS has adjusted the comparatives for 2010-11.

Notes to and forming part of the Financial Statements

Note 2 Events after the reporting period

There were no events following the reporting period that impact on the Department of Parliamentary Services' financial statements for the year ended 30 June 2012.

	2012	2011
	\$'000	\$'000
Note 3 Expenses		
<u>Note 3A Employee benefits</u>		
Wages and salaries	(49,009)	(46,412)
Superannuation:		
Defined contribution plans	(2,807)	(2,357)
Defined benefit plans	(6,498)	(7,049)
Leave and other entitlements	(6,360)	(6,197)
Separation and redundancies	(1,800)	(578)
Other	(204)	(166)
Total employee benefits	(66,678)	(62,759)
<u>Note 3B Suppliers</u>		
Goods and services		
Asset maintenance	(5,999)	(5,318)
Accommodation expenses (including utilities)	(11,157)	(11,715)
Contractors and consultants	(13,670)	(13,387)
General insurance premium	(1,206)	(1,121)
Staff related and training	(2,223)	(2,279)
Telecommunications	(2,487)	(1,848)
Information resources	(1,342)	(2,016)
Other	(2,868)	(2,859)
Total goods and services	(40,952)	(40,544)
Goods and services are made up of:		
Provision of goods - related entities	(25)	(35)
Provision of goods - external parties	(5,003)	(5,698)
Rendering of services - related entities	(17,701)	(13,067)
Rendering of services - external parties	(18,223)	(21,744)
Total goods and services	(40,952)	(40,544)
Other supplier expenses		
Operating lease rentals - non-related entities:		
Minimum lease payments	(29)	(36)
Workers' compensation expense	(767)	(1,613)
Total other supplier expenses	(796)	(1,649)
Total supplier expenses	(41,748)	(42,193)

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	2012	2011
	\$'000	\$'000
Note 3C Depreciation and amortisation		
Depreciation:		
Information technology assets	(5,564)	(5,061)
Communication assets	(3,878)	(3,516)
Monitoring assets	(36)	(75)
Furniture and equipment	(582)	(562)
Library collection	(1,017)	(1,052)
Security infrastructure	(4,454)	(2,870)
Total depreciation	(15,531)	(13,136)
Amortisation:		
Intangibles-computer software	(8,062)	(4,716)
Total amortisation	(8,062)	(4,716)
Total depreciation and amortisation	(23,593)	(17,852)
Note 3D Write-down and impairment of assets		
Plant and equipment write-down	(295)	(28)
Intangibles-computer software write-down	-	(28)
Total write-down and impairment of assets	(295)	(56)
Note 3E Losses from assets sales		
Information technology assets		
Proceeds from sale	64	88
Carrying value of assets sold	(66)	(126)
Selling expenses	(6)	(12)
Communication assets		
Proceeds from sale	7	-
Carrying value of assets sold	(23)	(1)
Selling expenses	(3)	-
Monitoring assets		
Proceeds from sale	-	-
Carrying value of assets sold	(1)	-
Furniture and equipment		
Proceeds from sale	25	35
Carrying value of assets sold	(52)	(5)
Selling expenses	(3)	(2)
Total losses from assets sales	(58)	(23)

Notes to and forming part of the Financial Statements

	2012	2011
	\$'000	\$'000
Note 4 Income		
Revenue		
<u>Note 4A Sale of goods and rendering of services</u>		
Provision of goods - related entities	5	5
Provision of goods - external parties	1,194	1,092
Rendering of services - related entities	2,482	2,430
Rendering of services - external parties	1,124	1,034
Total sale of goods and rendering of services	4,805	4,561
 <u>Note 4B Rental income</u>		
Operating lease:		
Other	1,469	1,385
Total rental income	1,469	1,385
 <u>Note 4C Other revenue</u>		
Sale of used material	107	199
Total other revenue	107	199
 <u>Note 4D Other gains</u>		
Resources received free of charge:		
Provision of library services	25	30
Provision of external audit services	141	141
Transfer from related entities	-	302
Other	13	52
Total other gains	179	525
 <u>Note 4E Revenue from Government</u>		
Appropriation:		
Departmental appropriations	103,641	102,045
Total revenue from Government	103,641	102,045

Notes to and forming part of the Financial Statements

	2012	2011
	\$'000	\$'000
Note 5 Financial Assets		
<u>Note 5A Cash and cash equivalents</u>		
Cash on hand or on deposit	306	214
Total cash and cash equivalents	306	214
<u>Note 5B Trade and other receivables</u>		
Goods and services		
Goods and services – related entities	160	43
Goods and services – external parties	323	436
Total receivables for goods and services	483	479
Appropriations receivable:		
For existing programs	21,406	23,575
Total appropriations receivable	21,406	23,575
Other receivables		
GST receivable from the Australian Taxation Office	1,107	3,669
Total other receivables	1,107	3,669
Total trade and other receivables (gross)	22,996	27,723
Less impairment allowance account:		
Goods and services	-	-
Total trade and other receivables (net)	22,996	27,723
All receivables are current assets		
Receivables are aged as follows:		
Not overdue	22,891	27,708
Overdue by:		
less than 30 days	3	1
31 days to 60 days	-	-
61 days to 90 days	54	-
More than 90 days	48	14
Total receivables (net)	22,996	27,723

Notes to and forming part of the Financial Statements

	2012	2011
	<u>\$'000</u>	<u>\$'000</u>
Note 6 Non-Financial Assets		
Note 6A Property, plant and equipment		
Information technology assets		
Work in progress (at cost)	14,089	12,467
Gross carrying value (at fair value)	35,638	32,056
Accumulated depreciation	(27,817)	(22,712)
Total information technology assets	<u>21,910</u>	<u>21,811</u>
Communication assets		
Work in progress (at cost)	14,155	22,044
Gross carrying value (at fair value)	89,618	85,539
Accumulated depreciation	(65,532)	(71,470)
Total communication assets	<u>38,241</u>	<u>36,113</u>
Monitoring assets		
Gross carrying value (at fair value)	1,279	1,396
Accumulated depreciation	(1,250)	(1,330)
Total monitoring assets	<u>29</u>	<u>66</u>
Furniture and equipment		
Work in progress (at cost)	169	1,042
Gross carrying value (at fair value)	12,733	11,654
Accumulated depreciation	(8,907)	(8,898)
Total furniture and equipment	<u>3,995</u>	<u>3,798</u>
Library collection		
Work in progress (at cost)	-	17
Gross carrying value (at fair value)	10,965	13,705
Accumulated depreciation	(6,149)	(8,690)
Total Library collection	<u>4,816</u>	<u>5,032</u>
Security infrastructure		
Work in progress (at cost)	1,764	10,165
Gross carrying value (at fair value)	82,331	72,485
Accumulated depreciation	(67,179)	(62,725)
Total security infrastructure	<u>16,916</u>	<u>19,925</u>
Total property, plant and equipment (non-current)	<u>85,907</u>	<u>86,745</u>

All revaluations are conducted by qualified officers from the Australian Valuation Office, and in accordance with the revaluation policy stated at Note 1. There was a revaluation resulting in an increment of \$414,482 in departmental assets in 2011-12 (2010-11: \$3,386,259).

No indicators of impairment were found for property, plant and equipment.

Notes to and forming part of the Financial Statements

Note 6B Analysis of property, plant and equipment

TABLE A—Reconciliation of the opening and closing balances of property, plant and equipment 2011-12

Item	Information Technology assets \$'000	Communication assets \$'000	Monitoring Assets \$'000	Furniture and equipment \$'000	Library collection \$'000	Security assets \$'000	Total \$'000
As at 1 July 2011:							
Work in progress	12,467	22,044	-	1,042	17	10,165	45,734
Gross book value	32,056	85,539	1,396	11,654	13,705	72,485	216,836
Accumulated depreciation/amortisation	(22,712)	(71,470)	(1,330)	(8,898)	(8,690)	(62,725)	(175,825)
Net book value 30 June 2011	21,811	36,113	66	3,798	5,032	19,925	86,745
Additions							
By purchase	5,731	6,118	-	832	589	1,445	14,715
Revaluations and impairments recognised through equity	-	-	-	-	414	-	414
Depreciation/amortisation expense	(5,565)	(3,877)	(36)	(582)	(1,017)	(4,454)	(15,531)
Other Movements:							
Disposals:							
By sale	(66)	(23)	(1)	(51)	-	-	(141)
By Write down	(1)	(90)	-	(2)	(202)	-	(295)
Net book value 30 June 2012	21,910	38,241	29	3,995	4,816	16,916	85,907
Net book value as of 30 June 2012 represented by:							
Work in progress	14,089	14,155	-	169	-	1,764	30,177
Gross book value	35,638	89,618	1,279	12,733	10,965	82,331	232,564
Accumulated depreciation/amortisation	(27,817)	(65,532)	(1,250)	(8,907)	(6,149)	(67,179)	(176,834)
	21,910	38,241	29	3,995	4,816	16,916	85,907

Notes to and forming part of the Financial Statements

Note 6B Analysis of property, plant and equipment

TABLE A—Reconciliation of the opening and closing balances of property, plant and equipment 2010-11

Item	Information Technology assets \$'000	Communication assets \$'000	Monitoring Assets \$'000	Furniture and equipment \$'000	Library collection \$'000	Security assets \$'000	Total \$'000
As at 1 July 2010:							
Work in progress	8,687	9,564	2,427	116	43	7,975	28,812
Gross book value	27,132	88,208	3,848	11,055	13,177	71,862	215,282
Accumulated depreciation/amortisation	(20,425)	(76,043)	(3,709)	(8,647)	(7,670)	(59,865)	(176,359)
Net book value 30 June 2010	15,394	21,729	2,566	2,524	5,550	19,972	67,735
Additions							
By purchase	11,538	14,182	2	1,044	566	2,823	30,145
From acquisition of entities or operations	-	-	-	302	-	-	302
Revaluations and impairments recognised through equity	-	2,891	-	495	-	-	3,386
Depreciation/amortisation expense	(5,061)	(3,516)	(75)	(562)	(1,052)	(2,870)	(13,136)
Other Movements:							
Reclassification	72	828	(2,427)	-	-	-	(1,527)
Disposals:							
By sale	(127)	(1)	-	(5)	-	-	(133)
By Write down	(5)	-	-	-	(22)	-	(27)
Net book value 30 June 2011	21,811	36,113	66	3,798	5,032	19,925	86,745
Net book value as of 30 June 2011 represented by:							
Work in progress	12,467	22,044	-	1,042	17	10,165	45,734
Gross book value	32,056	85,539	1,396	11,654	13,705	72,485	216,836
Accumulated depreciation/amortisation	(22,712)	(71,470)	(1,330)	(8,898)	(8,690)	(62,725)	(175,825)
	21,811	36,113	66	3,798	5,032	19,925	86,745

Notes to and forming part of the Financial Statements

	2012 \$'000	2011 \$'000
Note 6C Intangibles		
Computer software at cost:		
Purchased—in progress	7,243	10,044
Internally developed—in use	110	4,040
Purchased—in use	49,604	42,541
Accumulated amortisation	(29,048)	(28,311)
Total computer software (net)	27,909	28,314
Other intangibles at cost		
Internally developed—in use	5,076	4,304
Accumulated amortisation	(460)	(285)
Total other intangibles (net)	4,616	4,019
Total intangibles	32,525	32,333

No indicators of impairment were found for intangible assets.

No intangibles are expected to be sold or disposed of within the next 12 months.

TABLE B-Reconciliation of the opening and closing balances of intangibles (2011-12)

Item	Computer software internally developed \$'000	Computer software purchased \$'000	Other Intangibles \$'000	Total \$'000
As at 1 July 2011				
Work in progress	-	10,044	2,262	12,306
Gross book value	4,040	42,541	2,042	48,623
Accumulated amortisation	(4,038)	(24,273)	(285)	(28,596)
Net book value 1 July 2011	2	28,312	4,019	32,333
Additions				
By purchase	-	7,482	772	8,254
Amortisation	(2)	(7,885)	(175)	(8,062)
Net book value 30 June 2012	-	27,909	4,616	32,525
Net book value as at 30 June 2012 represented by:				
Work in progress	-	7,243	3,018	10,261
Gross book value	110	49,604	2,058	51,773
Accumulated amortisation	(110)	(28,938)	(460)	(29,509)
	-	27,909	4,616	32,525

TABLE B-Reconciliation of the opening and closing balances of intangibles (2010-11)

Item	Computer software internally developed \$'000	Computer software purchased \$'000	Other Intangibles \$'000	Total \$'000
As at 1 July 2010				
Work in progress	-	12,676	1,022	13,698
Gross book value	4,040	30,566	416	35,022
Accumulated amortisation	(4,038)	(20,870)	(255)	(25,163)
Net book value 1 July 2010	2	22,372	1,183	23,557
Additions				
By purchase	-	9,127	2,866	11,993
Amortisation	-	(4,686)	(30)	(4,716)
Other Movements:				
Reclassification	-	1,527	-	1,527
Write downs	-	(28)	-	(28)
Net book value 30 June 2011	2	28,312	4,019	32,333
Net book value as at 30 June 2011 represented by:				
Work in progress	-	10,044	2,262	12,306
Gross book value	4,040	42,541	2,042	48,623
Accumulated amortisation	(4,038)	(24,273)	(285)	(28,596)
	2	28,312	4,019	32,333

2012	2011
\$'000	\$'000

Note 6D Inventories

Inventories held for sale—The Parliament Shop

Finished goods	188	241
Total inventories	188	241

During 2011-12 \$612,087 of inventory held for sale was recognised as a cost of goods sold expense (2010-11 \$539,919). All inventory is expected to be sold in the next 12 months.

Note 6E Other non-financial assets

Prepayments	2,162	1,380
Total other non-financial assets	2,162	1,380

Notes to and forming part of the Financial Statements

Total other non-financial assets are expected to be recovered in:

Less than 12 months	1,857	1,378
More than 12 months	<u>305</u>	<u>2</u>
Total other non-financial assets	<u>2,162</u>	<u>1,380</u>

No indicators of impairment were found for other non-financial assets.

	2012	2011
	<u>\$'000</u>	<u>\$'000</u>

Note 7 Payables

Note 7A Suppliers

Trade creditors and accruals	(2,605)	(6,273)
Total supplier payables	<u>(2,605)</u>	<u>(6,273)</u>

Supplier payables expected to be settled within 12 months:

Related entities	(881)	(1,020)
External parties	(1,724)	(5,253)
Total supplier payables	<u>(2,605)</u>	<u>(6,273)</u>

Settlement is usually made net 30 days

Note 7B Other payables

Salaries and wages	(1,455)	(1,445)
Superannuation	(259)	(222)
Separations and redundancy	(939)	(123)
Unearned income	(5)	(6)
Total other payables	<u>(2,658)</u>	<u>(1,796)</u>

Total other payables expected to be settled within 12 months:	<u>(2,658)</u>	<u>(1,796)</u>
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Total other payables	<u>(2,658)</u>	<u>(1,796)</u>
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Note 8 Employee Provisions

Leave	(20,890)	(21,012)
Total employee provisions	<u>(20,890)</u>	<u>(21,012)</u>

Employee provisions are expected to be settled in:

Less than 12 months	(5,856)	(5,830)
More than 12 months	(15,034)	(15,182)
Total employee provisions	<u>(20,890)</u>	<u>(21,012)</u>

Note 9 Restructuring

Note 9A Departmental restructuring

In September 2011, a Machinery of Government change transferred functions of the Electorate Office Information Technology (EOIT) – departmental operating costs, and administered costs relating to Information Technology entitlements for former Prime Ministers from the Department of Finance and Deregulation to the Department of Parliamentary Services.

This resulted in a transfer \$708,688.35 to the Department of Parliamentary Services departmental appropriation in 2011-12 of which \$472,372.81 related to operating costs for the EOIT support function and \$236,315.54 related to information technology entitlements for former Prime Ministers.

2012	2011
<u>\$'000</u>	<u>\$'000</u>

Note 10 Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement

Cash and cash equivalents as per:

Cash Flow Statement	306	214
Balance Sheet	306	214
Difference	-	-

Reconciliation of net cost of services to net cash from operating activities:

Net cost of services	(125,812)	(116,213)
Add revenue from Government	103,641	102,045

Adjustments for non-cash items

Depreciation / amortisation	23,595	17,852
Net write down of non-financial assets	295	56
Loss on disposal of assets	58	23
Resources received free of charge	(166)	(171)
Gain on previously unrecognised assets	(12)	-
Gain on transfer of assets from related entities	-	(302)
Gain on foreign currency exchange	(1)	(1)
Changes in capital budget - equity	(5,795)	7,001

Changes in assets/liabilities

(Increase) / decrease in comcare receipts not yet recognised	10	(16)
(Increase) / decrease in net receivables	4,727	(10,666)
(Increase) / decrease in inventories	53	(27)
(Increase) / decrease in prepayments	(782)	5
Increase / (decrease) in supplier payables	(541)	(896)
Increase / (decrease) in other payables	862	257
Increase / (decrease) in employee provisions	(122)	339
Net cash from / (used by) operating activities	8	(114)

Note 11 Contingent Liabilities and Assets

Quantifiable Contingencies

As at 30 June 2012 DPS had no quantifiable contingencies.

Unquantifiable Contingencies

As at 30 June 2012 DPS was managing one legal claim relating to workplace arrangements. It is not possible to estimate the gain or loss in relation to this claim.

Significant Remote Contingencies

As at 30 June 2012 DPS had no remote contingencies.

Note 12 Senior Executive Remuneration

<u>Note 12A: Actual remuneration expense for the reporting period</u>	2012	2011
	\$	\$
Total expense recognised in relation to senior executive employment:		
Short term employee benefits:		
Salary	1,724,866	1,571,023
Changes in annual leave provisions	112,028	139,333
Performance Bonus	12,556	14,500
Other ¹	150,823	165,207
Total short term employee benefits	<u>2,040,273</u>	<u>1,890,063</u>
Post-employment benefits:		
Superannuation (post employment benefits)	279,826	281,326
Total post-employment benefits	<u>279,826</u>	<u>281,326</u>
Other long-term benefits		
Long-service leave	24,273	45,428
Total other long-term benefits	<u>24,273</u>	<u>45,428</u>
Total	<u>2,304,372</u>	<u>2,216,817</u>

¹Includes motor vehicle and other allowances and associated FBT.

Notes:

1. Remuneration includes, where paid, wages and salaries, accrued leave, accrued superannuation, the cost of motor vehicles, allowances and fringe benefits tax included in remuneration agreements.
2. Note 12A is prepared on an accrual basis (therefore the performance bonus expenses disclosed in this table may differ from the cash 'Bonus paid' in Note 12B).
3. Note 12A excludes acting arrangements and part-year service where total remuneration expense for a senior executive was less than \$150,000.

Notes to and forming part of the Financial Statements

Note 12B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period

	2012					
	Senior Executives No.	Reportable salary ² \$	Contributed superannuation ³ \$	Reportable allowances ⁴ \$	Bonus paid ⁵ \$	Total \$
Average annual reportable remuneration¹						
Total remuneration (including part-time arrangements):						
less than \$150,000	5	53,100	13,908	-	-	67,008
\$150,000 to \$179,999	1	133,859	16,992	-	-	150,851
\$180,000 to \$209,999	4	158,074	35,313	-	-	193,387
\$210,000 to \$239,999	2	190,727	27,890	3,916	3,916	222,533
\$300,000 to \$329,999	2	277,886	32,106	2,362	2,362	312,354
\$330,000 to \$359,999	1	302,406	54,792	-	-	357,198
Total	15					

	2011					
	Senior Executives No.	Reportable salary ² \$	Contributed superannuation ³ \$	Reportable allowances ⁴ \$	Bonus paid ⁵ \$	Total \$
Average annual reportable remuneration¹						
Total remuneration (including part-time arrangements):						
less than \$150,000	2	49,564	12,194	-	1,653	63,411
\$150,000 to \$179,999	2	142,429	32,898	-	-	175,327
\$180,000 to \$209,999	4	154,189	38,975	2,479	2,479	195,643
\$210,000 to \$239,999	1	209,533	28,473	-	-	238,006
\$270,000 to \$299,999	1	240,324	48,173	-	4,585	293,082
\$330,000 to \$359,999	1	287,656	52,545	-	-	340,201
Total	11					

Notes to and forming part of the Financial Statements

Note 12 B: (continued)

Notes:

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
 - a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
 - c) exempt foreign employment income.
3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.
6. Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.
7. The number of substantive senior executive positions in 2011-12 includes the Interim Executive Officer for the Parliamentary Budget Office (PBO). All costs for this position will be recovered from the PBO.
8. In 2011-12 there were a total of nine substantive senior executive positions at DPS. This table includes all substantive senior executives who filled these positions throughout the year.

Notes to and forming part of the Financial Statements

Note 12C: (continued)

5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

6. Various salary sacrifice arrangements were available to other highly paid staff including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

2012	2011
\$'000	\$'000

Note 13 Remuneration of Auditors

Financial statement audit services were provided free of charge to the Department of Parliamentary Services by the Australian National Audit Office (ANAO).

Fair value of the services provided	(141)	(141)
Financial statements audit services		

No other services were provided by the auditors of the financial statements.

Notes to and forming part of the Financial Statements

	2012	2011
	\$'000	\$'000
Note 14 Financial Instruments		
<u>Note 14A Categories of financial instruments</u>		
Financial Assets		
Loans and Receivables:		
Cash and cash equivalents	306	214
Trade receivables	483	479
Total	789	693
Carrying amount of financial assets	789	693
Financial Liabilities		
At amortised cost:		
Trade creditors	(2,605)	(6,273)
Carrying amount of financial liabilities	(2,605)	(6,273)

Notes to and forming part of the Financial Statements

Note 14B Liquidity risk

DPS's financial liabilities were payables and employee liabilities. The exposure to liquidity risk was based on the notion that the entity will encounter difficulty in meeting its obligations associated with financial liabilities. This was highly unlikely as the entity is appropriated funding from the Australian Government and the entity manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the entity has policies in place to ensure timely payments were made when due and has no past experience of default.

Maturities for financial liabilities 2012

	On demand 2011 \$'000	Within 1 year 2011 \$'000	1 to5 years 2011 \$'000	> 5 years 2011 \$'000	Total \$'000
Other liabilities					
Trade creditors	-	(2,605)	-	-	(2,605)
Other	-	(5)	-	-	(5)
Total	-	(2,610)	-	-	(2,610)

Maturities for financial liabilities 2011

	On demand 2010 \$'000	Within 1 year 2010 \$'000	1 to5 years 2010 \$'000	> 5 years 2010 \$'000	Total \$'000
Other liabilities					
Trade creditors	-	(6,273)	-	-	(6,273)
Other	-	(6)	-	-	(6)
Total	-	(6,279)	-	-	(6,279)

DPS had no derivative financial liabilities in either 2012 or 2011

Note 14C Market risk

DPS holds basic financial instruments that do not expose the department to certain market risks. DPS is not exposed to "currency risk", "interest rate risk" or "other price risk".

DPS is an appropriated entity and, as such, this enables DPS to meet the obligations associated with the financial liabilities.

Note 15 Administered - Expenses

	2012	2011
	\$'000	\$'000
Depreciation		
Buildings	(25,716)	(25,401)
Other property, plant and equipment	(929)	(861)
Total depreciation	<u>(26,645)</u>	<u>(26,262)</u>
Assets written-down or transferred		
Infrastructure	(1)	(6)
Artworks ¹	(507)	-
Buildings	-	(7,216)
Assets written-down or transferred	<u>(508)</u>	<u>(7,222)</u>
Value of assets sold		
Other property, plant and equipment	(30)	(95)
Total value of assets sold	<u>(30)</u>	<u>(95)</u>
Total expenses	<u>(27,183)</u>	<u>(33,579)</u>

1. During 2011-12, 26 Historical Memorials Collection portraits to the value of \$507,228 were transferred to the High Court of Australia.

Note 16 Administered - Income

	2012	2011
	\$'000	\$'000
OWN-SOURCE REVENUE		
Other revenue		
Heritage and cultural assets donated to the Parliament of Australia	2	5
Proceeds on sale of property	7	14
Assets transferred from related entity	-	7,217
Other	37	-
Total other revenue	<u>46</u>	<u>7,236</u>

Note 17 Administered – Financial Assets

	2012	2011
	\$'000	\$'000
Other receivables		
GST receivable from ATO	634	780
Other receivables	21	-
Total other receivables	655	780
Other receivables are expected to be recovered in:		
No more than 12 months	655	780
Total other receivables	655	780
Other receivables were aged as follows:		
Not overdue	655	780
Total other receivables	655	780

Note 18 Administered – Non-Financial Assets

	2012	2011
	\$'000	\$'000
<u>Note 18A: Land and buildings</u>		
Land		
At fair value - cost	50,000	50,000
Total land	50,000	50,000
Buildings		
At fair value - cost	2,597,784	2,576,158
At fair value - accumulated depreciation	(600,560)	(580,997)
Work in progress – at cost	23,128	16,918
Total buildings	2,020,352	2,012,079
Total land and buildings	2,070,352	2,062,079

Note 18B: Property, plant and equipment

Other property, plant and equipment:

Furniture, fittings and equipment

At fair value - cost	8,472	7,706
At fair value - accumulated depreciation	(5,348)	(4,952)
Total furniture, fittings and equipment	3,124	2,754

Note 18B: (continued)

Plant and equipment

At fair value - cost	10,559	10,689
At fair value - accumulated depreciation	(7,305)	(6,892)
Total plant and equipment	3,254	3,797

Total other property, plant and equipment	6,378	6,551
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Heritage and cultural assets

At fair value - cost	77,772	77,866
Work in progress—at cost	340	342
Total heritage and cultural assets	78,112	78,208

Total property, plant and equipment	84,490	84,759
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The revaluation cycle of the Building and PP&E is every three years. The previous revaluation was undertaken in 2009-10 and the next is due in 2012-13.

In 2011-12 no indicators of impairment were found for Land and Buildings, or Property, Plant and Equipment (2010-11 Buildings: \$7,216,000).

Notes to and forming part of the Financial Statements

Note 18 (continued)				
TABLE C Reconciliation of the opening and closing balances of land and buildings and property, plant and equipment (2011-12)				
Item	Land and Buildings	Property, Plant and Equipment	Heritage and Cultural Assets	Total
	\$'000	Other PP&E	\$'000	
As at 1 July 2011				
Work in progress	16,918	-	342	17,260
Gross book value	2,626,158	18,395	77,866	2,722,419
Accumulated depreciation/amortisation	(580,997)	(11,844)	-	(592,841)
Net book value 1 July 2011	2,062,079	6,551	78,208	2,146,838
Additions:				
By donation	-	-	2	2
By purchase	34,809	25	351	35,185
By reclassification	(820)	762	58	-
Depreciation/amortisation expense	(25,716)	(929)	-	(26,645)
Other Movements:				
Disposals:				
By sale	-	(30)	-	(30)
By write-down	-	(1)	(507)	(508)
Net book value 30 June 2012	2,070,352	6,378	78,112	2,154,842
Net book value as of 30 June 2012 represented by:				
Work in progress	23,128	-	340	23,468
Gross book value	2,647,784	19,031	77,772	2,744,587
Accumulated depreciation	(600,560)	(12,653)	-	(613,213)
	2,070,352	6,378	78,112	2,154,842

Notes to and forming part of the Financial Statements

Note 18 (continued)

TABLE C Reconciliation of the opening and closing balances of land and buildings and property, plant and equipment (2010-11)

Item	Property, Plant and Equipment			Total
	Land and Buildings	Other PP&E	Heritage and Cultural Assets	
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2010				
Work in progress	13,805	-	378	14,183
Gross book value	2,604,683	17,502	77,275	2,699,460
Accumulated depreciation/amortisation	(549,324)	(11,177)	-	(560,501)
Net book value 1 July 2010	2,069,164	6,325	77,653	2,153,142
Additions:				
By donation	-	-	5	5
By transfer from another agency	7,217	-	-	7,217
By purchase	19,464	219	370	20,053
By reclassification	(1,094)	914	180	-
Depreciation/amortisation expense	(25,401)	(861)	-	(26,262)
Other Movements:				
Impairment	(7,216)	-	-	(7,216)
Disposals:				
By sale	(55)	(40)	-	(95)
By write-down	-	(6)	-	(6)
Net book value 30 June 2011	2,062,079	6,551	78,208	2,146,838
Net book value as of 30 June 2011 represented by:				
Work in progress	16,918	-	342	17,260
Gross book value	2,626,158	18,395	77,866	2,722,419
Accumulated depreciation	(580,997)	(11,844)	-	(592,841)
	2,062,079	6,551	78,208	2,146,838

Note 19 Administered – Payables

	2012	2011
	\$'000	\$'000
<u>Note 19A: Suppliers</u>		
Trade creditors - external parties	(1,087)	(852)
Total suppliers	<u>(1,087)</u>	<u>(852)</u>

All payables are current liabilities.

Note 20 Administered – Cash Flow Reconciliation

	2012	2011
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow Statement		
Cash and cash equivalents as per:		
Schedule of Administered Cash Flows	-	-
Schedule of Administered Assets and Liabilities	-	-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(27,137)	(26,343)
Less income tax expense	-	-
Less administered receipts to OPA	(44)	(14)
Adjustments for non-cash items		
Depreciation / amortisation	26,645	26,262
Net write down of non-financial assets	508	7,222
Loss on disposal of assets	29	89
Resources received free of charge - goods		
Heritage & cultural assets donated	(2)	(5)
Assets transferred from other agencies	-	(7,217)
Net cash used by operating activities	<u>(1)</u>	<u>(6)</u>

Note 21 Administered – Contingent Assets and Liabilities

Quantifiable Administered Contingencies

As at 30 June 2012 there were no quantifiable administered contingencies.

Unquantifiable Administered Contingencies

As at 30 June 2012 there were no unquantifiable administered contingencies.

Significant Remote Administered Contingencies

As at 30 June 2012 there were no remote administered contingencies.

Note 22 Administered – Financial Instruments

	2012	2011
	\$'000	\$'000
<u>Note 22A: Categories of Financial Instruments</u>		
Financial assets		
Loans and receivables		
Other receivables	21	-
Total loans and receivables	21	-
Carrying amount of financial assets	21	-
Financial liabilities		
Other liabilities		
Payables - suppliers	(1,087)	(852)
Total financial other liabilities	(1,087)	(852)
Carrying amount of financial liabilities	(1,087)	(852)

Note 22B: Liquidity risk

The following tables illustrates the maturities for financial liabilities:

2012	On demand 2012 \$'000	Within 1 year 2012 \$'000	1 to 5 years 2012 \$'000	> 5 years 2012 \$'000	Total \$'000
Liabilities					
Payables - suppliers	-	(1,087)	-	-	(1,087)
Total	-	(1,087)	-	-	(1,087)

Notes to and forming part of the Financial Statements

	On demand 2011	Within 1 year 2011	1 to 5 years 2011	> 5 years 2011	Total
2011	\$'000	\$'000	\$'000	\$'000	\$'000
Liabilities					
Payables - suppliers	-	(852)	-	-	(852)
Total	-	(852)	-	-	(852)

Note 22C: Market risk

The administered activities of DPS holds basic financial instruments that do not expose DPS to certain market risks. DPS is not exposed to "currency risk", "interest rate risk" or "other price risk".

Note 23 Administered – Financial Assets Reconciliation

		2012	2011
		\$'000	\$'000
<u>Financial assets</u>	Notes		
Total financial assets as per Schedule of Administered Assets and Liabilities		655	780
Less: non-financial instrument components			
GST receivable	17	634	780
Total non-financial instrument components		634	780
Total financial assets as per financial instruments note		21	-

Notes to and forming part of the Financial Statements

Note 24 Appropriations

Table A Annual Appropriations ('Recoverable GST exclusive')

	2012 Appropriations							Appropriation applied in 2012 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act			Total appropriation \$'000			
	Annual Appropriation \$'000	Appropriations reduced ¹ \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000				
DEPARTMENTAL									
Ordinary annual services	123,065	-	192	6,510	709	130,476	(132,644)	(2,168)	
Total departmental	123,065	-	192	6,510	709	130,476	(132,644)	(2,168)	
ADMINISTERED									
Other services									
Administered assets and liabilities	12,279	-	-	-	-	12,279	(34,825)	(22,546)	
Total administered	12,279	-	-	-	-	12,279	(34,825)	(22,546)	

Notes to and forming part of the Financial Statements

Table A (continued)

	2011 Appropriations							Appropriation applied in 2012 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act			Total appropriation \$'000			
	Annual Appropriation \$'000	Appropriations reduced \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000				
DEPARTMENTAL									
Ordinary annual services	150,788	-	197	6,962	-	157,947	(148,762)	9,185	
Total departmental	150,788	-	197	6,962	-	157,947	(148,762)	9,185	
ADMINISTERED									
Other services Administered assets and liabilities	28,383	-	-	-	-	28,383	(20,128)	8,255	
Total administered	28,383	-	-	-	-	28,383	(20,128)	8,255	

Notes:

- Appropriations reduced under Appropriation Acts (Nos. 1,3&5) 2011-12: sections 10, 11, and 12 and under Appropriation Acts (Nos. 2,4&6) 2011-12: sections 12,13, and 14. Departmental appropriations do not lapse at financial year-end. However, the responsible Minister may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.

Notes to and forming part of the Financial Statements

Table B: Departmental and Administered Capital Budgets ('Recoverable GST exclusive')

	2012 Capital Budget Appropriations			Capital Budget Appropriations applied in 2012 (current and prior years)			
	<i>Appropriation Act</i>	<i>FMA Act</i>	Total Capital Budget Appropriations	Payments for non-financial assets ³	Payments for other purposes	Total payments	
	Annual Capital Budget	Appropriations reduced ²					Section 32
DEPARTMENTAL							
Ordinary annual services - Departmental Capital Budget ¹	20,133	-	20,133	(25,094)	-	(25,094)	(4,961)
ADMINISTERED							
Ordinary annual services - Administered Capital Budget ¹	12,279	-	12,279	(34,824)	-	(34,824)	(22,545)

Notes to and forming part of the Financial Statements

Table B: (continued)

	2011 Capital Budget Appropriations			Capital Budget Appropriations applied in 2011 (current and prior years)		
	Appropriation Act	FMA Act	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ³ \$'000	Payments for other purposes \$'000	Total payments \$'000
	Annual Capital Budget \$'000	Appropriations reduced ² \$'000				
DEPARTMENTAL						
Ordinary annual services - Departmental Capital Budget ¹	46,805	-	46,805	(40,638)	-	(40,638)
ADMINISTERED						
Ordinary annual services - Administered Capital Budget ¹	28,383	-	28,383	(20,122)	-	(20,122)
						8,261

1. Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1,3,5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

2. Appropriations reduced under Appropriation Acts (No.1,3,5) 2010-11: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.

3. Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

Table C: Unspent departmental annual appropriations ('Recoverable GST exclusive')

Authority	2012	2011
	\$'000	\$'000
Appropriation (Parliamentary Departments)Act (No. 1) 2011-2012	20,200	23,773
Parliamentary Act 1 (Non Operating) Equity Injection	1,206	-
Cash at hand	306	214
Total	21,712	23,987
ADMINISTERED		
Appropriation (Parliamentary Departments)Act (No. 1) 2011-2012	-	-
Total	-	-

Table D: Disclosure by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')

Department of Finance & Deregulation
 Special Appropriation for Electorate Office Information Technology. \$'000

2012	
Total receipts	12,529
Total payments	(12,529)

Nil affect in 2010-11. Refer to Note 9.

Note 25 Special Accounts

The Department of Parliamentary Services does not have a Special Account.

Notes to and forming part of the Financial Statements

Note 26 Compensation and Debt Relief

Note 1: Departmental	2012	2011
	\$	\$
No 'Act of Grace payments' were expended during the reporting period (2011: No payments).	Nil	Nil
No waivers of an amount owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> (2011: No waivers).	Nil	Nil
No payments were made under the "Scheme for Compensation for Detriment caused by Defective Administration" during the reporting period (2011: No payments) ¹ .	Nil	Nil
No ex-gratia payments were provided for during the reporting period (2011: No payments).	Nil	Nil
No payments were provided in special circumstances relating to PS employment pursuant to section 66 of the Parliamentary Service Act 1999 during the reporting period. (2011: No payments).	Nil	Nil
Note 2: Administered		
No 'Act of Grace payments' were expended during the reporting period (2011: No payments).	Nil	Nil
No waivers of an amount owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> (2011: No waivers).	Nil	Nil
No payments were made under the "Scheme for Compensation for Detriment caused by Defective Administration" during the reporting period (2011: No payments) ¹ .	Nil	Nil
No ex-gratia payments were provided for during the reporting period (2011: No payments).	Nil	Nil
No payments were provided in special circumstances relating to PS employment pursuant to section 66 of the Parliamentary Service Act 1999 during the reporting period. (2011: No payments).	Nil	Nil

Note 27 Assets Held in Trust

Non-monetary assets

Heritage and cultural assets on long term loan to enhance the Parliament House art collection.

	2012	2011
	\$'000	\$'000
Heritage and Cultural Assets		
Total amount held at beginning of the reporting period	4,200	4,200
Receipts	-	-
Payments	-	-
Total amount held at the end of the reporting period	4,200	4,200
Total	4,200	4,200

Note 28 Reporting of Outcomes

DPS has one outcome and all expenses and revenue are reported under that outcome.

Note 28A Net cost of Outcome Delivery

	Outcome 1	
	2012	2011
	\$'000	\$'000
Departmental		
Expenses	(132,372)	(122,883)
Own-source income	6,381	6,145
Administered		
Expenses	(27,183)	(33,579)
Own-source income	46	7,236
Net cost/(contribution) of outcome delivery	(153,128)	(143,081)

Note 29 Net Cash Appropriation Arrangements

	2012	2011
	\$'000	\$'000
Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriations¹	1,836	7,070
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<u>(23,593)</u>	<u>(17,852)</u>
Total comprehensive loss - as per the Statement of Comprehensive Income	<u>(21,757)</u>	<u>(10,782)</u>

1. From 2010-11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.