

Financial statements



INDEPENDENT AUDITOR'S REPORT

To the President of the Senate and the Speaker of the House of Representatives

I have audited the accompanying financial statements of the Department of Parliamentary Services for the year ended 30 June 2011, which comprise: a Statement by the Chief Executive and Chief Finance Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Asset Additions; Schedule of Administered Items; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

The Secretary's Responsibility for the Financial Statements

The Secretary of the Department of Parliamentary Services is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as the Secretary of the Department of Parliamentary Services determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department of Parliamentary Services' preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department of Parliamentary Services' internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Secretary of the Department of Parliamentary Services, as well as evaluating the overall presentation of the financial statements.

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

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

In my opinion, the financial statements of the Department of Parliamentary Services:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Department of Parliamentary Services' financial position as at 30 June 2011 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



Ron Wah
Audit Principal

Delegate of the Auditor-General

Canberra
16 September 2011

DEPARTMENT OF PARLIAMENTARY SERVICES
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2011 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



Alan Thompson
Secretary

16 September 2011



Karen Sheppard FCPA
Chief Finance Officer

16 September 2011

DEPARTMENT OF PARLIAMENTARY SERVICES
STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
EXPENSES			
Employee benefits	3A	62,775	65,214
Supplier expenses	3B	42,304	40,372
Depreciation and amortisation	3C	17,852	16,184
Write-down and impairment of assets	3D	56	177
Losses from asset sales	3E	23	56
Total expenses		123,010	122,003
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	4,745	4,913
Rental income	4B	1,385	1,302
Other	4C	126	10
Total own-source revenue		6,256	6,225
Gains			
Asset related	4D	-	144
Other	4E	525	172
Total gains		525	316
Total own-source income		6,781	6,541
Net cost of services		116,229	115,462
Revenue from Government	4F	102,045	90,933
Surplus (Deficit) attributable to the Australian Government		(14,184)	(24,529)
OTHER COMPREHENSIVE INCOME			
Total other comprehensive income		-	-
Total comprehensive income (loss) attributable to the Australian Government		(14,184)	(24,529)

The above statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF PARLIAMENTARY SERVICES
BALANCE SHEET for Not-For-Profit Reporting Entities
as at 30 June 2011

	Notes	2011 \$'000	2010 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	198	188
Trade and other receivables	5B	<u>27,723</u>	<u>17,234</u>
Total financial assets		<u>27,921</u>	<u>17,422</u>
Non-Financial assets			
Property, plant and equipment	6A,B	86,745	67,735
Intangibles	6C	32,333	23,557
Inventories	6D	241	214
Other	6E	<u>1,380</u>	<u>1,385</u>
Total non-financial assets		<u>120,699</u>	<u>92,891</u>
Total Assets		<u>148,620</u>	<u>110,313</u>
LIABILITIES			
Payables			
Suppliers	7A	(6,273)	(6,507)
Other	7B	<u>(1,796)</u>	<u>(1,539)</u>
Total payables		<u>(8,069)</u>	<u>(8,046)</u>
Provisions			
Employee provisions	8	<u>(21,012)</u>	<u>(20,673)</u>
Total provisions		<u>(21,012)</u>	<u>(20,673)</u>
Total Liabilities		<u>(29,081)</u>	<u>(28,719)</u>
Net Assets		<u>119,539</u>	<u>81,594</u>
EQUITY			
Parent Entity Interest			
Contributed equity		134,123	85,380
Reserves		14,939	11,553
Retained surplus (accumulated deficit)		<u>(29,523)</u>	<u>(15,339)</u>
Total Equity		<u>119,539</u>	<u>81,594</u>

The above statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF PARLIAMENTARY SERVICES
STATEMENT OF CHANGES IN EQUITY for Not-For-Profit Reporting Entities
for the period ended 30 June 2011

	Retained earnings		Asset revaluation reserves		Contributed equity/capital		Total equity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Opening balance								
Balance carried forward from previous period	(15,339)	9,190	11,553	11,553	85,380	85,380	81,594	106,123
Adjustment for rounding	-	-	-	-	-	-	-	-
Adjusted opening balance	(15,339)	9,190	11,553	11,553	85,380	85,380	81,594	106,123
Comprehensive income								
Revaluation adjustment	-	-	3,386	-	-	-	3,386	-
Surplus (Deficit) for the period	(14,184)	(24,529)	-	-	-	-	(14,184)	(24,529)
Total comprehensive income attributable to the Australian Government	(14,184)	(24,529)	3,386	-	-	-	(10,798)	(24,529)
Transactions with owners								
Contributions by owners								
Appropriation (equity injection)	-	-	-	-	1,938	-	1,938	-
Departmental Capital Budgets (DCB's)	-	-	-	-	46,805	-	46,805	-
Sub-total transactions with owners	-	-	-	-	48,743	-	48,743	-
Closing balance at 30 June	(29,523)	(15,339)	14,939	11,553	134,123	85,380	119,539	81,594
Closing balance attributable to the Australian Government	(29,523)	(15,339)	14,939	11,553	134,123	85,380	119,539	81,594

The above statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF PARLIAMENTARY SERVICES
CASH FLOW STATEMENT for Not-For-Profit Reporting Entities
for the period ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		6,722	6,245
Appropriations		99,861	143,234
Net GST received		6,229	6,849
Other		116	173
Total cash received		<u>112,928</u>	<u>156,501</u>
Cash used			
Employees		(62,189)	(64,598)
Suppliers		(50,853)	(47,889)
Total cash used		<u>(113,042)</u>	<u>(112,487)</u>
Net cash from (used by) operating activities	9	<u>(114)</u>	<u>44,014</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		124	85
Total cash received		<u>124</u>	<u>85</u>
Cash used			
Purchase of property, plant and equipment		(30,901)	(29,166)
Purchase of intangibles		(10,841)	(14,953)
Total cash used		<u>(41,742)</u>	<u>(44,119)</u>
Net cash from (used by) investing activities		<u>(41,618)</u>	<u>(44,034)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		41,742	-
Total cash received		<u>41,742</u>	<u>-</u>
Net increase or (decrease) in cash held		10	(20)
Cash and cash equivalents at the beginning of the reporting period		188	208
Cash and cash equivalents at the end of the reporting period	5A	<u>198</u>	<u>188</u>

The above statement should be read in conjunction with the accompanying notes.

DEPARTMENT OF PARLIAMENTARY SERVICES
SCHEDULE OF COMMITMENTS for Not-For-Profit Reporting Entities
as at 30 June 2011

	2011	2010
BY TYPE	\$'000	\$'000
Commitments receivable		
Sublease rental income	5,515	6,346
Net GST recoverable on commitments	2,607	3,529
Total commitments receivable	8,122	9,875
Commitments payable		
Capital commitments		
Infrastructure plant and equipment	(5,819)	(15,793)
Intangibles	(1,612)	(3,591)
Total capital commitments	(7,431)	(19,384)
Other commitments		
Operating leases ²	(213)	(223)
Other ³	(19,824)	(25,558)
Total other commitments	(20,037)	(25,781)
Net commitments by type	(19,346)	(35,290)
BY MATURITY		
Commitments receivable		
Operating lease income		
One year or less	1,612	1,421
From one to five years	3,903	4,925
Total operating lease income	5,515	6,346
Other commitments receivable		
One year or less	1,324	3,779
From one to five years	611	-
Total other commitments receivable	1,935	3,779
Commitments payable		
Capital commitments		
One year or less	(7,431)	(19,384)
Total capital commitments	(7,431)	(19,384)
Operating lease commitments		
One year or less	(155)	(139)
From one to five years	(58)	(84)
Total operating lease commitments	(213)	(223)
Other Commitments		
One year or less	(8,583)	(23,472)
From one to five years	(10,568)	(2,337)
Total other commitments	(19,151)	(25,809)
Net commitments by maturity	(19,346)	(35,290)

NB: Commitments are GST inclusive where relevant.

- Property, plant and equipment commitments are primarily for purchase of equipment and services for IT, broadcast and security system assets and furniture and fittings.
- Operating leases included are effectively non-cancellable and comprise agreements for the provision of motor vehicles.

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Motor vehicles	No contingent rentals exist. There are no renewal or purchase options available to DPS.

- Other commitments are comprised of long term contracts in force as at 30 June 2011, where total consideration is greater than \$100,000, and outstanding purchase orders at 30 June 2011, where the goods and services were ordered but not received by 30 June 2011.

The above schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF PARLIAMENTARY SERVICES
SCHEDULE OF ASSET ADDITIONS for Not-For-Profit Reporting Entities
for the period ended 30 June 2011

The following non-financial non-current assets were added in 2010-11

	Notes	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
By purchase - appropriation equity	6B,C	30,145	11,993	42,138
From acquisition of entities or operations	6B	302	-	302
Total additions		30,447	11,993	42,440

The following non-financial non-current assets were added in 2009-10

	Notes	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
By purchase - appropriation ordinary annual services	6B,C	30,879	15,365	46,244
Total additions		30,879	15,365	46,244

DEPARTMENT OF PARLIAMENTARY SERVICES
SCHEDULE OF ADMINISTERED ITEMS

	Notes	2011 \$'000	2010 \$'000
Income administered on behalf of Government			
<i>for the period ended 30 June 2011</i>			
Revenue			
Other	15	<u>7,236</u>	<u>87</u>
Total income administered on behalf of Government		<u>7,236</u>	<u>87</u>
Expenses administered on behalf of Government			
<i>for the period ended 30 June 2011</i>			
Depreciation and amortisation	16A	<u>(26,262)</u>	<u>(20,402)</u>
Write-down and impairment of assets	16A	<u>(7,222)</u>	<u>(5)</u>
Loss on sale of assets	16A	<u>(95)</u>	<u>(236)</u>
Total expenses administered on behalf of Government		<u>(33,579)</u>	<u>(20,643)</u>
Assets administered on behalf of Government			
<i>as at 30 June 2011</i>			
Financial assets			
Receivables	17A	<u>780</u>	<u>323</u>
Total financial assets		<u>780</u>	<u>323</u>
Non-financial assets			
Land and buildings	17B	<u>2,062,079</u>	<u>2,069,164</u>
Property, plant and equipment			
Other property, plant and equipment	17B	<u>6,551</u>	<u>6,325</u>
Heritage and cultural assets	17B	<u>78,208</u>	<u>77,653</u>
Total non-financial assets		<u>2,146,838</u>	<u>2,153,142</u>
Total assets administered on behalf of Government		<u>2,147,618</u>	<u>2,153,465</u>
Liabilities administered on behalf of Government			
<i>as at 30 June 2011</i>			
Payables			
Suppliers	18	<u>(852)</u>	<u>(469)</u>
Total liabilities administered on behalf of government		<u>(852)</u>	<u>(469)</u>

This schedule should be read in conjunction with the accompanying notes.

DEPARTMENT OF PARLIAMENTARY SERVICES
SCHEDULE OF ADMINISTERED ITEMS (continued)

	2011	2010
	\$'000	\$'000
Administered Cash Flows		
<i>for the period ended 30 June 2011</i>		
OPERATING ACTIVITIES		
Cash received		
Net GST received	1,254	1,097
GST Receipts from customers	1	2
GST Annotations Appropriation	1,718	1,349
Other revenue	8	22
Security Deposit Returned to DPS	-	265
Total cash received	<u>2,981</u>	<u>2,735</u>
Cash used		
GST paid to suppliers	(1,718)	(1,349)
Net GST returned	(1,255)	(1,099)
Security deposit paid	-	(250)
Security Deposit returned OPA	-	(15)
Other	(14)	(26)
Total cash used	<u>(2,987)</u>	<u>(2,739)</u>
Net cash from (used by) operating activities	<u>(6)</u>	<u>(4)</u>
INVESTING ACTIVITIES		
Cash received		
Proceeds from sales of property, plant and equipment	6	4
Total cash received	<u>6</u>	<u>4</u>
Cash used		
Purchase of property, plant and equipment	(20,128)	(15,547)
Total cash used	<u>(20,128)</u>	<u>(15,547)</u>
Net cash from (used by) investing activities	<u>(20,122)</u>	<u>(15,543)</u>
FINANCING ACTIVITIES		
Cash received		
Asset and Liability Appropriation	20,128	15,547
Total cash received	<u>20,128</u>	<u>15,547</u>
Net cash from (used by) financing activities	<u>20,128</u>	<u>15,547</u>
Net Increase (Decrease) in Cash Held		
Cash at the beginning of reporting period	-	-
Cash at the end of the reporting period	<u>-</u>	<u>-</u>
Cash and cash equivalents at the beginning of the reporting period		
Cash from Official Public Account for:	-	-
- Appropriation	23,115	18,286
	<u>23,115</u>	<u>18,286</u>
Cash to Official Public Account for:		
- Appropriation	(23,115)	(18,286)
	<u>(23,115)</u>	<u>(18,286)</u>
Effect of exchange rate movements on cash and cash equivalents at the beginning of the reporting period		
Cash and cash equivalents at the end of the reporting period	-	-
period	-	-
This schedule should be read in conjunction with the accompanying notes.		

DEPARTMENT OF PARLIAMENTARY SERVICES
SCHEDULE OF ADMINISTERED ITEMS (continued)

	2011	2010
	\$'000	\$'000
Administered commitments		
<i>as at 30 June 2011</i>		
BY TYPE		
Commitments receivable		
Other commitments receivable		
GST recoverable on commitments	<u>480</u>	<u>282</u>
Total commitments receivable	<u>480</u>	<u>282</u>
Commitments payable		
Capital commitments		
Property, plant and equipment	<u>(5,277)</u>	<u>(3,107)</u>
Total capital commitments	<u>(5,277)</u>	<u>(3,107)</u>
Net commitments by type	<u>(4,797)</u>	<u>(2,825)</u>
BY MATURITY		
Commitments receivable		
Other commitments receivable		
One year or less	<u>480</u>	<u>282</u>
Total other commitments receivable	<u>480</u>	<u>282</u>
Commitments payable		
Capital commitments		
One year or less	<u>(5,277)</u>	<u>(3,107)</u>
Total capital commitments	<u>(5,277)</u>	<u>(3,107)</u>
Net commitments by maturity	<u>(4,797)</u>	<u>(2,825)</u>

NB: Commitments are GST inclusive where relevant.

Administered activities

The major administered activities of the Department of Parliamentary Services are directed towards achieving the outcome described in Note 1 to the Financial Statements. Details of planned activities can be found in the DPS Portfolio Budget Statements for 2010-11.

This schedule should be read in conjunction with the accompanying notes.

**DEPARTMENT OF PARLIAMENTARY SERVICES
SCHEDULE OF ADMINISTERED ITEMS (continued)**

**Administered asset additions
for the period ended 30 June 2011**

The following non-financial non-current assets were added in 2010-11

Notes	Land and Buildings		Property, Plant and Equipment		Total
	Other PP&E	Heritage and Cultural Assets	Other PP&E	Heritage and Cultural Assets	
	\$'000	\$'000	\$'000	\$'000	\$'000
By purchase - appropriation other services					
Equity injection	19,464		219	370	20,053
Other *	7,217		-	5	7,222
Total additions	26,681		219	375	27,275

The following non-financial non-current assets were added in 2009-10

	Land and Buildings		Property, Plant and Equipment		Total
	Other PP&E	Heritage and Cultural Assets	Other PP&E	Heritage and Cultural Assets	
	\$'000	\$'000	\$'000	\$'000	\$'000
By purchase - appropriation other services					
Equity injection	14,071		799	423	15,293
Other	-		46	-	46
Total additions	14,071		845	423	15,339

* Assets transferred from related entity - Attorney General's briefing room.

DEPARTMENT OF PARLIAMENTARY SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2011

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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 Government policy and on continued appropriations 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 Government, of items controlled or incurred by the Government.

DPS conducts the following administered activities:

WORKS PROGRAM—Support for 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 (or **FMOs**), for reporting periods ending on or after 1 July 2010;
- 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 is in accordance with historical cost convention, except for certain assets 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 agreements that are equally proportionately unperformed are not recognised unless required by an accounting standard. Liabilities and assets that are unrealised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Notes to and forming part of the Financial Statements

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Statement of Comprehensive Income when and only 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 reported in the Schedule of Administered Items and related notes are accounted for on the same basis and 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 and buildings has been taken to be the market value subject to restricted use clause as determined by an independent valuer. Parliament House is purpose-built and may in fact realise more or less in the market.

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

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, the following had a financial impact, as disclosed, on DPS:

AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the annual improvements Projects (AASB 5, AASB 8, AASB 101, AASB 107, AASB 117, AASB 118, AASB 136 & AASB 139)
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Future Australian Accounting Standard requirements

The following new standards/revised standards/interpretations/amending standards were issued by the Australian Accounting standards board prior to sign-off date, which are expected to have a financial impact on the entity for future reporting periods:

AASB 2010-3	Amendments to Australian Accounting Standards arising from the Annual Improvements Project
AASB 2009-12 AASB 124	Amendments to Australian Accounting Standards Related Party Disclosures
AASB 2009-14	Amendments to Australian Interpretation - Prepayments of a Minimum Requirement (AASB Interpretation 14)
AASB 2010-4	Further amendments to Australian Accounting Standards arising from the Annual Improvements Project
AASB 2010-5	Amendments to Australian Accounting Standards
AASB 2010-6	Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets

Notes to and forming part of the Financial Statements

AASB 1054	Australian Additional Disclosures
AASB 2011-3	Amendments to Australian Accounting Standards - Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9
AASB 1053	Application of Tiers of Australian Accounting Standards
AASB 2010-2	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements
AASB 9	Financial Instruments
AASB 2010-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)
AASB 2011-4	Amendments to Australian Accounting Standards to remove Individual Key Management Personnel Disclosure Requirements

1.5 Revenue

Revenue from Government

Amounts appropriated for departmental outputs for the year (adjusted for any formal additions or reductions) are recognised as revenue 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.

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.

Other Types of Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- DPS retains no managerial involvement or effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- 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:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- 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.

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

Notes to and forming part of the Financial Statements

1.6 Gains

Other 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 Agency or Authority as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7).

Resources received free of charge are recorded as either revenue or gains depending on their nature.

Sale of Assets

Gains from disposal of non-current 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 Australian Government Agency or Authority 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 12 months of end of reporting period are measured at their nominal amounts. 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

Notes to and forming part of the Financial Statements

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 was calculated using the shorthand 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 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 by the Department of Finance and Deregulation as an administered item.

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

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final pay accrual of the reporting period, plus the anticipated superannuation contributions when staff take recreation and long service leave.

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 non-current assets. An operating lease is a lease which is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

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.

Notes to and forming part of the Financial Statements

1.11 Cash

Cash and cash equivalents include cash on hand and cash held with outsiders. Cash is recognised at its nominal amount.

1.12 Financial Assets

DPS classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- held-to-maturity investments;
- available-for-sale financial assets; and
- 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 at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets:

- have been acquired principally for the purpose of selling in the near future;
- are a part of an identified portfolio of financial instruments that the agency manages together and has a recent actual pattern of short-term profit-taking; or
- are derivatives that are not designated and effective as a hedging instrument.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset. DPS has no such instruments.

Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part (or all) of the cumulative gain or loss previously recognised in the reserve is included in profit and loss for the period.

Where a reliable fair value cannot be established for unlisted investments in equity instruments, cost is used. DPS has no such instruments.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis. 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. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Notes to and forming part of the Financial Statements

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 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;

Notes to and forming part of the Financial Statements

- 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.

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 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 operating result 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 be set until the project has been completed to a stage where it can provide a service to DPS.

Notes to and forming part of the Financial Statements

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 life 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.

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>2011</u>	<u>2010</u>
Building	20 to 200 years	20 to 200 years
IT Assets	2 to 25 years	2 to 20 years
Communication Assets	4 to 30 years	4 to 25 years
Monitoring Assets	3 to 20 years	3 to 20 years
Furniture and Equipment	3 to 50 years	2 to 50 years
Library Collection	3 to 30 years	3 to 30 years
Security Infrastructure	3 to 25 years	3 to 25 years

Revaluation of communications assets and re-cabling of IT assets in 2010-11 has resulted in increases in their useful lives.

Impairment

All assets were assessed for impairment at 30 June 2011. 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 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;

Notes to and forming part of the Financial Statements

- 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.

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 life 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

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 (2009-10: 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 2011, 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. Costs 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 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

Notes to and forming part of the Financial Statements

- 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.

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 statement of cash flows in the schedule of administered items and in the administered reconciliation table in Note 19.

1.22 Adjustment to 2009-10 comparatives

Where changes to the presentation of the financial statements have required additional disclosure for 2010-11, DPS has adjusted the comparatives for 2009-10.

Notes to and forming part of the Financial Statements

Note 2 Events after the reporting period

No significant events have impacted on DPS's operations after the reporting period.

2011	2010
\$'000	\$'000

Note 3 Expenses

Note 3A Employee benefits

Wages and salaries	(46,428)	(46,352)
Superannuation:		
Defined contribution plans	(2,357)	(1,920)
Defined benefit plans	(7,049)	(7,742)
Leave and other entitlements	(6,197)	(7,374)
Separation and redundancies	(578)	(1,612)
Other	(166)	(214)
Total employee benefits	<u>(62,775)</u>	<u>(65,214)</u>

Note 3B Suppliers

Goods and services

Asset maintenance	(5,318)	(6,379)
Accommodation expenses (including utilities)	(11,715)	(11,134)
Contractors and consultants	(13,388)	(12,210)
General insurance premium	(1,121)	(1,002)
Staff related and training	(2,390)	(1,915)
Telecommunications	(1,848)	(2,138)
Information Resources	(2,016)	(1,740)
Other	(2,859)	(2,599)
Total goods and services	<u>(40,655)</u>	<u>(39,117)</u>

Goods and services are made up of:

Provision of goods - related entities	(35)	(12)
Provision of goods - external parties	(5,698)	(5,506)
Rendering of services - related entities	(13,066)	(12,532)
Rendering of services - external parties	(21,856)	(21,607)
Total goods and services	<u>(40,655)</u>	<u>(39,117)</u>

Other supplier expenses

Operating lease rentals-related entities:

Minimum lease payments	(36)	(38)
Workers' compensation expense	(1,613)	(1,217)
Total other supplier expenses	<u>(1,649)</u>	<u>(1,255)</u>
Total supplier expenses	<u>(42,304)</u>	<u>(40,372)</u>

Notes to and forming part of the Financial Statements

	2011	2010
	\$'000	\$'000
Note 3C Depreciation and amortisation		
Depreciation:		
Information technology assets	(5,061)	(3,607)
Communication assets	(3,516)	(3,955)
Monitoring assets	(75)	(109)
Furniture and equipment	(562)	(615)
Library collection	(1,052)	(971)
Security infrastructure	(2,870)	(2,954)
Total depreciation	(13,136)	(12,211)
Amortisation:		
Intangibles-Computer software	(4,716)	(3,973)
Total amortisation	(4,716)	(3,973)
Total depreciation and amortisation	(17,852)	(16,184)
Note 3D Write-down and impairment of assets		
Plant and equipment write-down	(28)	(165)
Intangibles-Computer software write-down	(28)	(12)
Total write-down and impairment of assets	(56)	(177)
Note 3E Losses from assets sales		
Information technology assets		
Proceeds from sale	88	58
Carrying value of assets sold	(126)	(72)
Selling expenses	(12)	(14)
Communication assets		
Proceeds from sale	-	-
Selling expenses	(1)	-
Monitoring assets		
Proceeds from sale	-	2
Carrying value of assets sold	-	(9)
Furniture and equipment		
Proceeds from sale	35	10
Carrying value of assets sold	(5)	-
Selling expenses	(2)	(2)
Security infrastructure		
Proceeds from sale	-	15
Carrying value of assets sold	-	(40)
Selling expenses	-	(4)
Total losses from assets sales	(23)	(56)

Notes to and forming part of the Financial Statements

	2011	2010
	\$'000	\$'000
Note 4 Income		
Revenue		
<u>Note 4A Sale of goods and rendering of services</u>		
Provision of goods - related entities	5	6
Provision of goods - external parties	1,166	1,224
Rendering of services - related entities	2,430	2,415
Rendering of services - external parties	1,144	1,268
Total sale of goods and rendering of services	4,745	4,913
<u>Note 4B Rental income</u>		
Operating lease:		
Parliament House space - related entities	336	321
Parliament House space - external parties	1,049	981
Total rental income	1,385	1,302
<u>Note 4C Other revenue</u>		
Refunds and reimbursements	126	10
Total other revenue	126	10
<u>Note 4E Other gains</u>		
Recognise previously unrecognised assets	-	144
Resources received free of charge	171	171
Transfer from related entities	302	-
Other	52	1
Total other gains	525	316
<u>Note 4F Revenue from Government</u>		
Appropriation:		
Departmental appropriations	102,045	90,933
Total revenue from Government	102,045	90,933

Notes to and forming part of the Financial Statements

	2011	2010
	\$'000	\$'000
Note 5 Financial Assets		
<u>Note 5A Cash and cash equivalents</u>		
Cash on hand or on deposit	168	150
Cash held by outsiders	30	38
Total cash and cash equivalents	198	188
<u>Note 5B Trade and other receivables</u>		
Goods and services		
Goods and services – related entities	43	650
Goods and services – external parties	436	435
Total receivables for goods and services	479	1,085
Appropriations receivable:		
For existing programs	23,575	14,390
Total appropriations receivable	23,575	14,390
Other receivables		
GST receivable from the Australian Taxation Office	3,669	1,759
Total other receivables	3,669	1,759
Total trade and other receivables (gross)	27,723	17,234
Less impairment allowance account:		
Goods and services	-	-
Total trade and other receivables (net)	27,723	17,234
All receivables are current assets		
Receivables are aged as follows:		
Not overdue	27,708	17,128
Overdue by:		
less than 30 days	1	95
31 days to 60 days	-	1
61 days to 90 days	-	5
More than 90 days	14	5
Total receivables (gross)	27,723	17,234

Notes to and forming part of the Financial Statements

	2011	2010
	\$'000	\$'000
<u>Note 5B Trade and other receivables (continued)</u>		
The impairment allowance account is aged as follows:		
Overdue by:		
More than 90 days	-	-
Total impairment allowance account	-	-
 Reconciliation of the impairment allowance account		
Movement table		
	Goods and services	Goods and services
Opening balance	-	-
Amounts written off	-	-
Closing balance	-	-

Notes to and forming part of the Financial Statements

	2011	2010
	\$'000	\$'000
Note 6 Non-Financial Assets		
<u>Note 6A Property, plant and equipment</u>		
Information technology assets		
Work in progress (at cost)	12,467	8,687
Gross carrying value (at fair value)	32,056	27,132
Accumulated depreciation	(22,712)	(20,425)
Total information technology assets	21,811	15,394
Communication assets		
Work in progress (at cost)	22,044	9,564
Gross carrying value (at fair value)	85,539	88,208
Accumulated depreciation	(71,470)	(76,043)
Total communication assets	36,113	21,729
Monitoring assets		
Work in progress (at cost)	-	2,427
Gross carrying value (at fair value)	1,396	3,848
Accumulated depreciation	(1,330)	(3,709)
Total monitoring assets	66	2,566
Furniture and equipment		
Work in progress (at cost)	1,042	116
Gross carrying value (at fair value)	11,654	11,055
Accumulated depreciation	(8,898)	(8,647)
Total furniture and equipment	3,798	2,524
Library collection		
Work in progress (at cost)	17	43
Gross carrying value (at fair value)	13,705	13,177
Accumulated depreciation	(8,690)	(7,670)
Total Library collection	5,032	5,550
Security infrastructure		
Work in progress (at cost)	10,165	7,975
Gross carrying value (at fair value)	72,485	71,862
Accumulated depreciation	(62,725)	(59,865)
Total security infrastructure	19,925	19,972
Total property, plant and equipment (non-current)	86,745	67,735

All revaluations are conducted in accordance with the revaluation policy stated at Note 1. There was a revaluation resulting in an increment of \$3,386,259 in departmental assets in 2010-11. (2009-10 - no revaluation).

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

No property, plant or equipment is expected to be sold or disposed of within the next 12 months.

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 (including Library Collection) 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	28,811
Gross book value	27,132	88,208	3,848	11,055	13,177	71,862	215,283
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

*See Note 6C Table C

Notes to and forming part of the Financial Statements

Note 6B (continued) Analysis of property, plant and equipment
TABLE A – Reconciliation of the opening and closing balances of property, plant and equipment (including Library Collection) 2009–10

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 2009							
Work in progress	2,442	2,203	1,743	240	3	784	7,415
Gross book value	24,296	87,179	3,920	11,072	12,954	72,814	212,235
Accumulated depreciation/amortisation	(17,708)	(72,383)	(3,664)	(8,902)	(6,859)	(60,781)	(170,297)
Net book value 1 July 2009	9,030	16,999	1,999	2,410	6,098	12,817	49,353
Additions							
By purchase	10,049	8,685	685	736	575	10,149	30,879
Depreciation/amortisation expense	(3,607)	(3,955)	(109)	(615)	(971)	(2,954)	(12,211)
Other Movements:							
Disposals:							
By sale	(72)	-	(9)	-	-	(40)	(121)
By Write down	(6)	-	-	(7)	(152)	-	(165)
Net book value 30 June 2010	15,394	21,729	2,566	2,524	5,550	19,972	67,735
Net book value as of 30 June 2010 represented by:							
Work in progress	8,687	9,564	2,427	116	43	7,975	28,811
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)
	15,394	21,729	2,566	2,524	5,550	19,972	67,735

Notes to and forming part of the Financial Statements

	2011	2010
	\$'000	\$'000
Note 6C Intangibles		
Computer software at cost:		
Purchased—in progress	10,044	12,676
Internally developed—in use	4,040	4,040
Purchased—in use	42,541	30,566
Accumulated amortisation	(28,311)	(24,908)
Total computer software (net)	28,314	22,374
Other intangibles at cost		
Internally developed—in use	4,304	1,438
Accumulated amortisation	(285)	(255)
Total other intangibles (net)	4,019	1,183
Total intangibles	32,333	23,557

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 (2010-11)

Item	Computer software internally developed \$'000	Computer software purchased \$'000	Other Intangibles	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

*See Note 6B Table A

TABLE B-Reconciliation of the opening and closing balances of intangibles (2009-10)

Item	Computer software internally developed \$'000	Computer software purchased \$'000	Other Intangibles	Total \$'000
As at 1 July 2009				
Work in progress	-	3,286	-	3,286
Gross book value	4,038	27,212	-	31,250
Accumulated amortisation	(4,008)	(18,495)	-	(22,503)
Net book value 1 July 2009	30	12,003	-	12,033
Additions				
By purchase	2	14,324	1,039	15,365
Initial recognition	-	-	144	144
Amortisation	(30)	(3,943)	-	(3,973)
Other Movements:				
Write downs	-	(12)	-	(12)
Net book value 30 June 2010	2	22,372	1,183	23,557
Net book value as at 30 June 2010 represented by:				
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)
	2	22,372	1,183	23,557

2011	2010
\$'000	\$'000

Note 6D Inventories

Inventories held for sale—The Parliament Shop

Finished goods	241	214
Total inventories	241	214

During 2010-11 \$539,919 of inventory held for sale was recognised as a cost of goods sold expense (2009-10 \$603,691). All inventory is expected to be sold in the next 12 months.

Note 6E Other non-financial assets

Prepayments	1,380	1,385
Total other non-financial assets	1,380	1,385

Other non-financial assets are expected to be recovered in:

Less than 12 months	1,378	1,377
More than 12 months	2	8
Total other non-financial assets	1,380	1,385

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

Notes to and forming part of the Financial Statements

	2011	2010
	\$'000	\$'000
Note 7 Payables		
<u>Note 7A Suppliers</u>		
Trade creditors and accruals	<u>(6,273)</u>	(6,507)
Total supplier payables	<u>(6,273)</u>	<u>(6,507)</u>
Supplier payables expected to be settled within 12 months:		
Related entities	(1,020)	(1,149)
External parties	<u>(5,253)</u>	(5,358)
Total supplier payables	<u>(6,273)</u>	<u>(6,507)</u>
Settlement is usually made net 30 days		
<u>Note 7B Other payables</u>		
Salaries and wages	(1,445)	(1,187)
Superannuation	(222)	(177)
Separations and redundancy	(123)	(175)
Unearned income	<u>(6)</u>	-
Total other payables	<u>(1,796)</u>	<u>(1,539)</u>
Total other payables expected to be settled within 12 months:		
Total other payables	<u>(1,796)</u>	<u>(1,539)</u>
Note 8 Employee provisions		
Leave	<u>(21,012)</u>	(20,673)
Total employee provisions	<u>(21,012)</u>	<u>(20,673)</u>
Employee provisions are expected to be settled in:		
Less than 12 months	(5,830)	(7,618)
More than 12 months	<u>(15,182)</u>	(13,055)
Total employee provisions	<u>(21,012)</u>	<u>(20,673)</u>

Notes to and forming part of the Financial Statements

	2011	2010
	\$'000	\$'000
Note 9 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	198	188
Balance Sheet	198	188
Difference	-	-
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(116,229)	(115,462)
Add revenue from Government	102,045	90,933
Adjustments for non-cash items		
Depreciation/amortisation	17,852	16,184
Net write down of non-financial assets	56	177
Loss on disposal of assets	23	56
Resources received free of charge	(171)	(171)
Gain on previously unrecognised assets	-	(144)
Gain on transfer of assets from related entities	(302)	-
Gain on foreign currency exchange	(1)	(1)
Decrease in capital budget - equity	7,001	-
Changes in assets/liabilities		
Increase in net receivables	(8,156)	52,378
Increase in inventories	(27)	31
Decrease in prepayments	5	(249)
Increase in GST receivable	(1,910)	(972)
Increase in employee provisions	339	907
Decrease in supplier payables	(896)	221
Increase in other provisions and payables	257	126
Net cash from / (used by) operating activities	(114)	44,014

Note 10 Contingent Liabilities and Assets

Quantifiable Contingencies

As at 30 June 2011 DPS had no quantifiable contingencies.

Unquantifiable Contingencies

At 30 June 2011, DPS was managing two legal claims relating to workplace arrangements and costs recovery. It is not possible to estimate the gain or loss in relation to these claims.

Significant Remote Contingencies

As at 30 June 2011 DPS had no remote contingencies.

Note 11 Senior Executive Remuneration

	2011	2010
<u>Note 11 A: Actual remuneration expense for the reporting period</u>		
Short term employee benefits:		
Salary (including annual leave taken)	(1,571,023)	(1,530,993)
Annual leave accrued	(139,333)	12,988
Performance bonus	(14,500)	-
Other ¹	(165,207)	(179,530)
Total short term employee benefits	(1,890,063)	(1,697,535)
Superannuation (post employment benefits)	(281,326)	(259,074)
Long service leave (other long term benefits)	(45,428)	(19,951)
Termination benefits	-	(122,283)
Total	(2,216,817)	(2,098,843)

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 11A was prepared on an accrual basis (so the performance bonus expenses disclosed may differ from the cash 'Bonus paid' in Note 11 B).
3. Note 11A excludes acting arrangements and part year service where remuneration expenses was less than \$150,000.

Notes to and forming part of the Financial Statements

Note 11 B: Average annual remuneration packages for substantive senior executives as at the end of the reporting period

Fixed elements and Bonus paid	as at 30 June 2011			as at 30 June 2010			Total	Bonus paid	Total	Bonus paid
	Senior Executives No.	Salary \$	Allowances \$	Senior Executives No.	Salary \$	Allowances \$				
Total remuneration*										
\$150,000 to \$179,999	3	154,492	21,970				176,462	-		-
\$180,000 to \$209,999	4	165,230	21,970		158,720	21,970	187,200	3,305	180,690	-
\$210,000 to \$239,999	1	207,123	24,170	4	198,155	21,970	231,293	-	222,325	-
\$240,000 to \$269,999	1	229,270	24,170	1	220,240	24,170	253,440	4,585	244,410	-
\$270,000 to \$299,999	-	-	-	-	-	-	-	-	-	-
\$300,000 to \$329,999	1	298,342	24,170	1	285,722	24,170	322,512	-	309,892	-
Total	10			7						

*Excluding acting and part year service but includes part-time arrangements

Notes:

1. Superannuation is a non-salary element available to senior executives.
2. This table reports on substantive senior executives who are employed by DPS as at the end of the reporting period. Fixed elements are based on the employment agreement for each individual – each row represents an annualised figure (based on headcount) for the individuals in that remuneration package band (ie the Total column).
3. Represents average actual bonuses paid during the reporting period. The 'Bonus paid' is excluded from the total column (for the purpose of determining remuneration package bands). The 'Bonus paid' within a particular band may vary between financial years due to factors such as individuals commencing with or leaving DPS during the financial year.

Notes to and forming part of the Financial Statements

Note 11 B: (continued)

Variable elements

With the exception of performance bonuses, variable elements are not included in the 'Fixed elements' and 'Bonus paid' table above. The following variable elements are available as part of senior executives' remuneration package:

- a) Performance bonuses:
Up to 2% where the senior executive has reached the top of the salary range and is assessed as achieving highly effective or better during the performance management cycle.
- b) On average, senior executives are entitled to the following leave entitlements:
Annual Leave (AL): entitled to 20 days AL (2010-11: 20 days) each full year worked.
Personal leave (PL): entitled to 19 days PL (2010-11: 19 days) each full year worked.
Long service leave (LSL): in accordance with the *Long Service Leave (Commonwealth Employees) Act 1976*.
- c) Senior executives are members of the CSS, PSS or PSSap superannuation funds.
- d) Various salary sacrificing arrangements are available to senior executives including superannuation and motor vehicle payment fringe benefits.

Note 11 C: Other highly paid staff

During the reporting period there were no employees whose salary plus performance bonus were \$150,000 or more.

	<u>2011</u>	<u>2010</u>
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Note 12 Remuneration of Auditors

Financial statement audit services are provided free of charge to DPS.

The fair value of services provided by the Auditor-General was:	<u>\$(141,000)</u>	<u>\$(141,000)</u>
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No other services were provided by the Auditor-General.

Note 13 Average Staffing Level

The average staffing level for DPS during the year was	<u>721</u>	<u>757</u>
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The ASL figure includes those staff whose salary has been capitalised to either departmental or administered asset replacement activities. In 2010-11 \$7,703,820 (2009-10 \$6,945,016) was capitalised.

Notes to and forming part of the Financial Statements

2011 2010
\$'000 \$'000

Note 14 Financial Instruments

Note 14A Categories of financial instruments

Financial Assets

Loans and Receivables:

Cash and cash equivalents	198	188
Trade receivables	479	1,085
Carrying amount of financial assets (at fair value)	677	1,273

Financial Liabilities

At amortised cost:

Trade creditors	(6,273)	(6,507)
Other	(6)	-
Carrying amount of financial liabilities (at fair value)	(6,279)	(6,507)

Note 14B Credit risk

DPS is exposed to minimal credit risk as the majority of financial assets are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2011: \$478,759 and 2010: \$1,084,892). DPS has assessed the risk of the default on payment and has allocated \$Nil in 2011 (2010: \$Nil) to an impairment allowance account. DPS has policies and procedures that guide debt recovery techniques that are to be applied.

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired 2011 \$'000	Not past due nor impaired 2010 \$'000	Past due or impaired 2011 \$'000	Past due or impaired 2010 \$'000
Loans and receivables				
Cash and cash equivalents	198	188	-	-
Trade receivables	464	979	15	106
Total	662	1,167	15	106

Ageing of financial assets that are past due but not impaired for 2011

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables					
Trade receivables	1	-	-	14	15
Total	1	-	-	14	15

Ageing of financial assets that are past due but not impaired for 2010

Loans and receivables					
Trade receivables	95	1	5	5	106
Total	95	1	5	5	106

Notes to and forming part of the Financial Statements

Note 14C 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 2011

	On demand 2011 \$'000	Within 1 year 2011 \$'000	1 to5 years 2011 \$'000	> 5 years 2011 \$'000	Total \$'000
Other liabilities					
Trade creditors	-	(6,273)	-	-	(6,273)
Other	-	(6)	-	-	(6)
Total	-	(6,279)	-	-	(6,279)

Maturities for financial liabilities 2010

	On demand 2010 \$'000	Within 1 year 2010 \$'000	1 to5 years 2010 \$'000	> 5 years 2010 \$'000	Total \$'000
Other liabilities					
Trade creditors	-	(6,507)	-	-	(6,507)
Other	-	-	-	-	-
Total	-	(6,507)	-	-	(6,507)

Note 14 D 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.

Notes to and forming part of the Financial Statements

	2011	2010
	\$'000	\$'000
Note 15 Income Administered on Behalf of Government		
Other Income		
Heritage and cultural assets donated to the Parliament of Australia	5	-
Proceeds on sale of property	14	25
Assets transferred from related entity	7,217	46
Other	-	16
Total income administered on behalf of Government	7,236	87

Note 16 Expenses Administered on Behalf of Government		
<u>Note 16A Expenses</u>		
Depreciation		
Buildings	(25,401)	(19,566)
Other property, plant and equipment	(861)	(836)
Total depreciation	(26,262)	(20,402)
Assets written-down		
Infrastructure	(6)	-
Buildings	(7,216)	-
Heritage and cultural	-	(5)
Total value of assets written-down	(7,222)	(5)
Value of assets sold		
Other Property, Plant and Equipment	(95)	(236)
Total value of assets sold	(95)	(236)
Total expenses administered on behalf of Government	(33,579)	(20,643)

Note 17 Assets Administered on Behalf of Government		
<u>Note 17A Financial Assets</u>		
Other Receivables		
GST receivable from ATO	780	323
Total financial assets administered on behalf of Government	780	323
Other Receivables are expected to be recovered in:		
No more than 12 months	780	323
Total receivables	780	323
Other Receivables were aged as follows:		
Not overdue	780	323
Total receivables	780	323

Notes to and forming part of the Financial Statements

	2011 \$'000	2010 \$'000
Note 17 (continued) Assets Administered on Behalf of Government		
Note 17B Non-Financial Assets		
Land and buildings		
Land		
At fair value	50,000	50,000
Total land	50,000	50,000
Buildings		
At fair value	1,995,161	2,005,359
Work in progress – at cost	16,918	13,805
Total buildings	2,012,079	2,019,164
Total land and buildings	2,062,079	2,069,164
Property, plant and equipment		
Furniture, fittings and equipment		
At fair value	2,754	2,377
Total furniture, fittings and equipment	2,754	2,377
Plant and equipment		
At fair value	3,797	3,948
Total plant and equipment	3,797	3,948
Heritage and cultural assets		
At fair value	77,866	77,275
Work in progress—at cost	342	378
Total heritage and cultural assets	78,208	77,653
Total property, plant and equipment	84,759	83,978
Total non-financial assets administered on behalf of Government	2,146,838	2,153,142
Total assets administered on behalf of Government	2,147,618	2,153,465

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. The revaluation adjustment in 2009-10 was \$261,069,981 for Buildings and \$1,874,910 for PP&E, made to the Asset Revaluation Reserve.

In 2010-11 there was an adjustment to the building assets for assets that were deemed to be impaired to the value of \$7,216,000 (2009-10 \$0).

Notes to and forming part of the Financial Statements

Note 17 (continued)

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

Item	Land and Buildings	Property, Plant and Equipment	Total
	\$'000	Other PP&E \$'000	
As at 1 July 2010			
Work in progress	13,805	-	378
Gross book value	2,604,683	17,502	77,275
Accumulated depreciation/amortisation	(549,324)	(11,177)	-
Net book value 1 July 2010	2,069,164	6,325	77,653
Additions:			
By donation	-	-	5
By transfer from another agency	7,217	-	7,217
By purchase	19,464	219	370
By reclassification	(1,094)	914	180
Depreciation/amortisation expense	(25,401)	(861)	-
Other Movements:			
Impairment	(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
Net book value as of 30 June 2011 represented by:			
Work in progress	16,918	-	342
Gross book value	2,626,158	18,395	77,866
Accumulated depreciation	(580,997)	(11,844)	-
	2,062,079	6,551	78,208

Notes to and forming part of the Financial Statements

Note 17 (continued)				
TABLE A Reconciliation of the opening and closing balances of land and buildings and property, plant and equipment (2009-10)				
Item	Land and Buildings \$'000	Property, Plant and Equipment		Total \$'000
		Other PP&E \$'000	Heritage and Cultural Assets \$'000	
As at 1 July 2009				
Work in progress	8,841	-	413	9,254
Gross book value	2,094,827	19,635	76,822	2,191,284
Accumulated depreciation/amortisation	(291,275)	(13,762)	-	(305,037)
Net book value 1 July 2009	1,812,393	5,873	77,235	1,895,501
Additions:				
Not previously recognised	-	46	-	46
By purchase	14,071	799	423	15,293
By reclassification	1,196	(1,196)	-	-
Depreciation/amortisation expense	(19,566)	(836)	-	(20,945)
Other Movements:				
Revaluations through equity	261,070	1,875	-	262,945
Disposals:				
By sale	-	(236)	-	(236)
By write-down	-	-	(5)	(5)
Net book value 30 June 2010	2,069,164	6,325	77,653	2,153,142
Net book value as of 30 June 2010 represented by:				
Work in progress	13,805	-	378	14,183
Gross book value	2,604,683	17,502	77,275	2,699,460
Accumulated depreciation	(549,324)	(11,177)	-	(560,501)
	2,069,164	6,325	77,653	2,153,142

Notes to and forming part of the Financial Statements

	2011	2010
	\$'000	\$'000
Note 18 Liabilities Administered on Behalf of Government		
Payables		
Unrelated Suppliers—trade creditors	<u>(852)</u>	(469)
Total Liabilities Administered on behalf of Government	<u>(852)</u>	<u>(469)</u>

All payables are current liabilities.

Note 19 Administered Reconciliation Table

Opening administered assets less administered liabilities at 1 July	2,152,996	1,895,162
Plus: Administered revenues	7,236	87
Asset Revaluations	-	262,945
Less: Administered expenses	(33,579)	(20,643)
Appropriation transfers from OPA:		
Administered assets and liability appropriation	20,128	15,486
Transfers to OPA:		
Administered Receipts	(14)	(41)
Other	-	-
Closing administered assets less administered liabilities as at 30 June	<u>2,146,766</u>	<u>2,152,996</u>

Note 20 Administered Contingent Asset and Liabilities

Quantifiable Contingencies

As at 30 June 2011 DPS had no quantifiable contingencies.

Unquantifiable Contingencies

As at 30 June 2011 DPS had no unquantifiable contingencies.

Significant Remote Contingencies

As at 30 June 2011 DPS had no remote contingencies.

Notes to and forming part of the Financial Statements

	2011	2010
	\$'000	\$'000
Note 21 Financial Instruments		
<u>Note 21A Categories of financial instruments</u>		
Financial assets		
Loans and receivables		
Trade receivables	-	-
Carrying amount of financial assets	-	-
Financial Liabilities		
Other Liabilities		
Payables - suppliers	852	469
Carrying amount of financial liabilities	852	469

There are no potential differences between the carrying value and fair value.

Note 21B Credit risk

DPS is not exposed to credit risk as financial assets consist solely of GST receivable from the ATO and as such DPS has not allocated an allowance for impairment.

Note 21C Liquidity risk

The following table illustrates the maturities for administered financial liabilities.

	On demand	Within 1 year	1 to 5 years	> 5 years	Total
2011 Liabilities	2011	2011	2011	2011	2011
	\$'000	\$'000	\$'000	\$'000	\$'000
Payables - suppliers	-	852	-	-	852
Total	-	852	-	-	852
<hr/>					
	On demand	Within 1 year	1 to 5 years	> 5 years	Total
2010 Liabilities	2010	2010	2010	2010	2010
	\$'000	\$'000	\$'000	\$'000	\$'000
Payables - suppliers	-	469	-	-	469
Total	-	469	-	-	469

Note 21D 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".

Notes to and forming part of the Financial Statements

Note 22 Appropriations

Table A Annual Appropriations ('Recoverable GST exclusive')

Particulars	2011 Appropriations							Appropriation applied in 2011 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act			Total appropriation \$'000			
	Annual Appropriation \$'000	Appropriations reduced(a) \$'000	Section 30 \$'000	Section 31 \$'000	Section 28 \$'000				
DEPARTMENTAL									
Ordinary annual services	102,045	-	197	6,962	-	-	109,204	(107,020)	2,184
Other services	48,743	-	-	-	-	-	48,743	(41,742)	7,001
Equity									
Total departmental	150,788	-	197	6,962	-	-	157,947	(148,762)	9,185
ADMINISTERED									
Ordinary annual services	-	-	-	-	-	-	-	-	-
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:

- (a) Appropriations reduced under Appropriation Acts (No.1,3,5) 2010-11: sections 10, 11, 12 and 15 and under Appropriation Acts (No.2,4,6) 2010-11: sections 12,13, 14 and 17. 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 that the Finance Minister reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. The Finance Minister did not issue a determination to reduce departmental appropriations.
- (b) In 2010-11, there were no adjustments that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FMO Div 10.1) but at law the appropriations had not been amended before the end of the reporting period.
- (c) Administered and departmental variance was due to major projects that were carried over into 2011-12.
- (d) The following agencies spent money from the CRF on behalf of this entity: Nil

Notes to and forming part of the Financial Statements

Particulars	2010 Appropriations							Appropriation applied in 2010 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act			Section 32 appropriation \$'000	Total appropriation \$'000		
	Annual Appropriation \$'000	Appropriations reduced(a) \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000				
DEPARTMENTAL									
Ordinary annual services	118,165	(27,232)	165	6,503	-	-	97,601	(149,902)	(52,301)
Other services	-	-	-	-	-	-	-	-	-
Equity	-	-	-	-	-	-	-	-	-
Total departmental	118,165	(27,232)	8,000	6,503	-	-	97,601	(149,902)	(52,301)
ADMINISTERED									
Ordinary annual services	-	-	-	-	-	-	-	-	-
Other services	-	-	-	-	-	-	-	-	-
Administered assets and liabilities	11,780	-	-	-	-	250	12,030	(15,797)	(3,767)
Total administered	11,780	-	-	-	-	250	12,030	(15,797)	(3,767)

Notes:

- (a) Appropriations reduced under Appropriation Acts (No.1,3) 2009-10: sections 10, 11 and 12 and under Appropriation Acts (No.2,4) 2009-10: 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 that the Finance Minister reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. On 13 May 2010, the Finance Minister issued a determination to reduce departmental appropriations following a request by the President of the Senate and the Speaker of the House of Representatives. The amount of the reduction under Appropriation (Parliamentary Departments) Act (No. 4) 2009-2010 was: \$27,232,000.
- (b) In 2009-10, there were no adjustments that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FMO Div 101) but at law the appropriations had not been amended before the end of the reporting period.
- (c) Departmental and administered variances were due to carry forward balances not reflected in this table and major projects carried forward into 2010-11.
- (d) The following agencies spent money from the CRF on behalf of this entity: Nil

Notes to and forming part of the Financial Statements

Table B Unspent departmental annual appropriations ('Recoverable GST exclusive')

Authority	2011	2010
	\$'000	\$'000
Appropriation (Parliamentary Departments) Act (No. 1) 2010-2011	23,773	14,578
Total	23,773	14,578

Note 23 Special Accounts

Other Trust Monies

Comcare Account	2011	2010
	\$'000	\$'000
<i>Appropriation: Financial Management and Accountability Act 1997 section 21</i>		
<i>Legal Authority: Safety, Rehabilitation and Compensation Act 1998</i>		
<i>Purpose: for the purpose of distributing compensation payments in accordance with this Act.</i>		
This account is non-interest bearing.		
Balance brought forward from previous period	64	44
Receipts	218	419
Available for payments	282	463
Payments made	(266)	(399)
Balance carried to next period and represented by:		
Cash – held by DPS	16	64
Total balance carried to the next period	16	64

The Comcare account records the monies advanced by Comcare and held by DPS and the payments made against accrued sick leave entitlements. Pending determination of an employee's claim, permission is obtained in writing from each individual to allow DPS to recover the payments from the monies in the account.

Services for Other Governments and Non-Agency Bodies Departmental Special Account (abolished 19 October 2010)

Purpose: To make and receive payments for services provided to certain other governments and non-agency bodies.

Legal Authority: *Financial Management and Accountability Act 1997*

The special account has not been used during the current or previous financial year.

It had a nil balance when it was abolished on 19 October 2010.

Note 24 Compensation and Debt Relief

Administered	2011	2010
	\$	\$
No "Act of Grace Payments" were made during the reporting period, pursuant to subsection 33(1) of the <i>Financial Management and Accountability Act 1997</i> (2010: 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> (2010: No waivers).	Nil	Nil
No payments were made under the "Scheme for Compensation for Detriment caused by Defective Administration" during the reporting period (2010: No payments) ¹ .	Nil	Nil
No ex-gratia payments were provided for during the reporting period (2010: No payments).	Nil	Nil
No payments were made during the reporting period under section 66 of the <i>Parliamentary Service Act 1999</i> (2010: No payments).	Nil	Nil

Departmental

No "Act of Grace Payments" were made during the reporting period, pursuant to subsection 33(1) of the <i>Financial Management and Accountability Act 1997</i> (2010: 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> (2010: No waivers).	Nil	Nil
No payments were made under the "Scheme for Compensation for Detriment caused by Defective Administration" during the reporting period (2010: No payments) ¹ .	Nil	Nil
No ex-gratia payments were provided for during the reporting period (2010: No payments).	Nil	Nil
No payments were made during the reporting period under section 66 of the <i>Parliamentary Service Act 1999</i> (2010: no payment).	Nil	Nil

¹ The power for the CDDA Scheme arises from section 61 of the Constitution, and as such, only portfolio Ministers may decide claims under the scheme. The Presiding Officers have no authority to decide claims so the CDDA scheme does not apply to officials of DPS.

Note 25 Assets Held in Trust

Non-monetary assets

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

	2011	2010
	\$'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

Notes to and forming part of the Financial Statements

Note 26 Reporting of Outcomes

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

Note 25A Net cost of Outcome Delivery

	Outcome 1	
	2011	2010
	\$'000	\$'000
Expenses		
Administered	(33,579)	(20,643)
Departmental	(123,010)	(122,003)
Total	(156,589)	(142,646)
Income from non-government sector		
Administered	7,236	87
Departmental	3,359	3,473
Total	10,595	3,560
Other own source income		
Departmental		
Other	126	10
Goods and services revenue from related entities	2,771	2,742
Total	2,897	2,752
Net cost of outcome	(143,097)	(136,334)

The outcome is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. Refer to the Outcome Resourcing Table in the Departmental Overview of this Annual Report.

Notes to and forming part of the Financial Statements

Note 26 Reporting of Outcomes (continued)

Note 26B Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcome

	Outcome 1	
	2011	2010
	\$'000	\$'000
Departmental Expenses		
Employees	(62,775)	(65,214)
Suppliers	(42,304)	(40,372)
Depreciation and amortisation	(17,852)	(16,184)
Write-down and impairment of assets	(56)	(177)
Other	(23)	(233)
Total	(123,010)	(122,003)
Departmental Income		
Income from government	102,045	90,933
User charges	6,256	6,225
Gains	525	316
Total	108,826	97,474
Departmental Assets		
Cash and cash equivalents	198	188
Trade and other receivables	27,723	17,234
Property, plant and equipment	86,745	67,735
Intangibles	32,333	23,557
Inventory	241	214
Other	1,380	1,385
Total	148,620	110,313
Departmental Liabilities		
Suppliers	(6,273)	(6,507)
Other payables	(1,796)	(1,539)
Employee provisions	(21,012)	(20,673)
Total	(29,081)	(28,719)

Notes to and forming part of the Financial Statements

Note 26 Reporting of Outcomes (continued)

Note 26C Major Classes of Administered Revenue and Expenses by Outcome

	Outcome 1	
	2011	
	\$'000	\$'000
Administered Expenses		
Depreciation and amortisation	(26,262)	(20,402)
Write down of assets	(7,222)	(5)
Value of assets sold	(95)	(236)
Total	(33,579)	(20,643)
Administered Income		
Heritage and cultural assets donated to the Parliament of Australia	5	-
Revenue from sale of assets	14	25
Assets not previously recognised	7,217	46
Other receipts	-	16
Total	7,236	87
Administered Assets		
Receivables	780	323
Land and buildings	2,062,079	2,069,164
Property, plant and equipment	6,551	6,325
Heritage and cultural assets	78,208	77,653
Total	2,147,618	2,153,465
Administered Liabilities		
Payables	(852)	(469)
Total	(852)	(469)

DPS's Outcome is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the Budget outcome.

Note 27 Comprehensive Income (Loss) Attributable to DPS

	2011	2010
	\$'000	\$'000
Total Comprehensive Income (Loss) Attributable to DPS		
Total comprehensive income (loss) attributable to the Australian Government ¹	(14,226)	(24,529)
Plus: non appropriated expenses		
Depreciation and amortisation expense	-	-
Total comprehensive income (loss) attributable to DPS	(14,226)	(24,529)

¹ As per the Statement of Comprehensive Income