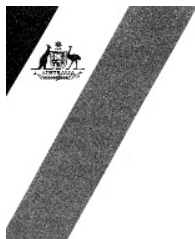


FINANCIAL STATEMENTS



INDEPENDENT AUDIT REPORT

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

Scope

I have audited the financial statements of the Department of the Parliamentary Reporting Staff for the period ended 31 January 2004. The financial statements comprise:

- Statement by the Chief Executive and Chief Finance Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Contingencies and Commitments; and
- Notes to and forming part of the Financial Statements.

The Department's Chief Executive is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Department's financial position, its financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

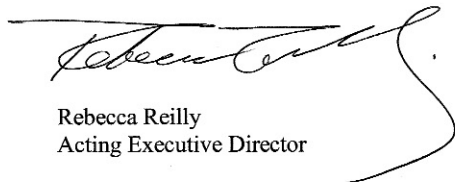
FINANCIAL STATEMENTS

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the Department of the Parliamentary Reporting Staff as at 31 January 2004, and its financial performance and cash flows for the period then ended.

Australian National Audit Office



Rebecca Reilly
Acting Executive Director

Delegate of the Auditor-General

Canberra
11 June 2004

FINANCIAL STATEMENTS



INDEPENDENT AUDIT REPORT

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

Matters relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report of the Department of the Parliamentary Reporting Staff for the period ended 31 January 2004 included on the Parliament of Australia's web site. The Department of the Parliamentary Reporting Staff's Chief Executive is responsible for the integrity of the information on the Parliament of Australia's web site that relates to the Department of the Parliamentary Reporting Staff.

The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial report.

If the users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Scope

I have audited the financial statements of the Department of the Parliamentary Reporting Staff for the period ended 31 January 2004. The financial statements comprise:

- Statement by the Chief Executive and Chief Finance Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Contingencies and Commitments; and
- Notes to and forming part of the Financial Statements.

FINANCIAL STATEMENTS

The Department of the Parliamentary Reporting Staff's Chief Executive is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Department of the Parliamentary Reporting Staff's financial position, its financial performance and its cash flows.

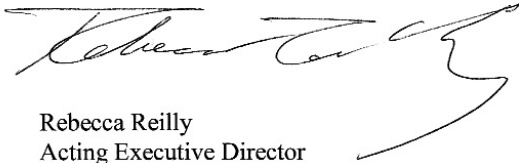
The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the Department of the Parliamentary Reporting Staff as at 31 January 2004, and its financial performance and cash flows for the period then ended.

Australian National Audit Office



Rebecca Reilly
Acting Executive Director

Delegate of the Auditor-General

Canberra
11 June 2004

FINANCIAL STATEMENTS

DEPARTMENT OF PARLIAMENTARY REPORTING STAFF
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER

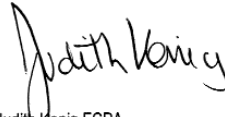
CERTIFICATION

In our opinion, the attached financial statements for the period ended 31 January 2004 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*.



Hilary Penfold QC
Secretary

11/6/2004



Judith König FCPA
Chief Finance Officer

11/6/2004

FINANCIAL STATEMENTS

DEPARTMENT OF THE PARLIAMENTARY REPORTING STAFF
STATEMENT OF FINANCIAL PERFORMANCE
for the period ended 31 January 2004

	Notes	31/01/04 \$'000	2002-03 \$'000
Revenues from ordinary activities			
Revenues from government	3A	25,074	47,090
Sales of goods and services	3B	2,316	2,409
Interest	3C	Nil	42
Revenue from sale of assets	3D	19	17
Other	3E	42	82
Revenues from ordinary activities		27,451	49,640
Expenses from ordinary activities			
Employees	4A	12,209	20,003
Suppliers	4B	8,150	13,774
Depreciation and amortisation	4C	7,079	10,398
Write-down of assets	4D	3	Nil
Value of assets sold	3D	10	38
Expenses from ordinary activities		27,451	44,213
Net surplus		Nil	5,427
Net Credit to Asset Revaluation Reserve		901	898
Total revenues, expenses and valuation adjustments attributable to the Commonwealth Government and recognised directly in equity		901	898
Total changes in equity other than those resulting from transactions with owners as owners		901	6,325

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

FINANCIAL STATEMENTS

DEPARTMENT OF THE PARLIAMENTARY REPORTING STAFF
STATEMENT OF FINANCIAL POSITION
as at 31 January 2004

	Notes	31/01/04 \$'000	2002-03 \$'000
ASSETS			
Financial assets			
Cash	5A	703	1,628
Receivables	5B	12,074	9,749
Total financial assets		<u>12,777</u>	<u>11,377</u>
Non-financial assets			
Infrastructure, plant and equipment	6 A-C	31,809	33,206
Intangibles	6 B-C	12,428	12,099
Other	6D	323	538
Total non-financial assets		<u>44,560</u>	<u>45,843</u>
TOTAL ASSETS		<u>57,337</u>	<u>57,220</u>
LIABILITIES			
Provisions			
Capital use charge	7A	Nil	Nil
Employees	7B	6,495	7,337
Total provisions		<u>6,495</u>	<u>7,337</u>
Payables			
Suppliers	8A	1,205	1,291
Other	8B	2,505	2,362
Total payables		<u>3,710</u>	<u>3,653</u>
TOTAL LIABILITIES		<u>10,205</u>	<u>10,990</u>
NET ASSETS		<u>47,132</u>	<u>46,230</u>
EQUITY			
Contributed equity	9	412	412
Reserves	9	42,938	42,036
Accumulated surpluses	9	3,782	3,782
TOTAL EQUITY	9	<u>47,132</u>	<u>46,230</u>
Current assets		13,100	11,915
Non-current assets		44,237	45,305
Current liabilities		4,026	4,907
Non-current liabilities		6,179	6,083

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

FINANCIAL STATEMENTS

DEPARTMENT OF THE PARLIAMENTARY REPORTING STAFF
STATEMENT OF CASH FLOWS
For the period ended 31 January 2004

	Notes	31/01/04 \$'000	2002-03 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		2,465	5,088
Appropriations		20,913	44,456
Interest		Nil	49
GST received from ATO		1,179	1,231
Total cash received		<u>24,557</u>	<u>50,824</u>
Cash used			
Employees		(12,768)	(19,455)
Suppliers		(7,547)	(13,471)
Total cash used		<u>(20,315)</u>	<u>(32,926)</u>
Net cash from operating activities	10	<u>4,242</u>	<u>17,898</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of infrastructure, plant and equipment		19	13
Total cash received		<u>19</u>	<u>13</u>
Cash used			
Purchase of property, plant and equipment		(3,881)	(6,325)
Purchase of Intangibles		(1,305)	(5,847)
Total cash used		<u>(5,186)</u>	<u>(12,172)</u>
Net cash used by investing activities		<u>(5,167)</u>	<u>(12,159)</u>
FINANCING ACTIVITIES			
Cash used			
Capital use charge paid		Nil	(4,929)
Appropriation receivable		Nil	(8,800)
Total cash used		<u>Nil</u>	<u>(13,729)</u>
Net cash from financing activities		<u>Nil</u>	<u>(13,729)</u>
Net increase (decrease) in cash held		<u>(925)</u>	<u>(7,990)</u>
Cash at the beginning of the reporting period		1,628	9,618
Cash at the end of the reporting period	5A	<u>703</u>	<u>1,628</u>

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

FINANCIAL STATEMENTS

DEPARTMENT OF THE PARLIAMENTARY REPORTING STAFF
SCHEDULE OF COMMITMENTS
as at 31 January 2004

	31/01/04 \$'000	2002-03 \$'000
BY TYPE		
Capital commitments		
Infrastructure Plant and Equipment ¹	623	1,052
Other Capital ²	46	1
Total capital commitments	<u>669</u>	<u>1,053</u>
Other commitments		
Operating Leases ³	559	732
Other ⁴	1,404	984
Total other commitments	<u>1,963</u>	<u>1,716</u>
Commitments receivable ⁵	<u>(2,884)</u>	<u>(4,853)</u>
Net Commitments	<u>(252)</u>	<u>(2,084)</u>
BY MATURITY		
Capital commitments		
One year or less	669	1,053
From one to five years	Nil	Nil
Operating Lease Commitments		
One year or less	387	416
From one to five years	172	316
Other commitments and receivables		
One year or less	847	(1,203)
From one to five years	(2,327)	(2,666)
Net Commitments by maturity	<u>(252)</u>	<u>(2,084)</u>

NB. Commitments are GST inclusive where relevant.

¹ Plant and equipment commitments are primarily contracts for purchases of equipment and services for system assets.

² Other capital commitments are primarily contracts for purchases of individual assets such as computers, printers, etc.

³ Operating leases included are effectively non-cancellable and comprise agreements for the provision of motor vehicles to the senior management group. The department has a 4 year agreement to lease some computing equipment that is part of the LAN network.

⁴ Other commitments are primarily contracts for the purchase of non-asset related equipment and services, including the provision of bureau services for the human resources system.

⁵ The department has entered into an agreement to undertake the processing of personnel and finance data for the Department of the Parliamentary Library. The agreement is for 3 years, renewable yearly thereafter.

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Agreements for the provision of motor vehicles to senior executive officers	No contingent rentals exist. There are no renewal or purchase options available to the department.
A lease in relation to computer equipment for the LAN network	The lessor has a four year contract to provide the department with computer equipment for the LAN network.

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

FINANCIAL STATEMENTS

DEPARTMENT OF THE PARLIAMENTARY REPORTING STAFF
 SCHEDULE OF CONTINGENCIES
 as at 31 January 2004

	31/01/04 \$'000	2002-03 \$'000
Contingent Liabilities		
Claims for damages/costs	Nil	Nil
Contingent assets		
Claims for damages/costs	Nil	Nil
Net contingencies liabilities	<u>Nil</u>	<u>Nil</u>

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

FINANCIAL STATEMENTS

DEPARTMENT OF THE PARLIAMENTARY REPORTING STAFF
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the period ended 31 January 2004

CONTENTS	Page
NOTE 1 Summary of significant accounting policies.....	8
NOTE 2 Events occurring after balance date.....	14
NOTE 3 Operating revenues.....	15
NOTE 4 Operating expenses.....	16
NOTE 5 Financial assets.....	17
NOTE 6 Non-financial assets.....	18
NOTE 7 Provisions.....	21
NOTE 8 Payables.....	21
NOTE 9 Analysis of Equity.....	22
NOTE 10 Cash Flow reconciliation.....	22
NOTE 11 Agency appropriations.....	23
NOTE 12 Assets held in Trust and Special Accounts.....	24
NOTE 13 Reporting of outcomes.....	25
NOTE 14 Remuneration of Auditors.....	27
NOTE 15 Executive remuneration.....	27
NOTE 16 Act of grace payments and waivers and Defective Administration Scheme.....	27
NOTE 17 Average staffing levels.....	28
NOTE 18 Financial instruments.....	29

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

DEPARTMENT OF THE PARLIAMENTARY REPORTING STAFF

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JANUARY 2004**Note 1 Summary of Significant Accounting Policies****1.1 Objectives of the Department of the Parliamentary Reporting Staff**

The department's vision is to give all Australians the opportunity to see, hear and read the work of their national Parliament.

The department has one outcome:

The Commonwealth Parliament to have international standard broadcasting, transcription and information technology services and the Australian community to be able to see, hear and read the work of the Parliament.

The two outputs below contribute to this outcome:

1. Broadcast and Transcription Services
 - Output 1.1 Client Services
 - Output 1.2 Broadcasting
 - Output 1.3 Transcription
2. Infrastructure and Communications Support
 - Output 2.1 Infrastructure Support
 - Output 2.2 Communications

1.2 Basis of Accounting

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

The statements have been prepared in accordance with:

- Finance Minister's Orders (being the *Financial Management and Accountability (Financial Statements for reporting periods ending on or after 30 June 2003) Orders*);
- Australian Accounting Standards and Accounting Interpretations issued by Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

The statements have also been prepared having regard to the Explanatory Notes to Schedule 1, and Finance Briefs issued by the Department of Finance and Administration.

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

Assets and liabilities are recognised in the department's Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionately unperformed are however not recognised unless required by an Accounting Standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Revenues and expenses are recognised in the department's Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2002-2003.

1.4 Revenue

Revenues from Government

Departmental outputs appropriations for the year (less any savings offered up in Portfolio Additional Estimates Statement) are recognised as revenue, except for certain amounts which relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

Resources Received Free of Charge

Services 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.

Other Revenue

Revenue from the sale of goods and the provision of services is recognised upon the delivery of goods and services to the customer.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the disposal of non-current assets is recognised when control of the asset has passed to the buyer.

All revenues described in this note are revenues relating to the core operating activities of the department. Details of revenue amounts are given in Note 3.

1.5 Transactions with the Government as Owner

Capital Use Charge

A Capital Use Charge of nil (2002-03 11%) was imposed by the Government on the departmental net assets of the Agency at year end. The net assets figure is adjusted to take account of asset gifts and revaluation increments during the financial year. The Charge was accounted for as a dividend to Government. In accordance with the recommendations of a review of Budget Estimates and Framework, the Government decided that the charge would not operate after 30 June 2003.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

1.6 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for wages and salaries (including non-monetary benefits), annual leave and sick leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also measured at their nominal amounts.

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

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee entitlements 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 the department is estimated to be less than the annual entitlement to sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the department's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The provision for long service leave is calculated using shorthand methodology provided by the Australian Government Actuary. The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 31 January 2004. In determining the present value of the liability, the department has taken into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is also made for separation and redundancy benefit payments in circumstances where an offer of redundancy has been accepted and a reliable estimate of the amount of the payment can be determined.

Superannuation

Staff of the department contribute to the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. Employer contributions amounting to \$1,539,210 (2002-03 \$2,015,323) in relation to these schemes have been expensed in these financial statements. . Employer Superannuation Productivity Benefit contributions totalled \$292,742 (2002-03 \$467,591).

A liability is shown for superannuation in the Statement of Financial Position for the anticipated superannuation contribution when staff of the department take recreation and long service leave

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

1.7 Leases

Operating lease payments are expensed on a basis, which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlay in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus.

1.8 Cash

Cash includes notes and coins held as cash on hand for petty cash advances and any deposits at call with a bank or financial institution.

1.9 Financial Instruments

Accounting policies for financial instruments are stated at Note 18.

1.10 Property Plant and Equipment (Note 6)

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 the department after the asset is disposed of.

All non-current 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, and
- individual items at cost of acquisition or valuation of at least \$2,000.

Accounting for System Assets

System assets are carried in the financial statements at their valuation less accumulated depreciation. Except where expenditure on system assets replaces or improves the system, the expenditure will be regarded as maintenance as there is no change in intrinsic value. Additions or extensions to a system asset which enhances the asset by increasing its functionality and becomes an integral part of that asset, increase the reportable value of that system by the cost of the acquisition or extension and are depreciated over the remaining useful life of the asset. Where action is taken to decommission a materially whole system by replacement or by recognising obsolescence, the entire system is subject to disposal action.

The department recognises the following classes of system assets:

- Network and Mainframe
- Telecommunications
- Broadcast
- Intangibles
- Hansard

The department has identified and records all assets individually for fraud control and management purposes.

Asset Recognition threshold

Purchases of plant and equipment are recognised initially at cost in the Statement of Financial Position, 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).

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

*Revaluation Policy**Basis*

Plant and equipment are carried at valuation. Revaluations undertaken up to 30 June 2002 were done on a deprival basis; revaluations since that date are at fair value. This change in accounting policy is required by Australian Accounting Standard AASB 1041 *Revaluation of Non-Current Assets*. With the change in accounting policy, the department now recognises property, plant and equipment at fair value measured at depreciated replacement cost.

Under both deprival and fair value, assets which are surplus to the requirements are valued at their net realisable value. At 31 January 2004, the department had no assets in this situation.

Conduct

All valuations are conducted by an independent qualified valuer.

Frequency

Plant and equipment are revalued progressively in successive three-year cycles. Table 6A notes all asset groups and the year and method of revaluation. The assets listed on table 6A that are still at deprival value will be revalued to fair value by the 30 June 2005.

All current cycles commenced on 1 July 2002 and will finish on 30 June 2005.

Work-in-progress

If, at 31 January 2004, 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 the department.

Depreciation and Amortisation Policy (Note 4C)

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 the department.

All depreciable non-current assets are written off to their estimated residual values over their estimated useful life to the department. Depreciation is calculated using the straight-line method that is consistent with the pattern of usage.

Estimated useful lives and depreciation rates and methods are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in price only when assets are revalued.

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

	31/01/04	2002-03
Network and Mainframe	3 to 20 years	3 to 20 years
Telecommunications	3 to 12 years	3 to 12 years
Broadcast	3 to 24 years	3 to 24 years
Hansard	3 to 9 years	3 to 9 years
Equipment and furniture	2 to 10 years	3 to 10 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 4C.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

1.11 Intangibles

The department's intangibles comprise internally developed software. These assets are carried at cost.

The carrying amount of impaired assets must be written down to the higher of its market selling price or depreciated replacement cost. No assets were impaired at year end.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the department's software is between 3 to 10 years (02-03 3 to 10 years).

1.12 Inventories

Inventories not held for resale are valued at cost, unless they are no longer required, in which case they are valued at net realisable value.

1.13 Taxation

The department's activities are exempt from all forms of taxation except for 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
- except for receivables and payables.

1.14 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are not material.

1.15 Insurance

The department has insured for risks through the Government's insurable risk managed fund, called 'Comcover'. Workers compensation is insured through Comcare Australia.

1.16 Administered items

Administered items are those items that are controlled by the Government and managed by the department on behalf of the Government. The department had no administered items to the 31 January 2004.

1.17 Rounding

Amounts have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero except in relation to the following:

- act of grace payments and waivers;
- remuneration of executives;
- remuneration of auditors; and
- appropriation note disclosures.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

1.18 Comparative Figures

Comparative figures have been adjusted to conform to changes in the presentation of these financial statements where required.

1.19 Receivables (Note 5B)

Revenue from the provision of services is recognised upon the delivery of services to customers. Bad debts are written off in the year they are identified. None of the amounts are considered to be doubtful and in view of the relatively small amount written off as bad debts to 31 January 2004, and the strength of the debtors control system in place, the department does not consider it appropriate to provide for doubtful debts.

Note 2 – Events Occurring after Balance Date

The Department of the Parliamentary Reporting Staff, the Department of the Parliamentary Library and the Joint House Department were abolished, in accordance with *section 54 of the Parliamentary Service Act 1999*, on the 31 January 2004 to form a new joint service department called the 'Department of Parliamentary Services', established on 1 February 2004.

The remaining unspent appropriation from each of the three former departments was transferred to the Department of Parliamentary Services under *s54b of the Parliamentary Service Act 1999*. The total transfer from the former Department of the Parliamentary Reporting Staff to the Department of Parliamentary Services of the portion of the 2003-04 appropriation not needed to offset expenses for the seven month period ended 31 January 2004 was \$17,153,499. Refer to Note 11.

There have been no material events after reporting date affecting the performance of the Department of Parliamentary Services.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 3 Operating Revenue

<u>Note 3A - Revenues from Government</u>	31/01/04 \$'000	2002-03 \$'000
Appropriations for outputs	23,459	44,456
Resources received free of charge	<u>1,615</u>	<u>2,634</u>
Total revenues from government	<u>25,074</u>	<u>47,090</u>
 <u>Note 3B – Goods and Services</u>	 31/01/04 \$'000	 2002-03 \$'000
Goods	12	24
Services	<u>2,304</u>	<u>2,385</u>
Total sales of goods and services	<u>2,316</u>	<u>2,409</u>
Provision of goods to:		
Related entities	3	4
External entities	9	20
Total sales of goods	<u>12</u>	<u>24</u>
Rendering of services to:		
Related entities	1,444	2,280
External entities	<u>860</u>	<u>105</u>
Total rendering of services	<u>2,304</u>	<u>2,385</u>
Cost of sale of goods	<u>1</u>	<u>2</u>
 <u>Note 3C – Interest</u>	 31/01/04 \$'000	 2002-03 \$'000
Interest on deposits	<u>Nil</u>	<u>42</u>
 <u>Note 3D – Net Gains from Sales of Assets</u>	 31/01/04 \$'000	 2002-03 \$'000
Infrastructure, plant and equipment		
Proceeds from disposal	19	17
Net book value of assets disposed	<u>(10)</u>	<u>(38)</u>
Net gain / (loss) from disposal of infrastructure, plant and equipment	<u>9</u>	<u>(21)</u>
 <u>Note 3E- Other Revenue</u>	 31/01/04 \$'000	 2002-03 \$'000
Discounts received	<u>42</u>	<u>82</u>

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 4 – Operating Expenses

<u>Note 4A – Employee Expenses</u>	31/01/04 \$'000	2002-03 \$'000
Wages and Salary	8,780	14,265
Superannuation	1,731	2,519
Leave and other entitlements	1,075	2,498
Separation and redundancy	389	307
Other employee expenses	166	272
Total employee benefits expense	12,141	19,861
Workers compensation premiums	68	142
Total employee expenses	12,209	20,003

<u>Note 4B - Supplier Expenses</u>	31/01/04 \$'000	2002-03 \$'000
Goods from related entities	16	27
Goods from external entities	1,288	2,401
Services from related entities	3,252	5,287
Services from external entities	3,419	5,804
Operating lease rentals *	175	255
Total supplier expenses	8,150	13,774

*These comprise minimum lease payments only

<u>Note 4C– Depreciation and Amortisation</u>	31/01/04 \$'000	2002-03 \$'000
<i>Depreciation</i>		
Other infrastructure, plant and equipment	4,695	7,216
<i>Amortisation</i>		
Intangibles – computer software	2,384	3,182
Total depreciation and amortisation	7,079	10,398

The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of depreciable asset are as follows:

	31/01/04 \$'000	2002-03 \$'000
Network and Mainframe	1,620	2,130
Equipment and Furniture	575	1,229
Telecommunications	302	432
Broadcast	2,000	3,061
Hansard Systems	198	364
Intangibles	2,384	3,182
Total depreciation and amortisation	7,079	10,398

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

<u>Note 4D – Write down of assets</u>	31/01/04	2002-03
	\$'000	\$'000
Non-financial assets		
Plant and equipment – write down	<u>3</u>	Nil
Total write-down of assets	<u>3</u>	<u>Nil</u>
Note 5 – Financial Assets		
<u>Note 5A - Cash</u>	31/01/04	2002-03
	\$'000	\$'000
Departmental	703	1,625
Cash on hand	<u>Nil</u>	<u>3</u>
Total cash	<u>703</u>	<u>1,628</u>
<u>Note 5B - Receivables</u>	31/01/04	2002-03
	\$'000	\$'000
Goods and services	697	508
GST receivable from the Australian Taxation Office	31	441
Appropriations receivable	<u>11,346</u>	<u>8,800</u>
Total receivables (net)	<u>12,074</u>	<u>9,749</u>
Receivables (gross) were aged as follows:		
Not overdue	11,435	9,050
Overdue by:		
less than 30 days	633	691
30 days to 60 days	Nil	5
60 days to 90 days	1	3
more than 90 days	<u>5</u>	<u>Nil</u>
Total receivables (gross)	<u>12,074</u>	<u>9,749</u>

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 6 – Non-Financial Assets

Note 6A – Infrastructure, Plant and Equipment

31 January			30 June			
2004 \$'000 Gross Value	2004 \$'000 Accumulated Depreciation	2004 \$'000 Net Book Value	Non-Financial Assets	2003 \$'000 Gross Value	2003 \$'000 Accumulated Depreciation	2003 \$'000 Net Book Value
			<i>Network and Mainframe</i>			
3,112	660	2,452	At cost	2,018	277	1,741
14,961	7,291	7,670	At valuation 00-02 (Deprival)	15,037	6,130	8,907
16	Nil	16	Work in progress	196	Nil	196
18,089	7,951	10,138	TOTAL	17,251	6,407	10,844
			<i>Telecommunications</i>			
81	6	75	At cost	46	1	45
5,184	1,526	3,658	At valuation 00-02 (Deprival)	5,184	1,229	3,955
58	Nil	58	Work in progress	Nil	Nil	Nil
5,323	1,532	3,791	TOTAL	5,230	1,230	4,000
			<i>Broadcast</i>			
1,068	34	1,034	At cost	1,746	84	1,662
310	258	52	At valuation 00-02 (Deprival)	22,358	17,946	4,412
58,066	44,260	13,806	At valuation 03-04 (Fair Value)	37,278	28,420	8,858
1,085	Nil	1,085	Work in progress	1,055	Nil	1,055
60,529	44,552	15,977	TOTAL	62,437	46,450	15,987
			<i>Hansard Systems</i>			
Nil	Nil	Nil	At cost	Nil	Nil	Nil
2,400	2,258	142	At valuation 03-04 (Fair Value)	2,400	2,060	340
Nil	Nil	Nil	Work in progress	Nil	Nil	Nil
2,400	2,258	142	TOTAL	2,400	2,060	340
			<i>Equipment and Furniture</i>			
6,015	4,254	1,761	At cost	6,685	4,650	2,035
922	922	Nil	At valuation 00-02 (Deprival)	980	980	Nil
6,937	5,176	1,761	TOTAL	7,665	5,630	2,035
93,278	61,469	31,809	Total	94,983	61,777	33,206

The revaluations were in accordance with the revaluation policy stated at Note 1 and were completed by an independent valuer S O'Leary, Senior Valuer, Plant & Equipment, Australian Valuation Office. A revaluation increment of \$900,848 (02-03 \$897,991) was made to the asset revaluation reserve (Note 9).

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 6B – Intangibles

	31/04/04 \$'000	2002-03 \$'000
Computer software:		
Internally developed – in progress (non-current)	<u>3,258</u>	4,563
Internally developed – in use (non-current)	20,966	19,748
Accumulated amortisation	<u>(11,796)</u>	<u>(12,212)</u>
	9,170	7,536
Total intangibles	<u>12,428</u>	<u>12,099</u>

Note 6C – Analysis of Infrastructure, Plant and Equipment and Intangibles

TABLE A
Reconciliation of the opening and closing balances of property plant and equipment and intangibles

Item	Other IP and E \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2003			
Gross book value	94,983	24,311	119,294
Accumulated depreciation/amortisation	(61,777)	(12,212)	(73,989)
Net book value	<u>33,206</u>	<u>12,099</u>	<u>45,305</u>
Additions			
By purchase	2,672	3,847	6,519
Movement in WIP	(91)	(1,305)	(1,396)
Net revaluation increment	901	Nil	901
Depreciation	(4,695)	(2,384)	(7,079)
Reclassification	(171)	171	Nil
Disposals			
Other Disposals	<u>(13)</u>	<u>Nil</u>	<u>(13)</u>
As at 31 January 2004			
Gross book value	93,278	24,224	117,502
Accumulated depreciation/amortisation	<u>(61,469)</u>	<u>(11,796)</u>	<u>(73,265)</u>
Net book value	<u>31,809</u>	<u>12,428</u>	<u>44,237</u>

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 6C – Analysis of Infrastructure, Plant and Equipment and Intangibles**TABLE B – Assets at valuation**

Item	Other IP and E \$'000	Intangibles \$'000	Total \$'000
As at 31 January 2004			
Gross Value	81,843	Nil	81,843
Accumulated Depreciation/ Amortisation	56,515	Nil	56,515
Net book value	<u>25,328</u>	<u>Nil</u>	<u>25,328</u>
As at 30 June 2003			
Gross Value	83,237	Nil	83,237
Accumulated Depreciation/ Amortisation	(56,765)	Nil	(56,765)
Net book value	<u>26,472</u>	<u>Nil</u>	<u>26,472</u>

TABLE C – Assets under construction

Item	Other Infrastructure Plant and Equipment \$'000	Intangibles \$'000	Total \$'000
As at 31 January 2004	<u>1,159</u>	<u>3,258</u>	<u>4,417</u>
As at 30 June 2003	<u>1,252</u>	<u>4,563</u>	<u>5,815</u>

Note 6D – Other Non-Financial Assets

	31/01/04 \$'000	2002-03 \$'000
Prepayments:		
Contract maintenance	286	367
Subscriptions	28	35
Memberships	8	13
Other	1	123
Total other non-financial assets	<u>323</u>	<u>538</u>

Note 7 – Provisions

	31/01/04 \$'000	2002-03 \$'000
<u>Note 7A: Capital Use Charge Provision</u>		
Capital Use Charge	<u>Nil</u>	<u>Nil</u>
Balance owing 1 July	Nil	272
Capital Use Charge provided for during the period	<u>Nil</u>	<u>4,656</u>
Capital use Charge paid	<u>Nil</u>	<u>4,928</u>
Balance owing	<u>Nil</u>	<u>Nil</u>

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

<u>Note 7B – Employees Provisions</u>	31/01/04	2002-03
	\$'000	\$'000
Salaries and wages	132	624
Leave	5,600	5,944
Superannuation	478	578
Separations and redundancies	273	173
Aggregate employee entitlement liability	6,483	7,319
Workers' Compensation	12	18
Aggregate employee benefit liability and related on-costs	6,495	7,337
Employee provisions are represented by:		
Current	2,200	2,706
Non-current	4,295	4,631
 Note 8: Payables	 31/01/04	 2002-03
	\$'000	\$'000
<u>Note 8A - Supplier Payables</u>		
Trade Creditors	1,205	1,291
Total supplier payables	1,205	1,291
Supplier payables are represented by:		
Current	1,205	1,291
 <u>Note 8B – Other Payables</u>		
Revenue Received in Advance	2,505	2,362
Total other payables	2,505	2,362
Other payables are represented by:		
Current	621	910
Non current	1,884	1,452

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 9: Equity

Note 9A: – Analysis of Equity

	Contributed Equity		Accumulated Results		Asset Revaluation Reserve		TOTAL EQUITY	
	31/01/04 \$'000	2002-03 \$'000	31/01/04 \$'000	2002-03 \$'000	31/01/04 \$'000	2002-03 \$'000	31/01/04 \$'000	2002-03 \$'000
Opening Balance at 1 July	412	412	3,782	3,011	42,037	41,138	46,231	44,561
Net surplus/(deficit)	Nil	Nil	Nil	5,427	Nil	Nil	Nil	5,427
Net revaluation increment	Nil	Nil	Nil	Nil	901	898	901	898
Transactions with owner	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Returns on Capital								
Capital Use Charge	Nil	Nil	Nil	(4,656)	Nil	Nil	Nil	(4,656)
Closing Balance at 31 Jan	412	412	3,782	3,782	42,938	42,036	47,132	46,230
Total equity attributable to the Commonwealth	412	412	3,782	3,782	42,938	42,036	47,132	46,230

Note 10 – Cash Flow Reconciliation

	31/01/04 \$'000	2002-03 \$'000
Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows		
• Cash at year end per Statement of Cash Flows	703	1,628
• Statement of Financial Position items comprising Above cash: 'Financial Asset – Cash'	703	1,628
Reconciliation of net surplus to net cash from operating activities:-		
-Net surplus	Nil	5,427
-Depreciation and amortisation	7,079	10,398
-(Gain)/Loss on disposal of assets	(9)	21
-Net Write down of non-financial assets	3	Nil
-Decrease (Increase) in net receivables	(2,261)	(652)
-(Increase) Decrease in prepayments	215	(237)
-(Decrease) Increase in suppliers payables	(86)	26
-(Decrease) Increase in employee provisions	(842)	580
-Increase (decrease) in revenue received in advance	143	2,335
Net cash from operating activities	4,242	17,898

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 11 – AppropriationsNote 11 - Cash Basis Acquittal of Appropriations from Act 1

Period end 31 January 2004	Note	2004
		\$
Balance carried from previous year		10,901,240
Appropriation (Parliamentary Departments) Act		40,613,000
Less: Appropriation revenue to be recognised in the Department of Parliamentary Services (<i>section 54B of the Parliamentary Services Act 1999</i>)		(17,153,499)
Appropriation revenue recognised in DPRS	3A	23,459,501
GST Credits		1,062,229
Annotations to 'net appropriations' (FMA s 31)		2,181,436
Available for payments		37,604,406
Payments made		(25,501,331)
Balance carried to next period		<u>12,103,075</u>
<i>Represented by:</i>		
Cash		702,595
Add: Appropriations receivable		11,346,383
Add: Receivables – Net GST receivable from the ATO		30,883
Add: Receivables – Goods and Services – GST receivable from customers		20,051
Add: Payable – Suppliers – GST portion		3,163
Total		<u>12,103,075</u>
Year ended 30 June 2003		2003
		\$
Balance carried from previous year		9,617,649
Appropriation (Parliamentary Departments) Act		44,456,000
GST Credits		2,275,872
Annotations to 'net appropriations' (FMA s 31)		4,578,105
Available for payments		60,927,626
Payments made		(50,026,386)
Balance carried to next year		<u>10,901,240</u>
<i>Represented by:</i>		
Cash		1,627,811
Add: Appropriations receivable		8,800,000
Add: Receivables – Net GST receivable from the ATO		440,729
Add: Receivables – Goods and Services – GST receivable from customers		46,182
Less: Payable – Suppliers – GST portion		(13,482)
Total		<u>10,901,240</u>

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 12 – Assets Held in Trust**a) Comcare Trust Account**

Purpose – Moneys held in trust and advanced to DPRS by Comcare for the purpose of distributing compensation payments made in accordance with *the Safety, Rehabilitation and Compensation Act 1998*.

The following table shows the composition of the Trust Account balance at the end of the period:

	31/01/04	30/06/03
	\$	\$
Balance carried forward from previous year	16,134	10,260
Receipts during the year	27,996	64,188
Available for payments	<u>44,130</u>	<u>74,448</u>
Payments made	<u>39,020</u>	<u>58,314</u>
Balance carried forward to next year	<u><u>5,110</u></u>	<u><u>16,134</u></u>

b) Services for Other Governments and Non-Agency Bodies Special Account

This account was established for expenditure in connection with services performed on behalf of other Governments and bodies that are not agencies under *the Financial Management and Accountability Act 1997*. For the periods ending 31 January 2004 and 30 June 2003, this special account had a \$Nil balance and there were no transactions debited or credited.

c) Other Trust Moneys Special Account

This account was established for expenditure of moneys temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth. For the periods ended 31 January 2004 and 30 June 2003, this special account had a \$Nil balance and there were no transactions debited or credited.

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 13 – Reporting of Outcomes

The department uses an activity based costing system to attribute its shared items. This system is based on allocating shared items initially to cost centres. Personnel costs are allocated to cost centres on the number of staff, other corporate costs are allocated on the budget. Each group's executive costs are then allocated to cost centres under their control and finally cost centre overheads are allocated to activities. The basis of attribution is consistent with that used for the 2002-03 Budget.

Note 13A – Net Cost of Outcome Delivery

	Outcome 1	
	31/01/04 \$'000	2002-03 \$'000
Departmental expenses	27,451	44,213
Total expenses	27,451	44,213
<i>Costs recovered from the provision of goods and services to the non-government sector</i>		
Departmental	869	125
Total costs recovered	869	125
<i>Other external revenue</i>		
Departmental		
Interest on cash deposits	Nil	42
Revenue from disposal of assets	19	17
Other	42	82
Goods and Services Revenue from Related Entities	1,447	2,284
Total other external revenues	1,508	2,425
Net cost of outcome	25,074	41,663

Outcome 1 is described in Note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. The Capital Use Charge is not included in the outcome as it is not an operating expense in end-of-year financial reports.

Note 13B – Major Classes of Departmental Revenues and Expenses by Output

	Outcome 1		Output Group 1		Output Group 2		Total	
	31/01/04 \$'000	2002-03 \$'000	31/01/04 \$'000	2002-03 \$'000	31/01/04 \$'000	2002-03 \$'000	31/01/04 \$'000	2002-03 \$'000
Departmental expenses								
Employees	8,360	12,260	3,849	7,743	12,209	20,003		
Suppliers	3,422	5,489	4,728	8,285	8,150	13,774		
Depreciation and amortisation	2,675	4,155	4,404	6,243	7,079	10,398		
Other expenses	Nil	14	13	24	13	38		
Total departmental expenses	14,457	21,918	12,994	22,295	27,451	44,213		
Funded by:								
Revenue from government	13,465	22,599	11,609	24,491	25,074	47,090		
Sale of goods and services	783	947	1,533	1,462	2,316	2,409		
Other non-taxation revenues	48	97	13	44	61	141		
Total departmental revenues	14,296	23,643	13,155	25,997	27,451	49,640		

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Outcome 1	Output Group 1		Output Group 2		Output 1 Total		
	Output 1.1 31/01/04 \$'000	Output 1.2 31/01/04 \$'000	Output 1.3 31/01/04 \$'000	Output 2.1 31/01/04 \$'000	Output 2.2 31/01/04 \$'000	31/01/04 \$'000	2002-03 \$'000
Departmental expenses							
Employees	1,492	4,743	2,125	3,254	4,413	12,209	20,003
Suppliers	441	1,974	1,007	2,862	7,246	8,150	13,774
Depreciation and amortisation	277	900	1,498	3,413	5,266	7,079	10,398
Other expenses	Nil	Nil	7	13	24	13	38
Total departmental expenses	2,210	7,617	4,630	9,542	16,949	27,451	44,213
Funded by:							
Revenue from government		8,034	13,465	11,609	18,619	25,074	47,090
Sale of goods and services	354	144	285	1,108	1,172	2,316	2,409
Other non-taxation revenues	2	42	4	11	28	61	141
Total departmental revenues	356	186	13,754	12,728	19,819	27,451	49,640

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 14 – Remuneration of Auditors	31/01/04	2002-03
	4	\$
	\$	
Financial statement audit services are provided free of charge to the department.		
The fair value of services provided was:	55,000	55,000

No other services were provided by the Auditor-General.

Note 15 – Executive Remuneration

The number of executive officers who received or were due to receive total remuneration of \$100,000 or more:

	31/01/04	2002-03
	Number	Number
\$100,000 to 109,999	1	-
\$110,000 to 119,999	-	-
\$120,000 to 129,999	-	2
\$130,000 to 139,999	-	1
\$210,000 to \$220,000	-	1
\$280,000 to \$289,999	1	-
	2	4

The aggregate amount of total remuneration of executives shown above.

\$390,546¹

\$698,666¹

The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.

\$111,440

\$0

The calculation of executive remuneration to 31 January 2004 was performed on the basis of remuneration provided to individuals and not on position. The aggregate amount of remuneration of executive officers shown above includes salary, accrued recreation and long service leave and accrued superannuation. The remuneration also includes other items provided under the current conditions of employment including the cost of motor vehicles, allowances and Fringe Benefits Tax paid by the department. The components of the aggregate amounts were included to provide consistency with Abstract 14 of the Urgent Issues Group *Directors' Remuneration*.

The Executive Remuneration figures are for the period 1 July 2003 to 31 January 2004, a 7 month period only. The comparative 02-03 figures are for the full financial year. The \$100,000 threshold for Executive remuneration only captures two Executive Officers to 31 January 2004. If these figures were full year figures the total number of Executives would be four as reported in the comparative year

¹ This figure includes remuneration for the Chief Executive Officer, part of which has been recovered from the Department of the Parliamentary Library.

Note 16 – Act of Grace Payments and Waivers and Defective Administration Scheme

No Act of Grace payments were made during the reporting period and there are no amounts owing as at period end.

No waivers of amounts owing to the Commonwealth were made Pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*.

No payments were made under the 'Defective Administration Scheme' during the reporting period (2003 no payments).

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 17 – Average Staffing Levels

	31/01/04	2002-03
Average staffing levels for the department during the year were:	<u>310</u>	<u>314</u>

FINANCIAL STATEMENTS

Note 18 – Financial Instruments

Note 18A – Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
Financial Assets		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	5A	Cash is recognised at its nominal amounts.	The department holds funds with the Reserve Bank of Australia at call. Monies in the Agency's bank accounts are swept into the Official Public Account nightly.
Receivables for goods and services	5B	These receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when the collection of the debt is judged to be less rather than more likely.	Receivables include balances due from entities within the Commonwealth and entities external to the Commonwealth. All receivables are due immediately.
Appropriations receivable	5B	These receivables are recognised at their nominal amounts.	Amounts appropriated by the Parliament in the current or previous years which are available to be drawn down by the Agency.

FINANCIAL STATEMENTS

Note 18A – Terms, Conditions and Accounting Policies (cont.)

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms & conditions affecting the amount, timing and certainty of cash flows)
Financial Liabilities		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Trade Creditors	8A	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	Creditors include balances due to entities within the Commonwealth and entities external to the Commonwealth. Settlement is usually made net 30 days.

FINANCIAL STATEMENTS

Note 18B – Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In			Non-Interest Bearing		Total		Weighted Average Effective Interest Rate		
		31/01/04 2002-03		1 to 5 Years		> 5 Years		31/01/04 2002-03		31/01/04 2002-03		31/01/04 2002-03	
		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	%	%
Financial Assets													
Cash at bank	5A	-	-	-	-	-	703	1,625	703	1,625	n/a	n/a	
Cash on hand	5A	-	-	-	-	-	Nill	3	Nill	3	n/a	n/a	
Receivables	5B	-	-	-	-	-	728	949	728	949	n/a	n/a	
Appropriation Receivables	5B	-	-	-	-	-	11,346	8,800	11,346	8,800	n/a	n/a	
Total		-	-	-	-	-	12,777	11,377	12,777	11,377			
Total Assets									57,337	57,220			
Financial Liabilities													
Trade Creditors	8A	-	-	-	-	-	1,205	1,291	1,205	1,291	n/a	n/a	
Total		-	-	-	-	-	1,205	1,291	1,205	1,291	n/a	n/a	
Total Liabilities									10,205	10,990			

FINANCIAL STATEMENTS

Notes to and forming part of the Financial Statements

Note 18C – Net Fair Values of Financial Assets and Liabilities

	Notes	31/01/2004		2002-03	
		Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000
Departmental Financial Assets					
Cash at bank	5A	703	703	1,625	1,625
Cash on hand	5A	Nil	Nil	3	3
Receivables	5B	728	728	949	949
Appropriation receivable	5B	11,346	11,346	8,800	8,800
Total Financial Assets		12,777	12,777	11,377	11,377
Financial Liabilities					
Trade Creditors	8A	1,205	1,205	1,291	1,291
Total Financial Liabilities		1,205	1,205	1,291	1,291

Credit Risk Exposures

The department's maximum exposures to credit risk at reporting date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position. The department has no significant exposures to any concentrations of credit risk.

Financial Assets

The net fair values of cash and other non-interest-bearing monetary financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values of trade creditors and other payables are approximated by their carrying amounts