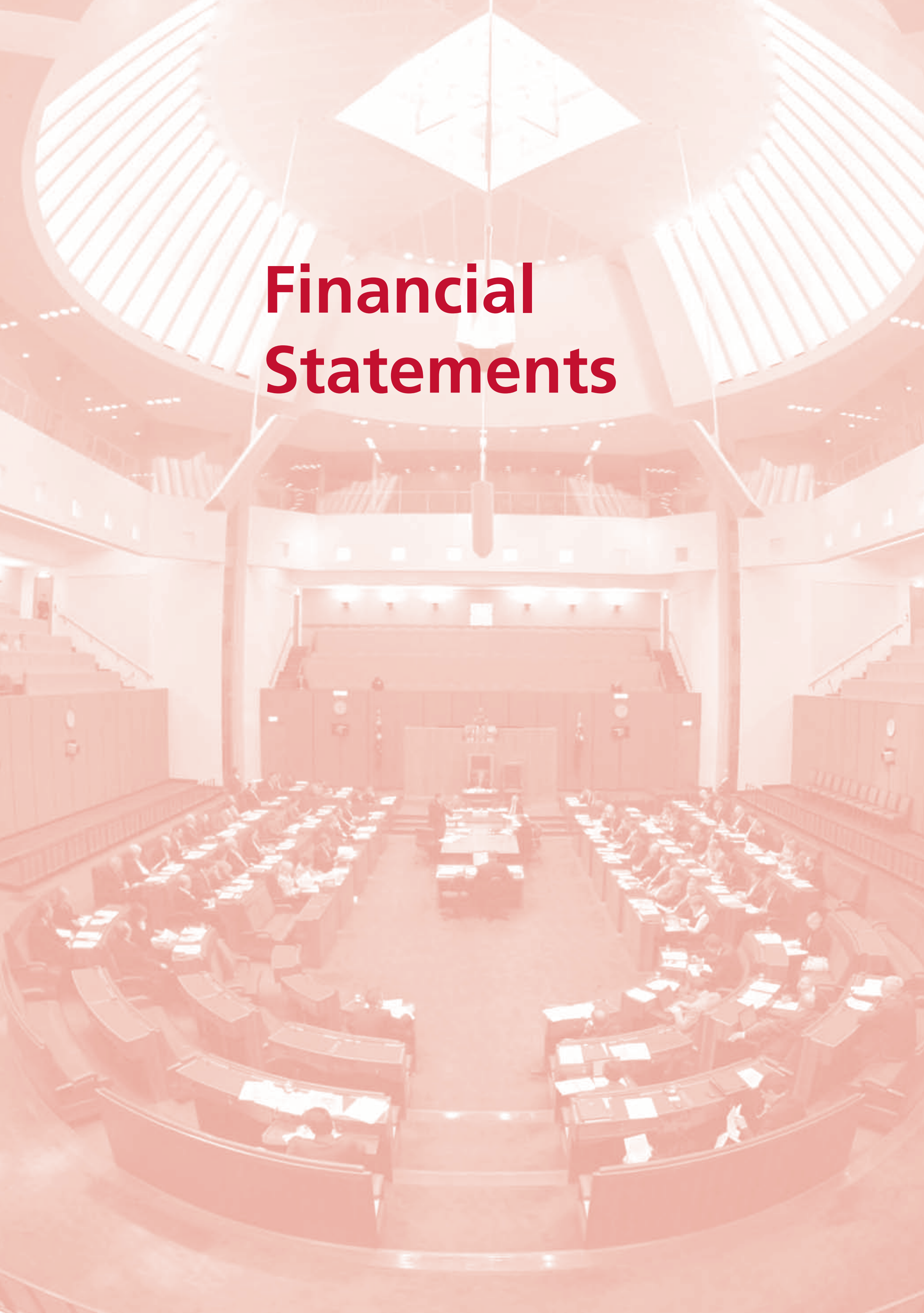
Financial Statements



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Australian National
Audit Office

INDEPENDENT AUDITOR'S REPORT

To the President of the Senate

Scope

I have audited the accompanying financial statements of the Department of the Senate for the year ended 30 June 2009, which comprise: a Statement by the Chief Executive and Chief Finance Officer; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

The Responsibility of the Clerk of the Senate for the Financial Statements

The Clerk of the Senate is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards (which include the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 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's preparation and fair presentation of the financial statements 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's internal control. An audit also includes evaluating the appropriateness of

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accounting policies used and the reasonableness of accounting estimates made by the Clerk of the Senate, as well as evaluating the overall presentation of the financial statements.

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

Independence

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

Auditor's Opinion

In my opinion, the financial statements of the Department of the Senate:

(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 the Senate's financial position as at 30 June 2009 and its financial performance and cash flows for the year then ended.

Australian National Audit Office

Rebecca Reilly
Executive Director
Delegate of the Auditor-General Canberra

Canberra
4 September 2009

AUSTRALIAN SENATE
CANBERRA ACT 2600

Statement by the Chief Executive and Chief Finance Officer

In our opinion, the attached financial statements for the year ended 30 June 2009 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.

Harry Evans	Joe d'Angelo
Clerk of the Senate	Chief Finance Officer
3 September 2009	3 September 2009

Department of the Senate

Income statement

for the period ended 30 June 2009

	Notes	2009 $'000	2008 $'000
INCOME			
Revenue			
Revenue from government	3A	**20,285**	19,727
Sale of goods and rendering of services	3B	**571**	583
Royalties	3C	**4**	22
Total revenue		**20,860**	20,332
Gains			
Other gains - resources received free of charge	3D	**2,700**	3,297
Total gains		**2,700**	3,297
TOTAL INCOME		**23,560**	23,629
EXPENSES			
Employee benefits	4A	**16,778**	14,093
Suppliers	4B	**7,288**	7,123
Depreciation and amortisation	4C	**880**	686
Write-down and impairment of assets	4D	**9**	103
Losses from asset sales	4E	**35**	21
TOTAL EXPENSES		**24,990**	22,026
SURPLUS/(DEFICIT)		**(1,430)**	1,603

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

Department of the Senate
Balance sheet
as at 30 June 2009

	Notes	2009 $'000	2008 $'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	**279**	625
Trade and other receivables	5B	**11,095**	11,694
Total financial assets		**11,374**	12,319
Non-financial Assets			
Infrastructure, plant and equipment	6A, 6C	**2,478**	3,618
Intangibles	6B, 6C	**466**	651
Inventories	6D	**20**	18
Other non-financial assets	6E	**172**	133
Total non-financial assets		**3,136**	4,420
TOTAL ASSETS		**14,510**	16,739
LIABILITIES			
Payables			
Suppliers	7A	**96**	346
Other payables	7B	**684**	675
Total payables		**780**	1,021
Provisions			
Employee provisions	7C	**4,923**	4,400
Total provisions		**4,923**	4,400
TOTAL LIABILITIES		**5,703**	5,421
NET ASSETS		**8,807**	11,318
EQUITY			
Contributed equity		**-**	-
Reserves		**10,026**	11,107
Retained surplus (accumulated deficit)		**(1,219)**	211
TOTAL EQUITY		**8,807**	11,318
Current assets		**11,566**	12,470
Non-current assets		**2,944**	4,269
Current liabilities		**4,989**	5,000
Non-current liabilities		**714**	421

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

Department of the Senate
Statement of changes in equity
as at 30 June 2009

	Retained Earnings		Asset revaluation reserve		Contributed equity/capital		Total equity	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Opening balance	**211**	9,924	**11,107**	11,107	**-**	-	**11,318**	21,031
Adjusted opening balance	**211**	9,924	**11,107**	11,107	**-**	-	**11,318**	21,031
Income and expense								
Revaluation adjustment	**-**	-	**(1,081)**	-	**-**	-	**(1,081)**	-
Sub-total income and expenses recognised directly in equity	**-**	-	**(1,081)**	-	**-**	-	**(1,081)**	-
Surplus/(Deficit) for the period	**(1,430)**	1,603	**-**	-	**-**	-	**(1,430)**	1,603
Total income and expenses	**(1,430)**	1,603	**(1,081)**	-	**-**	-	**(2,511)**	1,603
Transactions with owners								
Distribution to owners								
Other - Return of prior year appropriations	**-**	-	**-**	-	**-**	(11,316)	**-**	(11,316)
Sub-total transactions with owners	**-**	-	**-**	-	**-**	(11,316)	**-**	(11,316)
Transfers between equity components	**-**	(11,316)	**-**	-	**-**	11,316	**-**	-
Closing balance at 30 June	**(1,219)**	211	**10,026**	11,107	**-**	-	**8,807**	11,318

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

Department of the Senate
Cash flow statement
for the year ended 30 June 2009

	Notes	2009 $'000	2008 $'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		**20,658**	18,549
Goods and services		**862**	420
Net GST received		**467**	429
Total cash received		**21,987**	19,398
Cash used			
Employees		**16,194**	13,913
Suppliers		**5,459**	3,961
Total cash used		**21,653**	17,874
Net cash from or (used by) operating activities	8	**334**	1,524
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		**31**	8
Total cash received		**31**	8
Cash used			
Purchase of property, plant and equipment		**652**	738
Purchase of intangibles		**59**	669
Total cash used		**711**	1,407
Net cash from or (used by) investing activities		**(680)**	(1,399)
Net increase or (decrease) in cash held		**(346)**	125
Cash at the beginning of the reporting period		**625**	500
Cash at the end of the reporting period	5A	**279**	625

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

Department of the Senate
Schedule of commitments
as at 30 June 2009

BY TYPE	2009 $'000	2008 $'000
Commitments receivable		
GST recoverable on commitments	**(95)**	(95)
Total commitments receivable	**(95)**	(95)
Other commitments		
Operating leases [1]	**113**	45
Goods and services [2]	**933**	1,003
Total other commitments	**1,046**	1,048
Net commitments by type	**951**	953
BY MATURITY		
Commitments receivable		
Other commitments receivable		
One year or less	**(78)**	(55)
From one to five years	**(17)**	(40)
Total other commitments receivable	**(95)**	(95)
Commitments payable		
Operating lease commitments		
One year or less	**72**	39
From one to five years	**41**	6
Total operating lease commitments	**113**	45
Goods and services commitments		
One year or less	**792**	566
From one to five years	**141**	437
Total goods and services commitments	**933**	1,003
Net commitments by maturity	**951**	953

NB: Commitments are GST inclusive where relevant.

[1] *Operating leases included are effectively non-cancellable and comprise agreements for the provision of motor vehicles to senior executive officers and there are no renewal or purchase options available.*

[2] *Other commitments relate to contracts (including purchase orders) lodged with suppliers.*

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

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

Note 1: Summary of significant accounting policies

1.1 Objectives of the Department of the Senate

The Department of the Senate is structured to meet the following outcome:

- Effective provision of services to support the functioning of the Senate as a House of the Commonwealth Parliament.

The department'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 the department in its own right. Administered activities involve the management or oversight by the department on behalf of the Commonwealth of items controlled or incurred by the Commonwealth.

Departmental activities are identified under five headings:

Output Group 1: Clerk's Office – provides procedural and constitutional advice in relation to the proceedings of the Senate and its committees, strategic direction for the department and secretariat support for the Procedure Committee, the Committee of Privileges and the Committee of Senators' Interests, and maintains the Register of Senators' Interests.

Output Group 2: Table Office – provides programming and procedural support to the Senate; processes legislation and documents, and archives records of the Senate; produces records of Senate business and proceedings, and disseminates information on the work of the Senate; provides document distribution and inquiries services; and provides secretariat support to several domestic committees.

Output Group 3: Procedure Office – provides advisory and drafting services to non-government senators, secretariat support for the legislative scrutiny committees and policy support for interparliamentary relations; conducts parliamentary research and training including for Parliaments overseas; and promotes community awareness and knowledge of the Senate and the Parliament.

Output Group 4: Committee Office – provides secretariat support for most Senate and certain joint committees and strives to increase the public's awareness of the work of committees.

Output Group 5: Black Rod's Office – provides office, chamber and committee room support; information technology and ceremonial services; security advice; and corporate services to the Senate, senators and departmental staff.

1.2 Basis of preparation of the financial report

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

The financial statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2008; and

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that apply for the reporting period.

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

Unless alternative treatment is specifically required by an accounting standard or FMOs, assets and liabilities are recognised in the balance sheet 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. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an accounting standard. Liabilities that are unrealised are reported in the schedule of commitments (other than unquantifiable or remote contingencies, which are reported at Note 9).

Unless alternative treatment is specifically required by an accounting standard revenues and expenses are recognised in the income statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The continued existence of the department in its present form, and with its present programs, is dependent on continuing appropriations by Parliament for the department's administration and programs.

1.3 Significant accounting judgements and estimates

No accounting judgements, assumptions or estimates have been identified that have a significant risk of causing a material impact on the amounts recorded in the financial statements.

1.4 Changes in Australian accounting standards

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the effective date in the current period. The following new standards are applicable to the current reporting period:

Financial instrument disclosure

The following new standards, amendments to standards or interpretations for the current financial year have no material financial impact on the department:

- AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards (June 2007)*
- AASB 7 *Financial Instruments: Disclosures*
- AASB 101 *Presentation of Financial Statements (Dec 2007)*
- AASB 116 *Property, Plant and Equipment*
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*
- AASB 139 *Financial Instruments: Recognition and Measurement*
- AASB 2007-9 *Amendments to Australian Accounting Standards arising from the Review of AASs 27,29 and 31*

- AASB 2008-10 *Amendments to Australian Accounting Standards - Reclassification of Financial Assets*
- AASB 2008-12 *Amendments to Australian Accounting Standards – Reclassification of Financial Assets– Effective Date and Transition*
- Interpretation 4 *Determining whether an Arrangement contains a Lease*

Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

- AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards (May 2009)*
- AASB 101 *Presentation of Financial Statements (Sep 2007)*
- AASB 123 *Borrowing Costs*
- AASB 2007-8 *Amendments to Australian Accounting Standards arising from AASB 101*
- AASB 2007-10 *Further Amendments to Australian Accounting Standards arising from AASB 101*
- AASB 2008-5 *Amendments to AAS arising from the Annual Improvements Project*
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*
- AASB 2008-9 *Amendments to AASB 1049 for Consistency with AASB 101*
- AASB 2008-13 *Amendments to Australian Accounting Standards arising from AASB Interpretation 17– Distributions of Non-cash Assets to Owners*
- AASB 2009-1 *Amendments to Australian Accounting Standards – Borrowing Costs of Not-for-Profit Public Sector Entities*
- AASB 2009-2 *Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments*
- AASB 2009-4 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*
- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*
- AASB Interpretation 17 *Distributions of Non-cash Assets to Owners*

1.5 Disclosure of changes in accounting policies

The department is not responsible for preparing the administered schedules and notes relating to the special appropriations from which it draws down various monies to pay for senators' remuneration and entitlements. The legislation establishing these appropriations is administered by the Department of Finance and Deregulation and the Department of Education, Employment and Workplace Relations and they are responsible for reporting these administered special appropriation items. The department is an agent agency as defined in the FMOs and as such must follow certain reporting requirements set down by those Orders. These are disclosed at note 13B.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

1.6 Revenue

Revenue from government

Departmental outputs appropriations for the year (adjusted for any formal additions and reductions) 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. The department does not currently participate in any reciprocal activities.

Appropriations receivable are recognised at their nominal amounts.

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;
- the seller retains no managerial involvement nor 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 the entity.

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 with the transaction will flow to the entity.

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 the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

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

1.7 Gains

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.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as revenue at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements (refer to Note 1.8).

Other gains

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

1.8 Transactions with the government as owner

Equity injections

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

Restructuring of administrative arrangements

Net assets received from 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 in the nature of a dividend.

1.9 Employee benefits

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

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date 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.

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 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 the department is estimated to be less than the annual entitlement for 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 liability for long service leave is recognised and measured at the estimated present value of future cash flows to be made in respect of all employees at 30 June 2009. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

In 2008–09, the department has made no provision for future separation and redundancy benefit payments.

Superannuation

Staff of the department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) and PSS accumulation plan (PSSap).

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

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

The liability for superannuation benefits is recognised in the financial statements of the Australian government and is settled by the Australian government in due course.

The department makes employer contributions to the Employee Superannuation Scheme at rates determined by an actuary to be sufficient to meet the cost to the government of the superannuation entitlements of the department's employees.

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

1.10 Leases

No finance leases were in existence at any time during the year or at balance date.

Operating lease payments are expensed on the basis of the benefits derived from the leased assets. The department's operating leases relate to vehicles leased from LeasePlan.

1.11 Cash

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.12 Financial assets

Financial assets are classified in the following categories:

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

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'.

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'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date.

These are classified as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Other categories of financial assets

The department does not have any financial assets classified as 'held-to-maturity investments', 'available-for-sale' or 'at fair value through profit or loss'.

Impairment of financial assets,

Financial assets are assessed for impairment at each balance date.

- *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 income statement.
- *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 income statement.
- *Available-for-sale 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 or 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.

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.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

Supplier and other payables

Trade creditors and accruals are recognised at the amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.14 Contingent liabilities and contingent assets

Contingent liabilities and assets are not recognised in the balance sheet but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or for which the amount cannot be reliably measured. Contingent assets are reported when settlement is probable, and contingent liabilities are recognised when settlement is greater than remote.

1.15 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 revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructured 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 before the restructuring.

1.16 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 $1,000 for furniture and fittings, office machines and equipment, and computer equipment, and $2,000 for plant and equipment, intangibles and all other assets, 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).

Revaluations

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

Asset class	Fair value measured at:
Plant and equipment	Market selling price

Following initial recognition at cost, valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially with 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. At a minimum, valuations are undertaken in each year as at 30 June.

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 through operating result. 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 eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable plant and equipment assets are written off to their estimated residual values over their estimated useful lives to the department, using the straight-line method of depreciation in all cases.

Depreciation rates (useful lives) and methods are reviewed at each reporting 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 prices only when assets are revalued.

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

	2009	2008
Plant equipment	**5 to 15 years**	5 to 15 years
Computer equipment	**3 to 10 years**	3 to 10 years
Furniture and fittings	**5 to 50 years**	5 to 50 years
Office machines and equipment	**4 to 30 years**	4 to 30 years
Intangibles (software)	**3 to 5 years**	3 to 5 years

Impairment

All assets were assessed for impairment at 30 June 2009. 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 the Department of the Senate were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

No indicators of impairment were found for assets at fair value.

1.17 Intangibles

The department's intangibles comprise software for internal use. These assets are carried at cost.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the department's software is 3 to 5 years (2007-08: 3 to 5 years).

All software assets were assessed for impairment as at 30 June 2009.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

1.18 Inventories

Inventories held for resale are valued at the lower of cost and net realisable value.

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.

1.19 Taxation

The department 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
- except for receivables and payables.

The fringe benefits tax for Members of Parliament is paid by the Department of Finance and Deregulation. The Department of the Senate pays fringe benefits tax on benefits it provides to office-holders of the Senate.

Note 2: Events occurring after the balance sheet date

There have been no significant events occur after balance date that may have an impact on the department's operations.

	2009 $'000	2008 $'000
Note 3: Income		
Revenue		
Note 3A: Revenue from government		
Appropriations for outputs	**20,285**	19,727
Total revenues from government	**20,285**	19,727
Note 3B: Sale of goods and rendering of services		
Goods	**270**	158
Services	**301**	425
Total sales of goods and rendering of services	**571**	583
Provision of goods - related entities	**216**	138
Provision of goods - external entities	**54**	20
Total sale of goods	**270**	158
Rendering of services - related entities	**241**	370
Rendering of services - external entities	**60**	55
Total rendering of services	**301**	425
Total sale of goods and rendering of services	**571**	583
Note 3C: Royalties		
Other	**4**	22
Total royalties	**4**	22
Gains		
Note 3D: Other gains		
Resources received free of charge	**2,700**	3,297
Total other gains	**2,700**	3,297

Note 4: Expenses

	2009 $'000	2008 $'000
Note 4A: Employee benefits		
Wages and salaries	**11,572**	10,021
Superannuation:		
Defined contribution plans	**441**	326
Defined benefit plans	**2,192**	1,794
Leave and other entitlements	**2,433**	1,887
Separation and redundancies	**140**	65
Total employee benefits	**16,778**	14,093

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

	2009 $'000	2008 $'000
Note 4B: Suppliers		
Provision of goods - related entities	**241**	192
Provision of goods - external entities	**1,780**	1,412
Rendering of services - related entities *	**3,037**	3,551
Rendering of services - external entities	**2,042**	1,864
Workers compensation premiums	**188**	104
Total supplier expenses	**7,288**	7,123

* Services from related entities included $2.7m of resources received free of charge from other Commonwealth agencies. (2008: $3.297m)

	2009 $'000	2008 $'000
Note 4C: Depreciation and amortisation		
Depreciation		
Infrastructure, plant and equipment	**638**	624
Amortisation		
Intangibles - computer software	**242**	62
Total depreciation and amortisation	**880**	686

	2009 $'000	2008 $'000
Note 4D: Write down and impairment of assets		
Financial assets		
Bad and doubtful debts expense	**-**	-
Non-financial assets		
Plant and equipment - write-downs	**7**	103
Intangibles - write-downs	**2**	-
Total write-down and impairment of assets	**9**	103

	2009 $'000	2008 $'000
Note 4E: Losses from asset sales		
Infrastructure, plant and equipment:		
Proceeds from assets sold	**(31)**	(8)
Carrying value of assets sold	**66**	29
Selling expenses	**-**	-
Total losses from asset sales	**35**	21

Note 5: Financial assets

	2009 $'000	2008 $'000
Note 5A: Cash and cash equivalents		
Cash on hand	**279**	625
Total cash and cash equivalents	**279**	625

	2009 $'000	2008 $'000
Note 5B: Trade and other receivables		
Goods and services - related entities	**87**	292
Goods and services - external parties	**3**	-
Total receivables for goods and services	**90**	292
Appropriations receivable for existing outputs	**10,977**	11,349
GST receivable from the Australian Taxation Office	**28**	53
Total trade and other receivables (net)	**11,095**	11,694
Receivables are aged as follows:		
Not overdue	**11,075**	11,692
Overdue by:		
Less than 30 days	**17**	1
30 to 60 days	**1**	1
61 to 90 days	**-**	-
More than 90 days	**2**	-
Total receivables (gross)	**11,095**	11,694

All receivables are current assets.

Note 6: Non-financial assets

Note 6A: Infrastructure, plant and equipment

	2009 $'000	2008 $'000
Infrastructure, plant and equipment		
- gross carrying (at fair value)	**2,574**	4,252
- accumulated depreciation	**(96)**	(634)
Total infrastructure, plant and equipment (non-current)	**2,478**	3,618

All revaluations are conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2009, an independent valuer, Pickles Valuation Services, conducted the revaluations.

A revaluation decrement of $1.081m (2008: $0.0m) for infrastructure, plant and equipment was debited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet.

At 30 June, no indicators of impairment were found for infrastructure, plant and equipment.

Note 6B: Intangibles

	2009 $'000	2008 $'000
Computer software		
- at cost	**1,261**	1,962
- accumulated amortisation	**(795)**	(1,311)
Total intangibles (non-current)	**466**	651

At 30 June, no indicators of impairment were found for intangible assets.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

Note 6C: Analysis of infrastructure, plant and equipment and intangibles

Reconciliation of the opening and closing balances of infrastructure, plant and equipment and intangibles (2008-09)

	IP&E $'000	Intangibles $'000	TOTAL $'000
As at 1 July 2008			
Gross book value	4,252	1,962	**6,214**
Accumulated depreciation/amortisation	(634)	(1,311)	**(1,945)**
Net book value 1 July 2008	**3,618**	**651**	**4,269**
Additions by purchase	652	59	**711**
Revaluation and impairments through equity	(1,081)	-	**(1,081)**
Depreciation/amortisation expense	(638)	(242)	**(880)**
Impairments recognised in surplus	(7)	(2)	**(9)**
Disposals	(66)	-	**(66)**
Net book value 30 June 2009	**2,478**	**466**	**2,944**
Net book value 30 June 2009 represented by:			
Gross book value	2,574	1,261	**3,835**
Accumulated depreciation/amortisation	(96)	(795)	**(891)**
	2,478	**466**	**2,944**

Reconciliation of the opening and closing balances of infrastructure, plant and equipment and intangibles (2007-08)

	IP&E $'000	Intangibles $'000	TOTAL $'000
As at 1 July 2007			
Gross book value	3,663	1,293	**4,956**
Accumulated depreciation/amortisation	(28)	(1,249)	**(1,277)**
Net book value 1 July 2007	**3,635**	**44**	**3,679**
Additions by purchase	739	669	**1,408**
Depreciation/amortisation expense	(624)	(62)	**(686)**
Impairments recognised in surplus	(103)	-	**(103)**
Disposals	(29)	-	**(29)**
Net book value 30 June 2008	**3,618**	**651**	**4,269**
Net book value 30 June 2008 represented by:			
Gross book value	4,252	1,962	**6,214**
Accumulated depreciation/amortisation	(634)	(1,311)	**(1,945)**
	3,618	**651**	**4,269**

	2009	2008
	$'000	$'000
Note 6D: Inventories		
Inventories held for distribution	20	18
Total inventories	20	18

All departmental inventories are current assets.

	2009	2008
Note 6E: Other non-financial assets		
Prepayments	172	133
Total other non-financial assets	172	133

All other non-financial assets are current assets.

Note 7: Payables and provisions

	2009	2008
Note 7A: Suppliers		
Trade creditors	96	346
Total supplier payables	96	346
Supplier payables - related entities are represented by:		
Current	19	24
Supplier payables - external parties are represented by:		
Current	77	322
Total supplier payables	96	346
Note 7B: Other payables		
Accrued expenses	250	303
Salaries and wages	241	188
Superannuation	193	184
Total other payables	684	675

All other payables recognised are current liabilities.

	2009	2008
Note 7C: Employee provisions		
Leave	4,923	4,361
Other	-	39
Total employee provisions	4,923	4,400
Current	4,209	3,979
Non-current	714	421
Total employee provisions	4,923	4,400

The classification of current includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of reporting date. Employee provisions expected to be settled in twelve months from the reporting date are $1.525 (2008: $1.359m), and in excess of one year are $3.398m (2008: $3.041m).

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

	2009 $'000	2008 $'000

Note 8: Cash flow reconciliation

Reconciliation of cash as per balance sheet to cash flow statement

	2009 $'000	2008 $'000
Report cash as per flow statement:		
Cash flow statement	**279**	625
Balance sheet	**279**	625
Difference	**-**	-

Reconciliation of net surplus to net cash from operating activities:

	2009 $'000	2008 $'000
Operating Result	**(1,430)**	1,603
Depreciation / amortisation	**880**	686
Net write down of assets	**9**	103
Net derecognition of assets	**-**	-
Loss / (gain) on disposal of assets	**35**	21
(Increase) / decrease in net receivables	**599**	(1,393)
(Increase) / decrease in inventories	**(2)**	15
(Increase) / decrease in prepayments	**(39)**	75
Increase / (decrease) in employee provisions	**523**	(31)
Increase / (decrease) in supplier payables	**(250)**	346
Increase / (decrease) in other payables	**9**	99
Net cash from / (used by) operating activities	**334**	1,524

Note 9: Contingent liabilities and assets

There were no departmental contingent liabilities or assets. (2008: Nil)

Note 10: Executive remuneration

The number of executives who received or were due to receive total remuneration of $130,000 or more:

	2009	2008
$130,000 to $144,999	**-**	1
$160,000 to $174,999	**1**	-
$175,000 to $189,999	**1**	2
$190,000 to $204,999	**-**	1
$205,000 to $219,999	**1**	-
$220,000 to $234,999	**1**	-
$235,000 to $249,999	**-**	1
$250,000 to $264,999	**1**	-
$385,000 to $399,999	**-**	1
$430,000 to $444,999	**1**	-
Total	**6**	6

	2009 $'000	2008 $'000
Note 10: Executive remuneration (continued)		
The aggregate amount of total remuneration of senior executives shown above.	**$ 1,475,245**	$ 1,311,334
The aggregate amount of separation and redundancy benefit payments during the year to executives shown above.	**Nil**	Nil

Note 11: Remuneration of auditors

Financial statement audit services are provided free of charge to the department.		
The fair value of audit services provided was:	**$ 84,000**	$ 85,500

No other services were provided by the Auditor-General.

Note 12: Financial instruments

Note 12A: Categories of financial instruments

	2009 $'000	2008 $'000
Financial Assets		
Loans and receivables:		
Cash and cash equivalent	**279**	625
Trade receivables	**90**	292
Carrying amount of financial assets	**369**	917
Financial Liabilities		
At amortised cost:		
Trade creditors	**96**	346
Other payables	**250**	460
Carrying amount of financial liabilities	**346**	806

Note 12B: Net income and expense from financial instruments

The department had no net income or expense from financial instruments. (2008: Nil)

Note 12C: Fair values of financial instruments

The net fair value of each class of assets and liabilities equals the carrying amounts in both the 2008-09 and 2007-08 financial years.

Note 12D: Credit risk

The department's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the balance sheet.

The department has no significant exposures to any concentrations of credit risk. All figures for credit risk are not exposed to any collateral. No indications of impairment were found for financial assets. Assets past due but not impaired are disclosed at Note 5B.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

Note 12E: Liquidity risk

All liabilities are at call (30 days). The department has no significant exposures to any liquidity risk. (2008: Nil)

Note 12F: Market risk

The department has no significant exposures to any market risk. (2008: Nil)

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

Note 13: Appropriations and Special Accounts

Note 13A: Acquittal of authority to draw cash from the Consolidated Revenue Fund (CRF) for Appropriations (Parliamentary Departments) Act (No. 1)

Particulars - Outcome 1	Departmental outputs		Total	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Balance carried from previous period	**11,974**	22,034	**11,974**	22,034
Appropriation Act:				
Appropriation (Parliamentary Departments) Act (No. 1)	**20,254**	20,220	**20,254**	20,220
Other annual appropriation acts as passed - Non-operating previous years outputs	**31**	-	**31**	-
Reductions of appropriations (Appropriation (Parliamentary Departments) Act (No. 1) s. 11)				
- prior years	**-**	(11,316)	**-**	(11,316)
- current year	**-**	(493)	**-**	(493)
FMA Act				
Appropriations to take account of recoverable GST (FMA Act s. 30A)	**552**	429	**552**	429
Relevant agency receipts (FMA Act s. 31)	**808**	381	**808**	381
Total appropriations available for payments	**33,619**	31,255	**33,619**	31,255
Cash payments made during the year (GST inclusive)	**22,363**	19,281	**22,363**	19,281
Appropriations credited to Special Accounts (GST exclusive)	**-**	-	**-**	-
Balance of authority to draw cash from the CRF for ordinary annual services appropriations	**11,256**	11,974	**11,256**	11,974
Represented by:				
Cash at bank and on hand	**279**	625	**279**	625
Departmental appropriations receivable	**10,977**	11,349	**10,977**	11,349
Total	**11,256**	11,974	**11,256**	11,974

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

Note 13: Appropriations and Special Accounts (continued)

Note 13B: Disclosure by agent in relation to appropriations

Administered

Parliamentary Entitlements Act 1990 (s. 11) **Department of Finance and Deregulation**	**2009**	2008
Purpose: An Act relating to the provision of benefits to Members of each House of the Parliament.	**$'000**	$'000
Total receipts	**-**	-
Total payments	**259**	158
Balance of receipts and payments	**(259)**	(158)

Parliamentary Superannuation Act 2004 (s. 8) **Department of Finance and Deregulation**	**2009**	2008
Purpose: An Act to provide for the making of superannuation contributions in respect of members of Parliament, and for related purposes.	**$'000**	$'000
Total receipts	**-**	-
Total payments	**773**	450
Balance of receipts and payments	**(773)**	(450)

Remuneration Tribunal Act 1973 (s. 7) **Department of Education, Employment and Workplace Relations**	**2009**	2008
Purpose: An Act to establish a tribunal in relation to the remuneration and allowances, and recreation leave entitlements, of the holders of certain public and other offices, and for related purposes.	**$'000**	$'000
Total receipts	**-**	-
Total payments	**12,816**	12,441
Balance of receipts and payments	**(12,816)**	(12,441)

The legislation establishing these special appropriations is administered by the Department of Finance and Deregulation and the Department of Education, Employment and Workplace Relations. Arrangements have been entered into with these departments to allow the Department of the Senate to draw upon these appropriations.

Note 13: Appropriations and Special Accounts (continued)

Note 13C: Special accounts

Other trust monies (Departmental)	**2009**	2008
	$'000	$'000
Legal Authority: *Financial Management and Accountability Act 1997 (s. 20)*		
Purpose: For expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.		
Balance carried from previous period	-	-
Appropriation for reporting period	-	-
Other receipts	-	11
Available for payments	-	11
Payments made	-	11
Balance carried to next period	-	-
Represented by:		
Cash - held by the department	-	-
Total balance carried to the next period	-	-

In 2008-09 all advances received under the *Safety, Rehabiliation and Compensation Act 1988* from COMCARE related to claims made after 1 July 2006. These amounts were receipted directly into the department's departmental accounts. Prior to 2008-09 this special account held monies advanced to the department by COMCARE for compensation claims made prior to 1 July 2006 in accordance with the *Safety, Rehabiliation and Compensation Act 1988*.

The department also has a Services for other Governments and Non-Agency Bodies Special Account established under section 20 of the *Financial Management and Accountability Act 1997*. The purpose of the Services for other Governments and Non-Agency Bodies Special Account is 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*. This account had no transactions and nil balances as at 30 June 2008 and 30 June 2009.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

Note 14: Compensation and debt relief

For departmental items:

No act of grace payments were made under subsection 33(1) of the *Financial Management and Accountability Act 1997* during the reporting period. (2008: Nil)

No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*. (2008: Nil)

No payments were made under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme. (2008: Nil)

No ex-gratia payments were provided for during the reporting period. (2008: Nil)

No payments were made under s.66 of the *Parliamentary Service Act 1999* during the reporting period. (2008: Nil)

Note 15: Reporting of outcomes

Note 15A: Net cost of outcome delivery

	Outcome 1		Total	
	2009	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000
Expenses				
Departmental	**24,990**	22,026	**24,990**	22,026
Total expenses	**24,990**	22,026	**24,990**	22,026
Costs recovered from provision of goods and services to the non-government sector				
Departmental	**118**	97	**118**	97
Total costs recovered	**118**	97	**118**	97
Other external revenues				
Departmental	**457**	508	**457**	508
Total other external revenues	**457**	508	**457**	508
Net cost / (contribution) of outcome	**24,415**	21,421	**24,415**	21,421

Outcome 1 is described in note 1.1. Net costs shown include intra-government costs that are eliminated in calculating the actual budget outcome.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2009

Note 15: Reporting of outcomes (continued)

Note 15B: Major classes of departmental revenues and expenses by output groups and outputs

Outcome 1	Output Group 1		Output Group 2		Output Group 3		Output Group 4		Output Group 5		Outcome 1 total	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Departmental expenses												
Employees	**926**	850	**1,985**	1,725	**3,923**	3,519	**6,973**	5,350	**2,972**	2,649	**16,779**	14,093
Suppliers	**332**	305	**1,085**	1,044	**2,582**	2,543	**2,689**	2,336	**598**	895	**7,286**	7,123
Depreciation/write-downs	**48**	41	**117**	99	**248**	217	**368**	275	**144**	178	**925**	810
Other expenses	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Total departmental expenses	**1,306**	1,196	**2,868**	2,868	**6,753**	6,279	**10,030**	7,961	**3,714**	3,722	**24,990**	22,026
Funded by:												
Revenues from government	**1,060**	1,073	**2,588**	2,575	**5,484**	5,637	**8,144**	7,146	**3,009**	3,296	**20,285**	19,727
Other revenue	**152**	184	**362**	452	**1,260**	1,467	**1,093**	1,221	**408**	578	**3,275**	3,902
Total departmental revenues	**1,212**	1,257	**2,950**	3,027	**6,744**	7,104	**9,237**	8,367	**3,417**	3,874	**23,560**	23,629

Note 15C: Major classes of departmental assets and liabilities by outcome

All departmental assets and liabilities are attributable to the department's single outcome.

Appendices