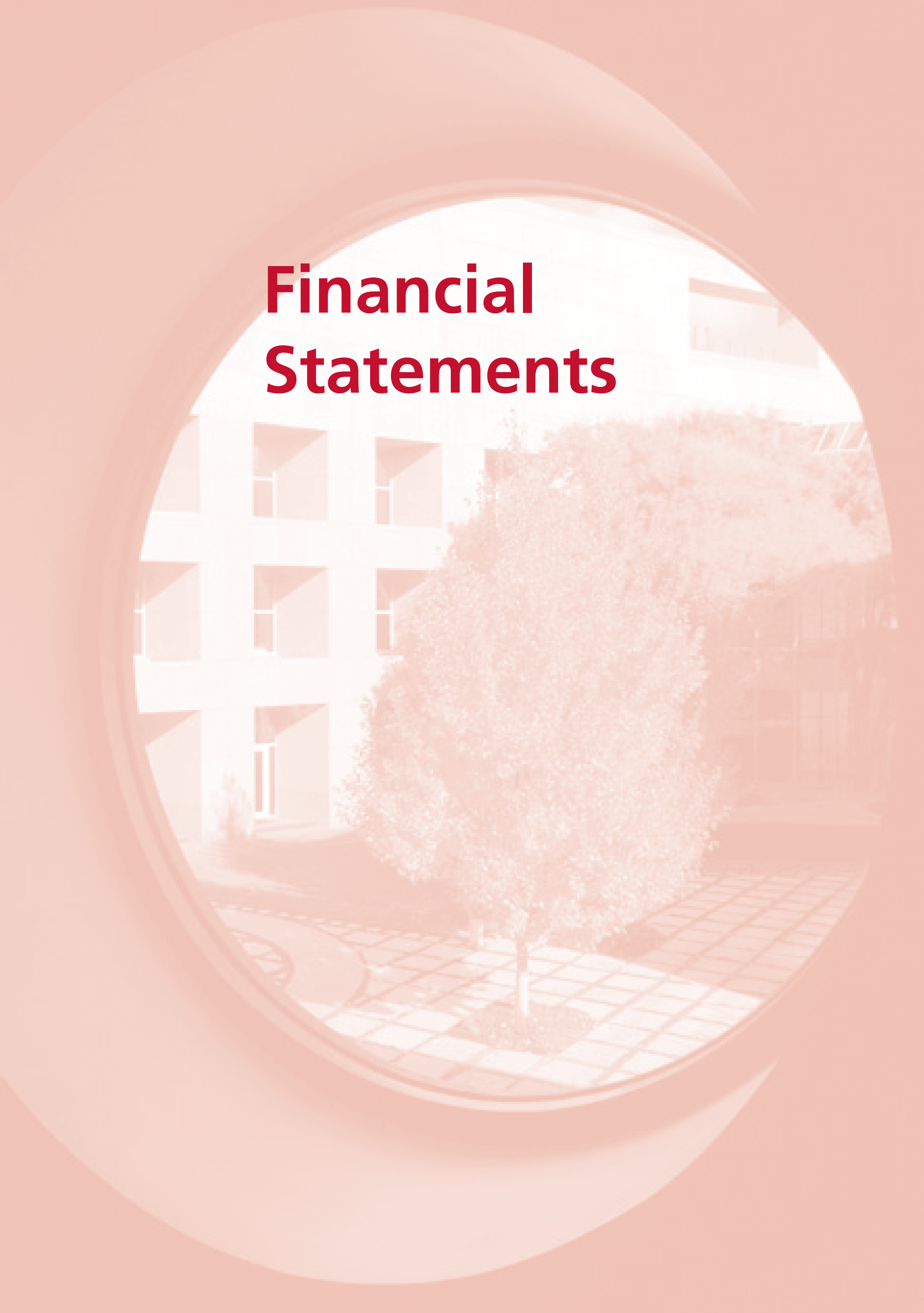
# Financial Statements



# Contents

Australian National
Audit Office

**INDEPENDENT AUDITOR'S REPORT**

**To the President of the Senate**

I have audited the accompanying financial statements of the Department of the Senate for the year ended 30 June 2012, which comprise: a Statement by the Chief Executive and Chief Finance Officer; Statement of Comprehensive Income; Balance sheet; Statement of changes in equity; Cash flow statement; Schedule of commitments; 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 of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

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

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

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***Independence***

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

***Opinion***

In my opinion, the financial statements of the Department of 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 2012 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office

Ron Wah
Audit Principal

Delegate of the Auditor-General

Canberra
21 September 2012

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 2012 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.

| | |
|---|---|
| Rosemary Laing | Joe d'Angelo |
| Clerk of the Senate | Chief Finance Officer |
| 21 September 2012 | 21 September 2012 |

# Department of the Senate

## Statement of Comprehensive Income

*for the period ended 30 June 2012*

| | Notes | **2012 $'000** | 2011 $'000 |
|---|---|---|---|
| **EXPENSES** | | | |
| Employee benefits | 3A | **17,747** | 16,596 |
| Supplier | 3B | **6,625** | 6,520 |
| Depreciation and amortisation | 3C | **808** | 1,016 |
| Write-down and impairment of assets | 3D | **4** | - |
| Losses from asset sales | 3E | **8** | - |
| **TOTAL EXPENSES** | | **25,192** | 24,132 |
| **LESS:** | | | |
| **OWN-SOURCE INCOME** | | | |
| **Own-source revenue** | | | |
| Sale of goods and rendering of services | 4A | **548** | 608 |
| Royalties | 4B | **-** | 7 |
| ***Total own-source revenue*** | | **548** | 615 |
| **Gains** | | | |
| Other - resources received free of charge | 4C | **2,882** | 2,875 |
| ***Total gains*** | | **2,882** | 2,875 |
| ***Total own-source income*** | | **3,430** | 3,490 |
| ***Net cost of services*** | | **21,762** | 20,642 |
| Revenue from government | 4D | **20,424** | 20,060 |
| ***Surplus/(Deficit)*** | | **(1,338)** | (582) |
| **OTHER COMPREHENSIVE INCOME** | | | |
| Changes in asset revaluation surplus | | **869** | - |
| ***Total other comprehensive income*** | | **869** | - |
| ***Total comprehensive income/(loss)*** | | **(469)** | (582) |

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

# Department of the Senate

**Balance sheet**

*as at 30 June 2012*

| | Notes | **2012 $'000** | 2011 $'000 |
|---|---|---|---|
| **ASSETS** | | | |
| ***Financial Assets*** | | | |
| Cash and cash equivalents | 5A | **251** | 84 |
| Trade and other receivables | 5B | **12,204** | 12,069 |
| ***Total financial assets*** | | **12,455** | 12,153 |
| | | | |
| ***Non-financial Assets*** | | | |
| Property, plant and equipment | 6A, 6C | **2,244** | 1,702 |
| Intangibles | 6B, 6C | **542** | 215 |
| Inventories | 6D | **36** | 22 |
| Other non-financial assets | 6E | **218** | 234 |
| ***Total non-financial assets*** | | **3,040** | 2,173 |
| **TOTAL ASSETS** | | **15,495** | 14,326 |
| | | | |
| **LIABILITIES** | | | |
| ***Payables*** | | | |
| Suppliers | 7A | **561** | 471 |
| Other payables | 7B | **475** | 432 |
| ***Total payables*** | | **1,036** | 903 |
| | | | |
| ***Provisions*** | | | |
| Employee provisions | 7C | **5,241** | 4,551 |
| ***Total provisions*** | | **5,241** | 4,551 |
| **TOTAL LIABILITIES** | | **6,277** | 5,454 |
| | | | |
| **NET ASSETS** | | **9,218** | 8,872 |
| | | | |
| **EQUITY** | | | |
| Contributed equity | | **1,625** | 810 |
| Reserves | | **11,038** | 10,169 |
| Retained surplus (accumulated deficit) | | **(3,445)** | (2,107) |
| **TOTAL EQUITY** | | **9,218** | 8,872 |

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

## Department of the Senate

**Statement of changes in equity**

*for the period ended 30 June 2012*

| | Retained earnings | | Asset revaluation surplus | | Contributed equity/capital | | Total equity | |
|---|---|---|---|---|---|---|---|---|
| | **2012 $'000** | 2011 $'000 | **2012 $'000** | 2011 $'000 | **2012 $'000** | 2011 $'000 | **2012 $'000** | 2011 $'000 |
| **Opening balance** | | | | | | | | |
| Balance carried forward from previous period | **(2,107)** | (1,525) | **10,169** | 10,169 | **810** | - | **8,872** | 8,644 |
| **Adjusted opening balance** | **(2,107)** | (1,525) | **10,169** | 10,169 | **810** | - | **8,872** | 8,644 |
| **Comprehensive income** | | | | | | | | |
| Other comprehensive income | **-** | - | **869** | - | **-** | - | **869** | - |
| Surplus/(Deficit) for the period | **(1,338)** | (582) | | | | | **(1,338)** | (582) |
| **Total Comprehensive income** | **(1,338)** | (582) | **869** | - | **-** | - | **(469)** | (582) |
| of which: | | | | | | | | |
| Attributable to the Australian Government | **(1,338)** | (582) | **869** | - | **-** | - | **(469)** | (582) |
| **Transactions with owners** | | | | | | | | |
| ***Distribution to owners*** | | | | | | | | |
| Other - Return of prior year appropriations | **-** | - | **-** | - | **-** | - | **-** | - |
| ***Contribution by owners*** | | | | | | | | |
| Equity injection - Appropriation | **-** | - | **-** | - | **815** | 810 | **815** | 810 |
| **Subtotal transactions with owners** | **-** | - | **-** | - | **815** | 810 | **815** | 810 |
| Transfers between equity components | **-** | - | **-** | - | **-** | - | **-** | - |
| **Closing balance as at 30 June** | **(3,445)** | (2,107) | **11,038** | 10,169 | **815** | 810 | **9,218** | 8,872 |
| **Closing balance attributable to the Australian Government** | **(3,445)** | (2,107) | **11,038** | 10,169 | **1,625** | 810 | **9,218** | 8,872 |

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

# Department of the Senate

## Cash flow statement

*for the period ended 30 June 2012*

| | Notes | 2012 $'000 | 2011 $'000 |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| **Cash received** | | | |
| Appropriations | | **20,430** | 19,379 |
| Sale of goods and rendering of services | | **669** | 614 |
| Net GST received | | **357** | 319 |
| ***Total cash received*** | | **21,456** | 20,312 |
| **Cash used** | | | |
| Employees | | **17,013** | 16,254 |
| Suppliers | | **4,111** | 3,903 |
| ***Total cash used*** | | **21,124** | 20,157 |
| **Net cash from or (used by) operating activities** | 8 | **332** | 155 |
| **INVESTING ACTIVITIES** | | | |
| **Cash received** | | | |
| Proceeds from sales of property, plant and equipment | | **8** | 1 |
| ***Total cash received*** | | **8** | 1 |
| **Cash used** | | | |
| Purchase of property, plant and equipment | | **409** | 376 |
| Purchase of intangibles | | **419** | 78 |
| ***Total cash used*** | | **828** | 454 |
| **Net cash from (used by) investing activities** | | **(820)** | (453) |
| **FINANCING ACTIVITIES** | | | |
| **Cash received** | | **655** | 349 |
| ***Total cash received*** | | **655** | 349 |
| **Cash used** | | **-** | - |
| ***Total cash used*** | | **-** | - |
| **Net cash from (used by) financing activities** | | **655** | 349 |
| **Net increase (decrease) in cash held** | | **167** | 51 |
| Cash and cash equivalents at the beginning of the reporting period | | **84** | 33 |
| **Cash and cash equivalents at the end of the reporting period** | 5A | **251** | 84 |

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

## Department of the Senate

**Schedule of commitments**

*as at 30 June 2012*

| | 2012 | 2011 |
|---|---|---|
| **BY TYPE** | **$'000** | $'000 |
| **Commitments receivable** | | |
| GST recoverable on commitments | **(159)** | (60) |
| ***Total commitments receivable*** | **(159)** | (60) |
| **Commitments payable** | | |
| **Other commitments** | | |
| Operating leases [1] | **97** | 77 |
| Goods and services [2] | **1,656** | 646 |
| ***Total other commitments*** | **1,753** | 723 |
| **Net commitments by type** | **1,594** | 663 |
| **BY MATURITY** | | |
| **Commitments receivable** | | |
| **Other commitments receivable** | | |
| One year or less | **(104)** | (57) |
| From one to five years | **(55)** | (3) |
| ***Total other commitments receivable*** | **(159)** | (60) |
| **Commitments payable** | | |
| **Operating lease commitments** | | |
| One year or less | **38** | 40 |
| From one to five years | **59** | 37 |
| ***Total operating lease commitments*** | **97** | 77 |
| **Goods and services commitments** | | |
| One year or less | **1,107** | 633 |
| From one to five years | **549** | 13 |
| ***Total goods and services commitments*** | **1,656** | 646 |
| **Net commitments by maturity** | **1,594** | 663 |

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 the Clerk and the Presiding Officers and there are no renewal or purchase options available.*

[2] *Goods and services 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 2012*

## Note 1: Summary of significant accounting policies

### 1.1 Objectives of the Department of the Senate

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

- Advisory and administrative support services to enable the Senate and senators to fulfil their representative and legislative duties.

The department's not-for-profit activities contributing towards this outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the department in its own right. Further details of the department's activities are outlined at page 10.

### 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 general purpose financial statements.

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

(a) Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2011, and

(b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that apply for the reporting period.

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

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

Unless 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 to the department or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments (other than unquantifiable or remote contingencies, which are reported at Note 9).

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, 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 the 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 have been adopted earlier than the application date as specified in the standard. Accounting standards that were issued prior to the signing of the statement by the Clerk and Chief Financial Officer, and were applicable to the current reporting period did not have any financial impact, and are not expected to have a future financial impact.

*Future Australian Accounting Standard requirements*

Accounting standards that were issued prior to the signing of the statement by the Clerk and Chief Financial Officer, and applicable to future reporting periods, did not have any financial impact, and are not expected to have a future financial impact.

### 1.5 Revenue

*Revenue from government*

Amounts appropriated for departmental appropriation for the financial year (adjusted for any formal additions and reductions) are recognised as revenue from government when the department gains control of the appropriation, 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:

(a) the risks and rewards of ownership have been transferred to the buyer

(b) the department retains no managerial involvement nor effective control over the goods

(c) the revenue and transaction costs incurred can be reliably measured, and

(d) it is probable that the economic benefits associated with the transaction will flow to the department.

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

(a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured, and

(b) the probable economic benefits from the transaction will flow to the department.

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 impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

*Paid Parental Leave Scheme*

Amounts received under the Paid Parental Leave Scheme by the department and not yet paid to employees would be presented gross as cash and a liability (payable).

### 1.6 Gains

*Resources received free of charge*

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

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

*Other gains*

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

## 1.7 Transactions with the government as owner

*Equity injections*

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

*Restructuring of administrative arrangements*

Net assets received from or relinquished to another 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.

## 1.8 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 short-term employee benefits (as defined in AASB 119 *Employee Benefits*) 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/purchased leave and long service leave. No provision has been made for personal/carer's leave, as all personal/carer's leave is non-vesting and the average personal/carer's leave taken in future years by employees of the department is estimated to be less than the annual entitlement for personal/carer's leave.

The leave liabilities are generally 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 2012. 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 2011–12, the department has made no provision for future separation and redundancy benefit payments.

*Superannuation*

Employees of the department are generally members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) and PSS accumulation plan (PSSap). Where an eligible employee chooses a superannuation fund other than the department's nominated default fund, the PSSap, the department makes employer's contributions equal to those payable to the default fund.

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

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

The department makes employer contributions to the relevant employee superannuation scheme (the CSS and PSS) at rates determined by an actuary to be sufficient to meet the current cost to the government. The department accounts for the contributions as if they were contributions to defined contribution plans.

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

## 1.9 Leases

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

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets. The department's operating leases relate to vehicles leased from LeasePlan.

## 1.10 Cash

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

(a) cash on hand

(b) demand 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

(c) cash held by outsiders, and

(d) cash in special accounts.

## 1.11 Financial assets

Financial assets are classified in the following categories:

(a) at fair value through profit or loss

(b) held-to-maturity investments

(c) available-for-sale financial assets, and

(d) loans and receivables.

The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition. Financial assets are recognised and derecognised on 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'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

*Impairment of financial assets*

Financial assets are assessed for impairment at 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 Statement of Comprehensive Income.
- *Available-for-sale financial assets* – If there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Statement of Comprehensive Income.
- *Financial assets held at cost* – If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

## 1.12 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 on 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. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

*Supplier and other payables*

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).

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

### 1.14 Acquisition of assets

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

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of 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.

### 1.15 Property, plant and equipment (PP&E)

*Asset recognition threshold*

Property, plant and equipment assets are represented by two separate asset classes, infrastructure, plant and equipment (IPE) and intangibles. All purchases are initially recognised at cost in the balance sheet, unless their cost is below the recognition threshold, in which case they are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

| Asset class | Recognition threshold | Asset category |
|---|---|---|
| Infrastructure, plant and equipment | $1,000 | – Furniture and fittings<br>– Office machines |
| | $2,000 | – Plant and equipment |
| Intangibles | $2,000 | – Intangibles |

*Revaluations*

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

| Asset class | Fair value measured at: |
|---|---|
| Infrastructure, plant and equipment | Market selling price |

Following initial recognition at cost, infrastructure, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially 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.

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 in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is 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 and amortisation rates applying to each category of depreciable asset are based on the following useful lives:

| | **2012** | 2011 |
|---|---|---|
| Plant equipment | **5 to 15 years** | 5 to 15 years |
| Computer equipment | **2 to 10 years** | 2 to 10 years |
| Furniture and fittings | **5 to 100 years** | 5 to 100 years |
| Office machines and equipment | **4 to 30 years** | 4 to 30 years |
| Intangibles (software) | **3 to 7 years** | 3 to 7 years |

*Impairment*

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

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

### 1.16 Intangibles

The department's intangibles comprise software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the department's software is 3 to 7 years (2011: 3 to 7 years). All software assets were assessed for impairment as at 30 June 2012.

### 1.17 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.

### 1.18 Taxation

The department is exempt from all forms of taxation except fringe benefits tax (FBT) and the goods and services tax (GST).

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

(a) except where the amount of GST incurred is not recoverable from the Australian Taxation Office, and

(b) except for receivables and payables.

The FBT for senators is paid by the Department of Finance and Deregulation. The department pays FBT on benefits it provides to office-holders of the Senate.

## Note 2: Events after the reporting period

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

## Note 3: Expenses

| | 2012 $'000 | 2011 $'000 |
|---|---|---|
| Note 3A: Employee benefits | | |
| Wages and salaries | **12,612** | 11,773 |
| Superannuation: | | |
| Defined contribution plans | **744** | 629 |
| Defined benefit plans | **1,485** | 1,726 |
| Leave and other entitlements | **2,780** | 2,468 |
| Separation and redundancies | **126** | - |
| ***Total employee benefits*** | **17,747** | 16,596 |
| | | |
| Note 3B: Supplier | | |
| **Goods and services** | | |
| Professional and financial fees | **557** | 628 |
| Facilities and infrastructure | **595** | 471 |
| Recruitment and staff development | **90** | 122 |
| Hire charges and hospitality | **157** | 149 |
| Travel | **720** | 619 |
| Media and communications | **568** | 697 |
| General office expenses | **481** | 475 |
| Printing | **467** | 408 |
| Resources received free of charge | **2,882** | 2,875 |
| **Total goods and services** | **6,517** | 6,443 |
| | | |
| Goods and services are made up of: | | |
| Provision of goods - related entities | **87** | 94 |
| Provision of goods - external entities | **1,429** | 1,485 |
| Rendering of services - related entities * | **3,423** | 3,385 |
| Rendering of services - external entities | **1,578** | 1,479 |
| **Total goods and services** | **6,517** | 6,443 |

* Services from related entities included $2.882m of resources received free of charge from other Commonwealth agencies. (2011: $2.875m)

| | | |
|---|---|---|
| **Other supplier expenses** | | |
| Workers compensation expenses | **108** | 77 |
| ***Total other supplier expenses*** | **108** | 77 |
| ***Total supplier expenses*** | **6,625** | 6,520 |

| | 2012 $'000 | 2011 $'000 |
|---|---|---|
| Note 3C: Depreciation and amortisation | | |
| **Depreciation:** | | |
| Property, plant and equipment | **719** | 773 |
| **Amortisation:** | | |
| Intangibles - computer software | **89** | 243 |
| ***Total depreciation and amortisation*** | **808** | 1,016 |
| | | |
| Note 3D: Write-down and impairment of assets | | |
| **Non-financial assets** | | |
| Property, plant and equipment - write-downs | **4** | - |
| Intangibles - write-downs | **-** | - |
| ***Total write-down and impairment of assets*** | **4** | - |
| | | |
| Note 3E: Losses from asset sales | | |
| Property, plant and equipment: | | |
| Proceeds from sale | **(8)** | (1) |
| Carrying value of assets sold | **16** | 1 |
| Selling expenses | **-** | - |
| ***Total losses from asset sales*** | **8** | - |

## Note 4: Income

***Revenue***

| | 2012 $'000 | 2011 $'000 |
|---|---|---|
| Note 4A: Sale of goods and rendering of services | | |
| Provision of goods - related entities | **2** | 8 |
| Provision of goods - external parties | **58** | 40 |
| Rendering of services - related entities | **464** | 538 |
| Rendering of services - external parties | **24** | 22 |
| ***Total sale of goods and rendering of services*** | **548** | 608 |
| | | |
| Note 4B: Royalties | | |
| Other | **-** | 7 |
| ***Total royalties*** | **-** | 7 |

***Gains***

| | 2012 $'000 | 2011 $'000 |
|---|---|---|
| Note 4C: Other gains | | |
| Resources received free of charge | **2,882** | 2,875 |
| ***Total other gains*** | **2,882** | 2,875 |

| | 2012 $'000 | 2011 $'000 |
|---|---|---|
| ***Revenue from government*** | | |
| Note 4D: Revenue from government | | |
| Departmental appropriation | **20,424** | 20,060 |
| ***Total revenue from government*** | **20,424** | 20,060 |

## Note 5: Financial assets

| | 2012 $'000 | 2011 $'000 |
|---|---|---|
| Note 5A: Cash and cash equivalents | | |
| Cash on hand or on deposit | **251** | 84 |
| ***Total cash and cash equivalents*** | **251** | 84 |
| Note 5B: Trade and other receivables | | |
| Goods and services - related entities | **84** | 90 |
| Goods and services - external parties | **3** | 1 |
| ***Total receivables for goods and services*** | **87** | 91 |
| Appropriations receivable for existing program | **12,078** | 11,925 |
| Other receivables: | | |
| GST receivable from the Australian Taxation Office | **39** | 42 |
| Other | **-** | 11 |
| ***Total other receivables*** | **39** | 53 |
| ***Total trade and other receivables (net)*** | **12,204** | 12,069 |
| Receivables are aged as follows: | | |
| Not overdue | **12,199** | 12,034 |
| Overdue by: | | |
| 0 to 30 days | **2** | 33 |
| 31 to 60 days | **2** | 2 |
| 61 to 90 days | **1** | - |
| More than 90 days | **-** | - |
| ***Total receivables (gross)*** | **12,204** | 12,069 |

All receivables are expected to be recovered in no more than 12 months.
No indicators of impairment were noted for receivables.

## Note 6: Non-financial assets

Note 6A: Property, plant and equipment

| | 2012 $'000 | 2011 $'000 |
|---|---|---|
| ***Property, plant and equipment*** | | |
| Fair value | **2,285** | 3,295 |
| Accumulated depreciation | **(41)** | (1,593) |
| ***Total property, plant and equipment*** | **2,244** | 1,702 |

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

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

***Revaluations of non-financial assets***

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2012, an independent valuer conducted the revaluations.

A revaluation increment of $869,418 for plant and equipment (2011: nil) was credited to the asset revaluation surplus by asset class and included in the equity section of the balance sheet.

Note 6B: Intangibles

| | 2012 $'000 | 2011 $'000 |
|---|---|---|
| ***Computer software*** | | |
| Purchased | **1,916** | 1,500 |
| Accumulated amortisation | **(1,374)** | (1,285) |
| ***Total intangibles*** | **542** | 215 |

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

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

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

**Reconciliation of the opening and closing balances of property, plant and equipment and intangibles (2011–12)**

| | PP&E $'000 | Intangibles $'000 | TOTAL $'000 |
|---|---|---|---|
| **As at 1 July 2011** | | | |
| Gross book value | 3,295 | 1,500 | **4,795** |
| Accumulated depreciation/amortisation | (1,593) | (1,285) | **(2,878)** |
| **Net book value 1 July 2011** | **1,702** | **215** | **1,917** |
| Additions by purchase | 412 | 416 | **828** |
| Revaluation and impairments through equity | 869 | - | **869** |
| Reclassifications | - | - | **-** |
| Depreciation/amortisation expense | (719) | (89) | **(808)** |
| Impairments recognised in the operating result | (4) | - | **(4)** |
| Other movements - Derecognition of assets | - | - | **-** |
| Disposals | (16) | - | **(16)** |
| **Net book value 30 June 2012** | **2,244** | **542** | **2,786** |
| **Net book value 30 June 2012 represented by:** | | | |
| Gross book value | 2,285 | 1,916 | **4,201** |
| Accumulated depreciation/amortisation | (41) | (1,374) | **(1,415)** |
| **Net book value 30 June 2012** | **2,244** | **542** | **2,786** |

**Reconciliation of the opening and closing balances of infrastructure, plant and equipment and intangibles (2010–11)**

| | PP&E $'000 | Intangibles $'000 | TOTAL $'000 |
|---|---|---|---|
| **As at 1 July 2010** | | | |
| Gross book value | 2,999 | 1,422 | **4,421** |
| Accumulated depreciation/amortisation | (899) | (1,042) | **(1,941)** |
| **Net book value 1 July 2010** | **2,100** | **380** | **2,480** |
| Additions by purchase | 376 | 78 | **454** |
| Depreciation/amortisation expense | (773) | (243) | **(1,016)** |
| Impairments recognised in the operating result | - | - | **-** |
| Disposals | (1) | - | **(1)** |
| **Net book value 30 June 2011** | **1,702** | **215** | **1,917** |
| **Net book value 30 June 2011 represented by:** | | | |
| Gross book value | 3,295 | 1,500 | **4,795** |
| Accumulated depreciation/amortisation | (1,593) | (1,285) | **(2,878)** |
| **Net book value 30 June 2011** | **1,702** | **215** | **1,917** |

| | **2012** | 2011 |
|---|---|---|
| | **$'000** | $'000 |
| Note 6D: Inventories | | |
| Inventories held for sale | **36** | 22 |
| ***Total inventories*** | **36** | 22 |

All departmental inventories is expected to be sold in the next 12 months.

| | | |
|---|---|---|
| Note 6E: Other non-financial assets | | |
| Prepayments | **218** | 234 |
| ***Total other non-financial assets*** | **218** | 234 |

All other non-financial assets are current assets.

## Note 7: Payables and provisions

| | | |
|---|---|---|
| Note 7A: Suppliers | | |
| Trade creditors and accruals | **561** | 471 |
| ***Total supplier payables*** | **561** | 471 |
| Supplier payables expected to be settled within 12 months: | | |
| Related entities | **169** | 181 |
| External parties | **392** | 290 |
| ***Total supplier payables*** | **561** | 471 |

| | | |
|---|---|---|
| Note 7B: Other payables | | |
| Wages and Salaries | **413** | 380 |
| Superannuation | **62** | 52 |
| ***Total other payables*** | **475** | 432 |

All other payables recognised are expected to be settled within 12 months.

| | | |
|---|---|---|
| Note 7C: Employee provisions | | |
| Leave | **5,241** | 4,551 |
| ***Total employee provisions*** | **5,241** | 4,551 |
| Employee provisions are expected to be settled in: | | |
| No more than 12 months | **4,221** | 3,648 |
| More than 12 months | **1,020** | 903 |
| ***Total employee provisions*** | **5,241** | 4,551 |

| | 2012 $'000 | 2011 $'000 |
|---|---|---|
| **Note 8: Cash flow reconciliation** | | |
| **as per Balance Sheet to Cash Flow Statement** | | |
| **Cash and cash equivalents as per:** | | |
| Cash flow statement | **251** | 84 |
| Balance sheet | **251** | 84 |
| ***Difference*** | **-** | - |
| **Reconciliation of net cost of services to net cash from operating activities:** | | |
| Net cost of services | **(21,762)** | (20,642) |
| Add revenue from government | **20,424** | 20,060 |
| **Adjustments for non-cash items** | | |
| Depreciation/amortisation | **808** | 1,016 |
| Net write down of assets | **4** | - |
| Loss/(gain) on disposal of assets | **8** | - |
| **Changes in assets/liabilities** | | |
| (Increase)/decrease in net receivables | **26** | (739) |
| (Increase)/decrease in inventories | **(14)** | (9) |
| (Increase/decrease in prepayments | **16** | (82) |
| Increase/(decrease) in employee provisions | **690** | 266 |
| Increase/(decrease) in supplier payables | **90** | 209 |
| Increase/(decrease) in other payables | **42** | 76 |
| **Net cash from operating activities** | **332** | 155 |

## Note 9: Contingent liabilities and assets

*Quantifiable contingencies*

At 30 June 2012, the Department of the Senate has no quantifiable contingencies. (2011: Nil)

*Unquantifiable contingencies*

At 30 June 2012, the Department of the Senate has no unquantifiable contingencies.(2011: Nil)

*Significant remote contingencies*

At 30 June 2012, the Department of the Senate has no remote contingencies. (2011: Nil)

| | **2012** | 2011 |
|---|---|---|

## Note 10: Remuneration of auditors

| | | |
|---|---|---|
| Financial statement audit services were provided free of charge to the department by the Australian National Audit Office. | | |
| The fair value of audit services provided was: | **80** | 80 |

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

## Note 11: Senior executive remuneration

Note 11A: Senior executive remuneration expense for the reporting period

| | **$** | $ |
|---|---|---|
| **Short-term employee benefits** | | |
| Salary | **1,186,399** | 1,127,548 |
| Annual leave accrued | **86,773** | 81,534 |
| ***Total short-term employee benefits*** | **1,273,172** | 1,209,082 |
| **Post-employee benefits** | | |
| Superannuation | **236,333** | 208,527 |
| ***Total post-employment benefits*** | **236,333** | 208,527 |
| **Other long-term benefits** | | |
| Long-service leave | **28,201** | 26,498 |
| ***Total other long-term benefits*** | **28,201** | 26,498 |
| ***Total employment benefits*** | **1,537,706** | 1,444,107 |

Notes

1. Note 11A was prepared on an accrual basis.
2. Note 11A excludes acting arrangements and part-year service where remuneration for a senior executive was less than $150,000.

**Notes to and forming part of the Financial Statements**
*for the year ended 30 June 2012*

## Note 11: Senior executive remuneration (continued)

Note 11B: Average annual reportable remuneration paid to substantive senior executives during the reporting period

| 2012 | | | | | | |
|---|---|---|---|---|---|---|
| **Average annual reportable remuneration[1]** | **Senior Executives No.** | **Reportable salary[2] $** | **Contributed superannuation[3] $** | **Reportable allowances[4] $** | **Bonus paid[5] $** | **Total $** |
| **Total remuneration (including part-time arrangements):** | | | | | | |
| less than $150,000 | - | - | - | - | - | - |
| $180,000 to $209,999 | 5 | 164,409 | 33,239 | - | - | 197,648 |
| $240,000 to $269,999 | 1 | 223,878 | 27,271 | - | - | 251,149 |
| $360,000 to $389,999 | 1 | 320,620 | 55,213 | - | - | 375,833 |
| **Total** | 7 | | | | | |

| 2011 | | | | | | |
|---|---|---|---|---|---|---|
| **Average annual reportable remuneration[1]** | Senior Executives No. | Reportable salary[2] $ | Contributed superannuation[3] $ | Reportable allowances[4] $ | Bonus paid[5] $ | Total $ |
| **Total remuneration (including part-time arrangements):** | | | | | | |
| less than $150,000 | 1 | 83,741 | 10,839 | - | - | 94,580 |
| $180,000 to $209,999 | 5 | 174,674 | 29,725 | - | - | 204,399 |
| $360,000 to $389,000 | 1 | 307,924 | 60,978 | - | - | 368,902 |
| **Total** | 7 | | | | | |

***Notes:***

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
   a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
   b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
   c) exempt foreign employment income.
3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.
6. Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

## Note 11: Senior executive remuneration (continued)

Note 11C: Other Highly Paid Staff

| | 2012 | | | | | |
|---|---|---|---|---|---|---|
| **Average annual reportable remuneration**[1] | **Staff No.** | **Reportable salary**[2] **$** | **Contributed superannuation**[3] **$** | **Reportable allowances**[4] **$** | **Bonus paid**[5] **$** | **Total $** |
| **Total remuneration (including part-time arrangements):** | | | | | | |
| $150,000 to $179,999 | **6** | **124,654** | **30,627** | **-** | **-** | **155,281** |
| **Total** | **6** | | | | | |

| | 2011 | | | | | |
|---|---|---|---|---|---|---|
| **Average annual reportable remuneration**[1] | Staff No. | Reportable salary[2] $ | Contributed superannuation[3] $ | Reportable allowances[4] $ | Bonus paid[5] $ | Total $ |
| **Total remuneration (including part-time arrangements):** | | | | | | |
| $150,000 to $179,999 | 1 | 99,545 | 53,843 | - | - | 153,388 |
| **Total** | 1 | | | | | |

***Notes:***

1. This table reports staff:
   a) who were employed by the entity during the reporting period;
   b) whose reportable remuneration was $150,000 or more for the financial period; and
   c) were not required to be disclosed in Tables A, B or director disclosures.
   Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
   a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
   b) reportable fringe benefits (at the net amount prior to 'grossing up' to account for tax benefits); and
   c) exempt foreign employment income.
3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to senior executives in that reportable remuneration band during the reporting period, including any salary sacrificed amounts, as per the individuals' payslips.
4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.
5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.
6. Various salary sacrifice arrangements were available to senior executives including superannuation, motor vehicle and expense payment fringe benefits. Salary sacrifice benefits are reported in the 'reportable salary' column, excluding salary sacrificed superannuation, which is reported in the 'contributed superannuation' column.

| | 2012 $'000 | 2011 $'000 |
|---|---|---|

## Note 12: Financial instruments

Note 12A: Categories of financial instruments

| | 2012 $'000 | 2011 $'000 |
|---|---|---|
| ***Financial assets*** | | |
| Loans and receivables: | | |
| Cash and cash equivalent | **251** | 84 |
| Trade receivables | **87** | 91 |
| ***Carrying amount of financial assets*** | **338** | 175 |
| ***Financial liabilities*** | | |
| At amortised cost: | | |
| Trade creditors | **244** | 160 |
| Other payables | **317** | 311 |
| ***Carrying amount of financial liabilities*** | **561** | 471 |

Note 12B: Net income and expense from financial assets

The department had no net income or expense from financial instruments.
(2011: 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 2011–12 and 2010–11 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. No indications of impairment were found for financial assets. Assets past due but not impaired are disclosed at Note 5B.

Note 12E: Liquidity risk

All liabilities are at call (30 days). The department has no significant exposures to any liquidity risk. (2011: Nil)

Note 12F: Market risk

The department has no significant exposures to any market risk. (2011: Nil)

## Note 13: Financial Assets Reconciliation

| | 2012 $'000 | 2011 $'000 |
|---|---|---|
| ***Financial assets*** | | |
| **Total financial assets as per balance sheet** | **12,455** | 12,153 |
| Less: non-financial instrument components | | |
| Appropriation receivable | **12,078** | 11,925 |
| Other receivable - GST from ATO | **39** | 42 |
| Other receivable - Accrued Revenue | **-** | 11 |
| Total non-financial instrument components | **12,117** | 11,978 |
| ***Total financial assets as per financial instrument note*** | **338** | 175 |

**Notes to and forming part of the Financial Statements**
*for the year ended 30 June 2012*

## Note 14: Appropriations

Note 14A: Annual Appropriations (Recoverable GST exclusive)

| | 2012 Appropriations | | | | | | | Appropriation applied in 2012 (current and prior | |
|---|---|---|---|---|---|---|---|---|---|
| | *Appropriation Act* | | | *FMA Act* | | | | | |
| | Annual Appropriation | Appropriations reduced | AFM | Section 30 | Section 31 | Section 32 | Total appropriation | | Variance |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **DEPARTMENTAL** | | | | | | | | | |
| Ordinary annual services | 21,239 | - | - | 451 | 1,227 | - | 22,917 | 22,764 | 153 |
| **Total departmental** | 21,239 | - | - | 451 | 1,227 | - | 22,917 | 22,764 | 153 |

| | 2011 Appropriations | | | | | | | Appropriation applied in 2011 (current and prior | |
|---|---|---|---|---|---|---|---|---|---|
| | *Appropriation Act* | | | *FMA Act* | | | | | |
| | Annual Appropriation | Appropriations reduced | AFM | Section 30 | Section 31 | Section 32 | Total appropriation | | Variance |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **DEPARTMENTAL** | | | | | | | | | |
| Ordinary annual services | 20,540 | - | - | 383 | 1,172 | - | 22,095 | 20,525 | 1,570 |
| **Total departmental** | 20,540 | - | - | 383 | 1,172 | - | 22,095 | 20,525 | 1,570 |

## Note 14: Appropriations (continued)

Note 14B: Departmental Capital Budgets ('Recoverable GST exclusive')

| | 2012 Capital Budget Appropriations | | | | Capital Budget Appropriations applied in 2012 (current and prior years) | | | |
|---|---|---|---|---|---|---|---|---|
| | *Appropriation Act* | | *FMA Act* | | | | | |
| | Annual Capital Budget | Appropriations reduced[2] | Section 32 | Total Capital Budget Appropriations | Payments for non-financial assets[3] | Payments for other purposes | Total payments | Variance |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **DEPARTMENTAL** | | | | | | | | |
| Ordinary annual services - Departmental Capital Budget[1] | **815** | **-** | **-** | **815** | **828** | **-** | **828** | **(13)** |

***Notes:***

1 The Departmental Capital Budget is appropriated through Parliamentary Appropriation Acts (No.1,3,5). It forms part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Note 14A: Annual appropriations.

2 Appropriations reduced under Appropriation Acts (No.1,3,5) 2011-12: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.

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

| | 2011 Capital Budget Appropriations | | | | Capital Budget Appropriations applied in 2011 (current and prior years) | | | |
|---|---|---|---|---|---|---|---|---|
| | *Appropriation Act* | | *FMA Act* | | | | | |
| | Annual Capital Budget | Appropriations reduced[2] | Section 32 | Total Capital Budget Appropriations | Payments for non-financial assets[3] | Payments for other purposes | Total payments | Variance |
| | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 | $'000 |
| **DEPARTMENTAL** | | | | | | | | |
| Ordinary annual services - Departmental Capital Budget[1] | 810 | - | - | 810 | 382 | - | 382 | 428 |

***Notes:***

1 The Departmental Capital Budget is appropriated through Parliamentary Appropriation Acts (No.1,3,5). It forms part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Note 14A: Annual appropriations.

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

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

## Note 14: Appropriations (continued)

Note14C: Unspent Annual Appropriations (Recoverable GST exclusive)

| Authority | 2012 $'000 | 2011 $'000 |
|---|---|---|
| **DEPARTMENTAL** | | |
| Parliamentary Appropriation Act (No. 1) 2004–05 | **-** | 1,722 |
| Parliamentary Appropriation Act (No. 1) 2006–07 | **5,964** | 5,964 |
| Parliamentary Appropriation Act (No. 1) 2007–08 | **1,178** | 1,179 |
| Parliamentary Appropriation Act (No. 1) 2008–09 | **246** | 246 |
| Parliamentary Appropriation Act (No. 1) 2009–10 | **1,346** | 1,346 |
| Parliamentary Appropriation Act (No. 1) 2010–11[1] | **1,077** | 1,468 |
| Parliamentary Appropriation Act (No. 1) 2011–12 | **2,267** | - |
| Total | **12,078** | 11,925 |

[1] Inclusive of 2011–12 budget measure - $330,000 appropriation receivable.

## Note 14: Appropriations (continued)

Note 14D: Disclosure by agent in relation to annual and special appropriations (Recoverable GST exclusive)

| | **Department of Finance and Deregulation - *Parliamentary Entitlements Act 1990* (s. 11)** | **Department of Finance and Deregulation - *Parliamentary Superannuation Act 2004* (s. 18)** | **Department of Finance and Deregulation - *Commonwealth of Australia Constitution* (s. 66)** | **Australian Public Service Commission - *Remuneration Tribunal Act 1973* (s. 7)** |
|---|---|---|---|---|
| **2012** | **$'000** | **$'000** | **$'000** | **$'000** |
| **Total receipts** | **-** | **-** | **-** | **-** |
| **Total payments** | **199** | **1,221** | **653** | **15,395** |

| | Department of Finance and Deregulation - *Parliamentary Entitlements Act 1990* (s. 11) | Department of Finance and Deregulation - *Parliamentary Superannuation Act 2004* (s. 18) | Department of Finance and Deregulation - Commonwealth of Australia Constitution (s. 66) | Australian Public Service Commission - *Remuneration Tribunal Act 1973* (s. 7) |
|---|---|---|---|---|
| 2011 | $'000 | $'000 | $'000 | $'000 |
| Total receipts | - | - | - | - |
| Total payments | 189 | 877 | - | 13,828 |

The legislation establishing these special appropriations is administered by the Department of Finance and Deregulation and the Australian Public Service Commission. Arrangements have been entered into with these departments to allow the Department of the Senate to draw upon these appropriations.

## Note 14: Appropriations (continued)

Note 14E: Compliance with statutory conditions for payment from the Consolidated Revenue Fund

In its 2010-11 financial statements, the department undertook to address the risk of non-compliance with statutory pre-conditions for payment (and hence non-compliance with section 83 of the Constitution) in relation to payments from special appropriations that do not accord with conditions included in the relevant legislation. The department undertook to investigate these circumstances and any impact on its special appropriations, seeking legal advice as appropriate.

The special appropriations identified in 2010-11 relate to the payments to Senators, including their entitlements that are appropriated to agencies other than the department and are reported under Note 14D: Disclosure by agent in relation to annual and special appropriations. Legal advice sought during the 2011-12 year confirmed that the associated responsibility rests with the agency administering the appropriation. Reporting of any breaches of section 83 are also the responsibility of these other agencies.

## Note 15: Special accounts

The department's Other Trust Monies Account was established under section 20 of the *Financial Management and Accountability Act 1997*. The purpose of this account was for expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth. For the year ended 30 June 2011, the account had a nil balance. This special account was abolished on 20 June 2012, pursuant to Financial Management and Accountability (Abolition of 24 Special Accounts) Determiniation 2012/02.

## Note 16: Compensation and debt relief

For departmental items:

No act of grace payments were expended during the reporting period. (2011: Nil)

No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997* during the reporting period. (2011:Nil)

No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2011: Nil)

No ex-gratia payments were provided for during the reporting period. (2011: Nil)

No payments were provided under section 66 of the *Parliamentary Service Act 1999* during the reporting period. (2011: Nil)

## Note 17: Reporting of outcomes

Note 17A: Net cost of outcome delivery

| | Outcome 1 | | Total | |
|---|---|---|---|---|
| | **2012** | 2011 | **2012** | 2011 |
| | **$'000** | $'000 | **$'000** | $'000 |
| **Departmental** | | | | |
| Expenses | **25,192** | 24,132 | **25,192** | 24,132 |
| Own-source income | **3,430** | 3,490 | **3,430** | 3,490 |
| ***Net cost of outcome delivery*** | **28,622** | 27,622 | **28,622** | 27,622 |

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

Note 17B: Major classes of departmental expense, income, assets and liabilities by outcome

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

## Note 18: Net cash appropriation arrangements

| | **2012** | 2011 |
|---|---|---|
| | **$'000** | $'000 |
| **Total comprehensive income less depreciation/ amortisation expenses previously funded through revenue appropriations**[1] | **339** | 434 |
| Plus: depreciation/amortisation expenses previously funded through revenue appropriation | **(808)** | (1,016) |
| **Total comprehensive loss - as per the Statement of Comprehensive Income** | **(469)** | (582) |

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