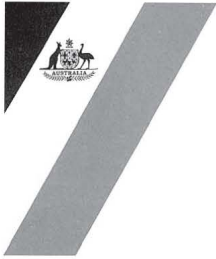


Financial statements

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of the Department of Parliamentary Services for the year ended 30 June 2013, which comprise: a Statement by the Chief Executive and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement; Schedule of Administered Commitments; and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

Secretary's Responsibility for the Financial Statements

The Secretary of the Department of Parliamentary Services is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as 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 Parliamentary Services' preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department of Parliamentary Services' internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Secretary of the Department of Parliamentary Services, as well as evaluating the overall presentation of the financial statements.

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

Independence


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

Opinion

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

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Department of Parliamentary Services' financial position as at 30 June 2013 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
10 October 2013

**DEPARTMENT OF PARLIAMENTARY SERVICES
STATEMENT BY THE CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2013 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.



Carol Mills
Secretary

9 October 2013



Karen Williams FCPA
Chief Finance Officer

9 October 2013

Statement of Comprehensive Income

for the period ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
EXPENSES			
Employee benefits	3A	67 809	66 668
Suppliers	3B	44 299	41 747
Depreciation and amortisation	3C	24 593	23 595
Write-down and impairment of assets	3D	2	1
Losses from asset sales	3E	199	353
Total expenses		<u>136 902</u>	<u>132 364</u>
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	4 995	4 805
Rental income	4B	1 587	1 469
Other revenue	4C	381	273
Total own-source revenue		<u>6 963</u>	<u>6 547</u>
Gains			
Foreign exchange	4D	1	1
Other gains	4E	-	12
Total gains		<u>1</u>	<u>13</u>
Total own-source income		<u>6 964</u>	<u>6 560</u>
Net cost of services		<u>129 938</u>	<u>125 804</u>
Revenue from Government	4F	101 160	103 641
Deficit attributable to the Australian Government		<u>(28 778)</u>	<u>(22 163)</u>
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to profit or loss			
Changes in asset revaluation reserve		3 253	414
Total comprehensive loss attributable to the Australian Government		<u>(25 525)</u>	<u>(21 749)</u>

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

Balance Sheet
as at 30 June 2013

	Notes	2013 \$'000	2012 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	223	306
Trade and other receivables	5B	<u>23 516</u>	<u>22 999</u>
Total financial assets		<u>23 739</u>	<u>23 305</u>
Non-financial assets			
Property, plant and equipment	6A,B	78 114	85 907
Intangibles	6C,D	25 255	32 525
Inventories	6E	173	188
Other non-financial assets	6F	<u>3 849</u>	<u>2 162</u>
Total non-financial assets		<u>107 391</u>	<u>120 782</u>
Total assets		<u>131 130</u>	<u>144 087</u>
LIABILITIES			
Payables			
Suppliers payable	7A	6 807	2 604
Other payables	7B	<u>2 129</u>	<u>2 658</u>
Total payables		<u>8 936</u>	<u>5 262</u>
Provisions			
Employee provisions	8A	<u>20 047</u>	20 900
Total provisions		<u>20 047</u>	<u>20 900</u>
Total liabilities		<u>28 983</u>	<u>26 162</u>
Net assets		<u>102 147</u>	<u>117 925</u>
EQUITY			
Contributed equity		164 004	154 257
Reserves		18 607	15 354
Accumulated deficit		<u>(80 464)</u>	<u>(51 686)</u>
Total equity		<u>102 147</u>	<u>117 925</u>

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

Statement of Changes in Equity
for the period ended 30 June 2013

	Accumulated deficit		Reserves		Contributed equity		Total equity	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
Opening balance								
Balance carried forward from previous period	(51 686)	(29 507)	15 354	14 939	154 257	134 123	117 925	119 555
Adjustment for errors	-	(16)	-	1	-	1	-	(14)
Adjusted opening balance	(51 686)	(29 523)	15 354	14 940	154 257	134 124	117 925	119 541
Comprehensive income								
Other comprehensive income	-	-	3 253	414	-	-	3 253	414
Deficit for the period	(28 778)	(22 163)	-	-	-	-	(28 778)	(22 163)
Total comprehensive income	(28 778)	(22 163)	3 253	414	-	-	(25 525)	(21 749)
Transactions with owners								
Contributions by owners								
Departmental capital budget	-	-	-	-	9 747	20 133	9 747	20 133
Total transactions with owners	-	-	-	-	9 747	20 133	9 747	20 133
Closing balance at 30 June 2013	(80 464)	(51 686)	18 607	15 354	164 004	154 257	102 147	117 925

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

Cash Flow Statement

for the period ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		101 870	105 809
Sales of goods and rendering of services		7 190	6 410
Net GST received		5 016	13 349
Other revenue		219	16
Total cash received		114 295	125 584
Cash used			
Employees		69 202	66 131
Suppliers		48 446	53 650
Total cash used		117 648	119 781
Net cash from/(used) by operating activities	9	(3 353)	5 803
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		107	84
Total cash received		107	84
Cash used			
Purchase of property, plant and equipment		5 146	16 037
Purchase of intangibles		1 438	9 891
Total cash used		6 584	25 928
Net cash used by investing activities		(6 477)	(25 844)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	834
Departmental capital budget		9 747	19 299
Total cash received		9 747	20 133
Net cash from financing activities		9 747	20 133
Net increase/(decrease) in cash held		(83)	92
Cash and cash equivalents at the beginning of the reporting period		306	214
Cash and cash equivalents at the end of the reporting period	5A	223	306

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

Schedule of Commitments

as at 30 June 2013

	2013 \$'000	2012 \$'000
BY TYPE		
Commitments receivable		
Sublease rental income	(2 399)	(3 460)
Net GST recoverable on commitments	<u>(4 693)</u>	<u>(1 828)</u>
Total commitments receivable	<u>(7 092)</u>	<u>(5 288)</u>
Commitments payable		
Capital commitments		
Property, plant and equipment	9 508	1 590
Intangibles	<u>3 872</u>	<u>320</u>
Total capital commitments	<u>13 380</u>	<u>1 910</u>
Other commitments		
Operating leases	52	155
Other	<u>41 522</u>	<u>21 504</u>
Total other commitments	<u>41 574</u>	<u>21 659</u>
Total commitments payable	<u>54 954</u>	<u>23 569</u>
Net commitments by type	<u>47 862</u>	<u>18 281</u>
BY MATURITY		
Commitments receivable		
Sublease rental income		
One year or less	(1 561)	(1 358)
From one to five years	<u>(838)</u>	<u>(2 102)</u>
Total sublease rental income	<u>(2 399)</u>	<u>(3 460)</u>
Other commitments receivable		
One year or less	(2 427)	(841)
From one to five years	<u>(2 266)</u>	<u>(987)</u>
Total other commitments receivable	<u>(4 693)</u>	<u>(1 828)</u>
Total commitments receivable	<u>(7 092)</u>	<u>(5 288)</u>
Commitments payable		
Capital commitments		
One year or less	6 240	918
From one to five years	<u>7 140</u>	<u>992</u>
Total capital commitments	<u>13 380</u>	<u>1 910</u>
Operating lease commitments		
One year or less	51	106
From one to five years	<u>1</u>	<u>49</u>
Total operating lease commitments	<u>52</u>	<u>155</u>

Other commitments

One year or less	22 090	9 583
From one to five years	19 432	11 921
Total other commitments	41 522	21 504
Total commitments payable	54 954	23 569
Net commitments by maturity	47 862	18 281

Note: commitments are GST inclusive where relevant.

The nature of capital commitments is primarily for the acquisition of plant and equipment assets.

The nature of other commitments is primarily for the acquisition of other goods and services.

The department in its capacity as lessor has leasing agreements for space within Parliament House for the press gallery and retail operations. Contingent rent is calculated and payable based on movements in the Consumer Price Index (CPI) and options for extension exist.

The department in its capacity as lessee has leasing agreements for motor vehicles. No contingent rent is payable, the agreements are effectively non-cancellable and there are no options for extension or purchase.

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

Administered Schedule of Comprehensive Income*for the period ended 30 June 2013*

	Notes	2013 \$'000	2012 \$'000
EXPENSES			
Depreciation and amortisation	15A	27 093	26 645
Losses from asset sales	15B	4	537
Total expenses administered on behalf of Government		27 097	27 182
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Other revenue	16A	9	43
Total own-source revenue administered on behalf of Government		9	43
Gains			
Other gains	16B	68	2
Total gains		68	2
Total own-source income administered on behalf of Government		77	45
Net cost of services		27 020	27 137
Deficit		(27 020)	(27 137)
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserve		86 425	-
Total comprehensive income/(loss)		59 405	(27 137)

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

Administered Schedule of Assets and Liabilities*as at 30 June 2013*

	Notes	2013 \$'000	2012 \$'000
ASSETS			
Financial Assets			
Trade and other receivables	17A	<u>69</u>	<u>655</u>
Total financial assets		<u>69</u>	<u>655</u>
Non-financial assets			
Land and buildings	18A,C	<u>2 136 016</u>	<u>2 070 352</u>
Property, plant and equipment	18B,C	<u>90 048</u>	<u>84 490</u>
Total non-financial assets		<u>2 226 064</u>	<u>2 154 842</u>
Total assets administered on behalf of Government		<u>2 226 133</u>	<u>2 155 497</u>
LIABILITIES			
Payables			
Suppliers payable	19A	<u>669</u>	<u>450</u>
Other payables	19B	<u>24</u>	<u>636</u>
Total payables		<u>693</u>	<u>1 086</u>
Total liabilities administered on behalf of Government		<u>693</u>	<u>1 086</u>
Net assets		<u>2 225 440</u>	<u>2 154 411</u>

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

Administered Reconciliation Schedule

	2013	2012
	\$'000	\$'000
Opening administered assets less administered liabilities as at 1 July	2 154 411	2 146 766
Surplus/(deficit) items		
Plus: Administered income	76	45
Less: Administered expenses	(27 097)	(27 181)
Other comprehensive income:		
Administered revaluations taken to reserves	86 425	-
Administered transfers to/from Australian Government		
Appropriation transfers from OPA:		
Administered assets and liabilities appropriations	11 635	34 825
Transfers to OPA		
Administered receipts	(10)	(44)
Closing administered assets and liabilities as at 30 June	<u>2 225 440</u>	<u>2 154 411</u>

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

Administered Cash Flow Statement*for the period ended 30 June 2013*

	Notes	2013 \$'000	2012 \$'000
OPERATING ACTIVITIES			
Cash received			
Net GST received		1 592	3 270
Other revenue		8	44
Total cash received		<u>1 600</u>	<u>3 314</u>
Cash used			
Suppliers		980	3 134
Total cash used		<u>980</u>	<u>3 134</u>
Net cash from operating activities		<u>620</u>	<u>180</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		2	1
Total cash received		<u>2</u>	<u>1</u>
Cash used			
Purchase of property, plant and equipment		11 635	34 825
Total cash used		<u>11 635</u>	<u>34 825</u>
Net cash used by investing activities		<u>(11 633)</u>	<u>(34 824)</u>
Net decrease in cash held		<u>(11 013)</u>	<u>(34 644)</u>
Cash and cash equivalents at the beginning of the reporting period		-	-
Cash from the Official Public Account for:			
- Appropriations		12 615	37 959
		<u>12 615</u>	<u>37 959</u>
Cash to the Official Public Account for:			
- Appropriations		(1 592)	(3 271)
- Administered receipts		(10)	(44)
		<u>(1 602)</u>	<u>(3 315)</u>
Cash and cash equivalents at the end of the reporting period		<u>-</u>	<u>-</u>

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

Schedule of Administered Commitments*as at 30 June 2013*

	2013	2012
	\$'000	\$'000
BY TYPE		
Commitments receivable		
Net GST recoverable on commitments	<u>(97)</u>	(455)
Total commitments receivable	<u>(97)</u>	<u>(455)</u>
Commitments payable		
Capital commitments		
Property, plant and equipment	<u>1 065</u>	5 001
Total capital commitments	<u>1 065</u>	<u>5 001</u>
Total commitments payable	<u>1 065</u>	<u>5 001</u>
Net commitments by type	<u>968</u>	<u>4 546</u>
BY MATURITY		
Commitments receivable		
Other commitments receivable		
One year or less	<u>(97)</u>	(455)
Total other commitments receivable	<u>(97)</u>	<u>(455)</u>
Total commitments receivable	<u>(97)</u>	<u>(455)</u>
Commitments payable		
Capital commitments		
One year or less	<u>1 065</u>	5 001
Total capital commitments	<u>1 065</u>	<u>5 001</u>
Total commitments payable	<u>1 065</u>	<u>5 001</u>
Net commitments by maturity	<u>968</u>	<u>4 546</u>

Note: commitments are GST inclusive where relevant.

The nature of capital commitments is for the acquisition of plant and equipment assets.

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

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Department of Parliamentary Services

The Department of Parliamentary Services (the department) is an Australian Government controlled entity. It is a not-for-profit entity. The objective of the department is to support the work of the Parliament, maintain Parliament House, and ensure that the building and parliamentary activity is accessible.

The department is structured to meet the following outcome:

Outcome 1: Occupants of Parliament House are supported by integrated services and facilities, Parliament functions effectively and its work and building are accessible to the public.

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth* (2012) 288 ALR 410, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

The continued existence of the department in its present form and with its present programs is dependent on Government policy and on continuing funding by Parliament for its administration and programs.

The department's activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income 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 Government, of items controlled or incurred by the Government.

The department conducts the following administered activities on behalf of the Government:

Parliament House Works Program - supports the operation of Parliament into the future, while preserving the design integrity of the architecture, engineering systems, art and landscape that make up Parliament House.

1.2 Basis of Preparation of the Financial Statements

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

The financial statements have been prepared in accordance with:

- a) Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2012; and
- b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to 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 or the schedule of contingencies.

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

1.3 Significant Accounting Judgements and Estimates

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

- The fair value of land has been taken to be the market value of similar properties with consideration of the impact of the restricted use clause, as determined by an independent valuer (see Note 1.17 for further information);
- The fair value of Parliament House (buildings), a specialised building, has been based on depreciated replacement cost as determined by an independent valuer (see Note 1.17 for further information); and
- The calculation of leave provisions involved actuarial assumptions based on the likely tenure of existing staff, patterns of leave claims and payouts, future salary movements and future discount rates (see Note 1.8 for further information).

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

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard.

The following revised standard was issued prior to the sign-off date, was applicable to the current reporting period and had a financial impact on the department:

AASB 101 Presentation of Financial Statements

Other new standards, revised standards, interpretations and amending standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the department.

Future Australian Accounting Standard Requirements

The following new standards, revised standards, interpretations and amending standards were issued by the Australian Accounting Standards Board prior to the sign-off date, were applicable to future reporting periods and are expected to have a financial impact on the department for future reporting periods:

AASB 9 Financial Instruments

AASB 13 Fair Value Measurement

AASB 1055 Budgetary Reporting

Other new standards, revised standards, interpretations and amending standards that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a financial impact on the department.

1.5 Revenue

Revenue from the sale of goods is recognised when:

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

The stage of completion of contracts at the reporting date is determined by reference to:

- a) surveys of work performed;
- b) services performed to date as a percentage of total services to be performed; or
- c) 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 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*.

Resources Received Free of Charge

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

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).

Revenue from Government

Amounts appropriated for departmental appropriations for the 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 that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

1.6 Gains

Resources Received Free of Charge

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

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

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

Sale of Assets

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

1.7 Transactions with the Government as Owner

Equity Injections

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

Restructuring of Administrative Arrangements

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

Other Distributions to Owners

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

1.8 Employee Benefits

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

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

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

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of 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 at the estimated salary rates that will be applied at the time the leave is taken, 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 has been determined by reference to the work of an actuary (using the short-hand method) as at 30 June 2013. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The department recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

The department's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other superannuation funds held outside the Commonwealth.

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

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

The department makes employer contributions to the employees' superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. 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 fortnight of the year.

1.9 Leases

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

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

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

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

1.10 Borrowing Costs

All borrowing costs are expensed as incurred.

1.11 Cash

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

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

1.12 Financial Assets

The department classifies its financial assets in the following categories:

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

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

Effective Interest Method

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

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

Financial Assets at Fair Value Through Profit or Loss

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

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

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset. Interest earned on financial assets at FVPL is included in line item 'Change in fair value through profit and loss'.

Available-for-Sale Financial Assets

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

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

Where a reliable fair value cannot be established for unlisted investments in equity instruments, these instruments are valued at cost.

Held-to-Maturity Investments

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

Loans and Receivables

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

Impairment of Financial Assets

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

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

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

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

1.13 Financial Liabilities

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

Financial Liabilities at Fair Value Through Profit 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 are recognised at 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 contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.15 Financial Guarantee Contracts

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

1.16 Acquisition of assets

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

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

1.17 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000 (excluding GST), 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).

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

Revaluations

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

<i>Asset Class</i>	<i>Fair Value Measurement</i>
Land	Market selling price
Buildings	Depreciated replacement cost
Infrastructure, plant and equipment	Market selling price
Heritage and cultural assets	Market selling price

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

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

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

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the department using either the straight-line method or the diminishing value method of depreciation.

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

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

	2013	2012
Buildings (excluding leasehold improvements)	5 - 200 years	20 - 200 years
Infrastructure, plant and equipment	2 - 47 years	3 - 50 years

Impairment

All assets were assessed for impairment at 30 June 2013. 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.

Derecognition

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

Heritage and cultural assets

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

- the rotational collection, consisting largely of contemporary Australian artworks;
 - the architectural commissions, consisting of artworks that were commissioned as an integrated part of the architectural design of the building (including commissioned artist-made furniture);
 - the historic memorials collection, consisting of historical portraits and paintings of significant events;
 - the gift collection, consisting of gifts that have been made to the Parliament;
 - the constitutional documents, a group of significant archival documents managed as part of the PHAC;
- and
- the archive, a range of historic and archival materials about Parliament, the PHAC and the construction of Parliament House.

The department has adopted appropriate curatorial and preservation policies in respect of the PHAC, which are available via the following link:

http://www.aph.gov.au/About_Parliament/Parliamentary_departments/department_of_Parliamentary_Services/policies

1.18 Intangibles

The department's intangibles comprise software (purchased and internally developed for internal use) and other intangibles (digitised Hansard records). 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 lives of the department's software are 2 to 14 years (2012: 3 to 10 years). Other intangibles are amortised on a straight line basis over its anticipated useful life. The useful lives of the department's other intangibles is 100 years (2012: 100 years).

All software and other intangible assets were assessed for indications of impairment as at 30 June 2013.

1.19 Inventories

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

Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- a) raw materials and stores – purchase cost on a first-in-first-out basis; and
- b) finished goods and work-in-progress – cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

1.20 Taxation/Competitive Neutrality

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

1.21 Reporting of Administered Activities

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

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

Administered Cash Transfers to and from the Official Public Account

Revenue collected by the department for use by the Government rather than the entity is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance and Deregulation. Conversely, cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of Government. These transfers to and from the OPA are adjustments to the administered cash held by the entity on behalf of the Government and reported as such in the schedule of administered cash flows and in the administered reconciliation schedule.

Revenue

All administered revenues are revenues relating to ordinary activities performed by the department on behalf of the Australian Government. As such, administered appropriations are not revenues of the department that oversees distribution or expenditure of the funds as directed.

Loans and Receivables

Where loans and receivables are not subject to concessional treatment, they are carried at amortised cost using the effective interest method. Gains and losses due to impairment, derecognition and amortisation are recognised through profit or loss.

1.22 Restatements

Where required, immaterial changes to prior year comparatives have been made.

Note 2: Events After the Reporting Period

Departmental

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the entity.

Administered

There was no subsequent event that had the potential to significantly affect the ongoing structure and financial activities of the entity.

Note 3: Expenses

	2013 \$'000	2012 \$'000
Note 3A: Employee Benefits		
Wages and salaries	51 158	48 999
Superannuation:		
Defined contribution plans	2 896	2 807
Defined benefit plans	7 405	6 498
Leave and other entitlements	5 361	6 360
Separation and redundancies	861	1 801
Other	128	203
Total employee benefits	67 809	66 668
Note 3B: Suppliers		
Goods and services		
Professional services	2 065	2 061
Contractors	13 143	12 579
Information resources	1 867	2 210
Communications	1 870	2 487
Office equipment and supplies	591	826
Employee related	2 243	2 129
Travel	441	503
Utilities	6 182	4 471
Maintenance	7 042	5 999
Other property operating expenses	6 214	6 939
Other	759	747
Total goods and services	42 417	40 951
Goods and services are made up of:		
Provision of goods - related entities	34	58
Provision of goods - external parties	5 071	4 971
Rendering of services - related entities	12 368	13 499
Rendering of services - external parties	24 944	22 423
Total goods and services	42 417	40 951

Other supplier expenses		
Operating lease rentals - external parties		
Minimum lease payments	25	29
Workers compensation expenses	1 857	767
Total other supplier expenses	1 882	796
Total supplier expenses	44 299	41 747

Note 3C: Depreciation and Amortisation

Depreciation:		
Property, plant and equipment	15 887	15 532
Total depreciation	15 887	15 532
Amortisation:		
Computer software	8 204	7 887
Other Intangibles	502	176
Total amortisation	8 706	8 063
Total depreciation and amortisation	24 593	23 595

Note 3D: Write-Down and Impairment of Assets

Asset write-downs and impairments from:		
Impairment on financial instruments	2	1
Total write-down and impairment of assets	2	1

Note 3E: Losses from Asset Sales

Property, plant and equipment		
Proceeds from sale	(107)	(96)
Carrying value of assets sold	290	437
Selling expense	15	12
Intangibles		
Carrying value of assets sold	1	-
Total losses from asset sales	199	353

Note 4: Income

	2013	2012
	\$'000	\$'000
<u>Note 4A: Sale of goods and rendering of services</u>		
Provision of goods - related entities	3	6
Provision of goods - external parties	1 129	1 194
Rendering of services - related entities	2 910	2 482
Rendering of services - external parties	953	1 123
Total sales of goods and rendering of services	4 995	4 805
<u>Note 4B: Rental income</u>		
Operating lease:		
Contingent Rentals	159	48
Other	1 428	1 421
Total rental income	1 587	1 469
<u>Note 4C: Other revenue</u>		
Resources received free of charge		
Provision of library services	22	25
Provision of external audit services	141	141
Other	218	107
Total other revenue	381	273
<u>Note 4D: Foreign exchange</u>		
Non-speculative	1	1
Total foreign exchange gains	1	1
<u>Note 4E: Other gains</u>		
Other	-	12
Total other gains	-	12
<u>Note 4F: Revenue from Government</u>		
Appropriations:		
Departmental appropriations	101 160	103 641
Total revenue from Government	101 160	103 641

Note 5: Financial Assets

	2013 \$'000	2012 \$'000
Note 5A: Cash and cash equivalents		
Cash on hand or on deposit	223	306
Total cash and cash equivalents	223	306
Note 5B: Trade and other receivables		
Goods and services:		
Goods and services - related entities	1 632	160
Goods and services - external parties	246	249
Total receivables for goods and services	1 878	409
Appropriations receivable:		
For existing programs	20 696	21 406
Total appropriations receivable	20 696	21 406
Other receivables		
GST receivable from the Australian Taxation Office	849	1 106
Other	93	78
Total other receivables	942	1 184
Total trade and other receivables (gross)	23 516	22 999
Receivables are expected to be recovered in:		
No more than 12 months	23 505	22 999
More than 12 months	11	-
Total trade and other receivables (gross)	23 516	22 999
Receivables are aged as follows:		
Not overdue	23 448	22 894
Overdue by:		
0 to 30 days	7	3
61 to 90 days	61	54
More than 90 days	-	48
Total receivables (gross)	23 516	22 999

Credit terms for goods and services were within 30 days (2012: 30 days).

Reconciliation of the Impairment Allowance Account

Movements in relation to 2013

	Goods and services \$'000	Total \$'000
Opening balance	-	-
Amounts written off	(2)	(2)
Increase recognised in net surplus	2	2
Closing balance	-	-

Movements in relation to 2012

	Goods and services \$'000	Total \$'000
Opening balance	-	-
Amounts written off	(1)	(1)
Increase recognised in net surplus	1	1
Closing balance	-	-

Note 6: Non-Financial Assets

	2013	2012
	\$'000	\$'000
Note 6A: Property, plant and equipment		
Property, plant and equipment		
Information technology assets		
Work in progress	11 984	14 089
Fair value	39 537	35 638
Accumulated depreciation	<u>(30 114)</u>	<u>(27 817)</u>
Total information technology assets	<u>21 407</u>	<u>21 910</u>
Communication assets		
Work in progress	14 081	14 155
Fair value	90 699	89 618
Accumulated depreciation	<u>(70 019)</u>	<u>(65 532)</u>
Total communication assets	<u>34 761</u>	<u>38 241</u>
Monitoring assets		
Fair value	831	1 279
Accumulated depreciation	<u>(814)</u>	<u>(1 250)</u>
Total monitoring assets	<u>17</u>	<u>29</u>
Furniture and equipment		
Work in progress	367	169
Fair value	12 788	12 733
Accumulated depreciation	<u>(8 971)</u>	<u>(8 907)</u>
Total furniture and equipment	<u>4 184</u>	<u>3 995</u>
Library collection		
Work in progress	32	-
Fair value	11 339	10 965
Accumulated depreciation	<u>(6 892)</u>	<u>(6 149)</u>
Total library collection	<u>4 479</u>	<u>4 816</u>
Security infrastructure		
Work in progress	1 683	1 764
Fair value	86 229	82 331
Accumulated depreciation	<u>(74 646)</u>	<u>(67 179)</u>
Total security infrastructure	<u>13 266</u>	<u>16 916</u>
Total property, plant and equipment	<u>78 114</u>	<u>85 907</u>

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

A number of items of property, plant and equipment are expected to be sold or disposed of within the next 12 months.

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2013, an independent valuer (the Australian Valuation Office) conducted the revaluations.

A revaluation increment of \$3,253,326 for plant and equipment (2012: \$414,482) was credited to the asset revaluation reserve by asset class and included in the equity section of the balance sheet; no decrements were expensed (2012: \$nil expensed).

Note 6B: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment 2013

	Information technology assets \$'000	Comm- unication assets \$'000	Monitoring assets \$'000	Furniture and equipment \$'000	Library collection \$'000	Security infra- structure \$'000	Total Other property, plant and equipment \$'000
As at 1 July 2012							
Gross book value	49 727	103 773	1 279	12 902	10 965	84 095	262 741
Accumulated depreciation and impairment	(27 817)	(65 532)	(1 250)	(8 907)	(6 149)	(67 179)	(176 834)
Net book value 1 July 2012	21 910	38 241	29	3 995	4 816	16 916	85 907
Additions							
By purchase	1 818	1 654	-	809	490	360	5 131
Revaluations and impairments recognised in other comprehensive income	2 674	-	16	-	-	563	3 253
Depreciation expense	(4 860)	(5 110)	(26)	(548)	(791)	(4 552)	(15 887)
Disposals							
Other	(135)	(24)	(2)	(72)	(36)	(21)	(290)
Net book value 30 June 2013	21 407	34 761	17	4 184	4 479	13 266	78 114
Net book value as of 30 June 2013 represented by:							
Gross book value	51 521	104 780	831	13 155	11 371	87 912	269 570
Accumulated depreciation and impairment	(30 114)	(70 019)	(814)	(8 971)	(6 892)	(74 646)	(191 456)
Net book value 30 June 2013	21 407	34 761	17	4 184	4 479	13 266	78 114

Note 6B (Cont'd): Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment 2012

	Information technology assets \$'000	Comm- unication assets \$'000	Monitoring assets \$'000	Furniture and equipment \$'000	Library collection \$'000	Security infra- structure \$'000	Total Other property, plant and equipment \$'000
As at 1 July 2011							
Gross book value	44 523	107 583	1 396	12 696	13 722	82 650	262 570
Accumulated depreciation and impairment	(22 712)	(71 470)	(1 330)	(8 898)	(8 690)	(62 725)	(175 825)
Net book value 1 July 2011	21 811	36 113	66	3 798	5 032	19 925	86 745
Additions							
By purchase	5 732	6 119	-	832	589	1 445	14 717
Revaluations and impairments recognised in other comprehensive income	-	-	-	-	414	-	414
Depreciation expense	(5 566)	(3 877)	(36)	(582)	(1 017)	(4 454)	(15 532)
Disposals							
Other	(67)	(114)	(1)	(53)	(202)	-	(437)
Net book value 30 June 2012	21 910	38 241	29	3 995	4 816	16 916	85 907
Net book value as of 30 June 2012 represented by:							
Gross book value	49 727	103 773	1 279	12 902	10 965	84 095	262 741
Accumulated depreciation and impairment	(27 817)	(65 532)	(1 250)	(8 907)	(6 149)	(67 179)	(176 834)
Net book value 30 June 2012	21 910	38 241	29	3 995	4 816	16 916	85 907

	2013	2012
	\$'000	\$'000
<u>Note 6C: Intangibles</u>		
Computer software:		
Internally developed - in use	-	110
Purchased - in progress	6 698	7 243
Purchased - in use	50 299	49 604
Accumulated amortisation	<u>(36 381)</u>	<u>(29 048)</u>
Total computer software	<u>20 616</u>	<u>27 909</u>
Other intangibles:		
Internally developed - in progress	289	-
Internally developed - in use	5 313	5 076
Accumulated amortisation	<u>(963)</u>	<u>(460)</u>
Total other intangibles	<u>4 639</u>	<u>4 616</u>
Total intangibles	<u>25 255</u>	<u>32 525</u>

No indicators of impairment were found for intangibles.

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

Note 6D: Reconciliation of the Opening and Closing Balances of Intangibles 2013

	Computer software (internally developed) \$'000	Computer software (purchased) \$'000	Other intangibles \$'000	Total intangibles \$'000
As at 1 July 2012				
Gross book value	110	56 847	5 076	62 033
Accumulated amortisation and impairment	(110)	(28 938)	(460)	(29 508)
Net book value 1 July 2012	-	27 909	4 616	32 525
Additions				
By purchase	-	912	525	1 437
Amortisation expense	-	(8 204)	(502)	(8 706)
Disposals	-	-	-	-
Other	-	(1)	-	(1)
Net book value 30 June 2013	-	20 616	4 639	25 255
Net book value as of 30 June 2013 represented by:				
Gross book value	-	56 997	5 602	62 599
Accumulated amortisation and impairment	-	(36 381)	(963)	(37 344)
Net book value 30 June 2013	-	20 616	4 639	25 255

Note 6D (Cont'd): Reconciliation of the Opening and Closing Balances of Intangibles 2012

	Computer software (internally developed) \$'000	Computer software (purchased) \$'000	Other intangibles \$'000	Total intangibles \$'000
As at 1 July 2011				
Gross book value	4 040	52 585	4 304	60 929
Accumulated amortisation and impairment	(4 038)	(24 273)	(285)	(28 596)
Net book value 1 July 2011	2	28 312	4 019	32 333
Additions				
By purchase	-	7 483	772	8 255
Amortisation expense	(2)	(7 886)	(175)	(8 063)
Net book value 30 June 2012	-	27 909	4 616	32 525
Net book value as of 30 June 2012 represented by:				
Gross book value	110	56 847	5 076	62 033
Accumulated amortisation and impairment	(110)	(28 938)	(460)	(29 508)
Net book value 30 June 2012	-	27 909	4 616	32 525

	2013	2012
	\$'000	\$'000
Note 6E: Inventories		
Inventories held for sale:		
Finished goods	<u>173</u>	<u>188</u>
Total inventories	<u>173</u>	<u>188</u>

During 2013, \$592,076 of inventory held for sale was recognised as an expense (2012: \$612,087).

No items of inventory were recognised at fair value less cost to sell.

All inventories are expected to be sold or distributed in the next 12 months.

Note 6F: Other Non-Financial Assets

Prepayments	<u>3 849</u>	<u>2 162</u>
Total other non-financial assets	<u>3 849</u>	<u>2 162</u>

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

No more than 12 months	<u>2 742</u>	1 857
More than 12 months	<u>1 107</u>	<u>305</u>
Total other non-financial assets	<u>3 849</u>	<u>2 162</u>

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

Note 7: Payables

	2013	2012
	\$'000	\$'000
Note 7A: Suppliers		
Supplier payables and accruals	6 807	2 604
Total supplier payables	6 807	2 604

Supplier payables expected to be settled within 12 months:

Related entities	1 130	881
External parties	5 677	1 723
Total supplier payables	6 807	2 604

Settlement was usually made within 30 days.

Note 7B: Other payables

Salaries and wages	1 442	1 407
Superannuation	405	259
Separations and redundancies	233	939
Prepayments received/unearned income	3	5
Other	46	48
Total other payables	2 129	2 658

Total other payables are expected to be settled in:

No more than 12 months	2 129	2 658
More than 12 months	-	-
Total other payables	2 129	2 658

Note 8: Provisions

	2013	2012
	\$'000	\$'000
Note 8A: Employee provisions		
Leave	20 047	20 900
Total employee provisions	20 047	20 900

Employee provisions are expected to be settled in:

No more than 12 months	6 471	5 866
More than 12 months	13 576	15 034
Total employee provisions	20 047	20 900

Note 9: Cash Flow Reconciliation

	2013 \$'000	2012 \$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash flow statement	223	306
Balance sheet	223	306
Difference	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(129 938)	(125 804)
Add revenue from Government	101 160	103 641
Adjustments for non-cash items		
Depreciation/amortisation	24 593	23 595
Net write down of financial assets	2	1
Loss on disposal of assets	199	353
Resources received free of charge - services	-	(166)
Gain on foreign currency exchange	(1)	(1)
Gain on previously unrecognised assets	-	(12)
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	(517)	4 727
(Increase)/decrease in inventories	15	53
(Increase)/decrease in other non-financial assets	(1 687)	(782)
Increase/(decrease) in suppliers payables	4 203	(542)
Increase/(decrease) in other payables	(529)	862
Increase/(decrease) in employee provisions	(853)	(122)
Net cash from/(used by) operating activities	<u>(3 353)</u>	<u>5 803</u>

Note 10: Contingent Assets and Liabilities

Quantifiable Contingencies

The department had no quantifiable contingencies as at 30 June 2013 (2012: nil).

Unquantifiable Contingencies

The department had no unquantifiable contingencies as at 30 June 2013. (2012: The department had one legal claim relating to workplace arrangements. It was not possible to estimate amounts of any eventual payments that may have been required in relation to that claim).

Significant Remote Contingencies

The department had no significant remote contingencies as at 30 June 2013 (2012: nil).

Note 11: Senior Executive Remuneration

	2013	2012
	\$	\$
<u>11A: Senior Executive Remuneration Expenses for the Reporting Period</u>		
Short-term employee benefits:		
Salary	1 357 191	1 724 866
Annual leave accrued	(51 017)	112 028
Performance bonuses	3 506	12 556
Other	<u>100 474</u>	<u>150 823</u>
Total short-term employee benefits	<u>1 410 154</u>	<u>2 000 273</u>
Post employment benefits:		
Superannuation	<u>194 414</u>	<u>279 826</u>
Total post employment benefits	<u>194 414</u>	<u>279 826</u>
Other long-term benefits:		
Long-service leave	<u>48 336</u>	<u>24 273</u>
Total other long-term benefits	<u>48 336</u>	<u>24 273</u>
Termination benefits:		
Redundancy payments	<u>315 518</u>	<u>-</u>
Total termination benefits	<u>315 518</u>	<u>-</u>
Total senior executive remuneration expenses	<u>1 968 422</u>	<u>2 304 372</u>

Notes:

- Note 11A is prepared on an accrual basis (therefore the performance bonus expenses disclosed above may differ from the cash 'bonus paid' in Note 11B).
- Note 11A excludes acting arrangements and part-year service where total remuneration expensed for a senior executive was less than \$180,000.
- 'Other' includes vehicle allowances and associated fringe benefits tax.

Note 11B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period

2013

	Senior Executives No.	Reportable salary ² \$	Contributed superannuation ³ \$	Reportable allowances ⁴ \$	Bonus paid ⁵ \$	Total \$
Average annual reportable remuneration¹						
Total remuneration (including part-time arrangements):						
less than \$180,000	9	66,774	11,271	-	-	78,045
\$180,000 to \$209,999	4	173,806	28,614	-	877	203,297
\$240,000 to \$269,999	1	219,222	35,574	-	-	254,796
\$360,000 to \$389,999	1	355,253	26,014	-	-	381,267
Total	15					

2012

	Senior Executives No.	Reportable salary ² \$	Contributed superannuation ³ \$	Reportable allowances ⁴ \$	Bonus paid ⁵ \$	Total \$
Average annual reportable remuneration¹						
Total remuneration (including part-time arrangements):						
less than \$180,000	6	66,560	14,422	-	-	80,982
\$180,000 to \$209,999	4	158,074	35,313	-	-	193,387
\$210,000 to \$239,999	2	190,727	27,890	-	3,916	222,533
\$300,000 to \$329,999	2	277,886	32,106	-	4,723	314,715
\$330,000 to \$359,999	1	302,406	54,792	-	-	357,198
Total	15					

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 purposes);
 - c) exempt foreign employment income; and
 - d) salary sacrificed benefits.
3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to substantive senior executives in that reportable remuneration band during the reporting period.
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.

11C: Other Highly Paid Staff

There were no other highly paid staff (2012: nil).

Note 12: Remuneration of Auditors

	2013	2012
	\$'000	\$'000

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

Fair value of the services provided

Financial statement audit services	<u>141</u>	<u>141</u>
Total	<u>141</u>	<u>141</u>

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

Note 13: Financial Instruments

	2013	2012
	\$'000	\$'000

Note 13A: Categories of financial instruments**Financial assets****Loans and receivables**

Cash and cash equivalents	223	306
Trade receivables	<u>1 878</u>	<u>409</u>
Total	<u>2 101</u>	<u>715</u>
Carrying amount of financial assets	<u>2 101</u>	<u>715</u>

Financial liabilities**At amortised cost**

Supplier payables	<u>6 807</u>	<u>2 604</u>
Total	<u>6 807</u>	<u>2 604</u>
Carrying amount of financial liabilities	<u>6 807</u>	<u>2 604</u>

Note 13B: Credit Risk

The department was exposed to minimal credit risk as its financial assets consist only of cash and trade receivables. The maximum exposure to credit risk was the risk that arose from potential default of a debtor. This amount is equal to the total amount of trade receivables.

The following table illustrates the department's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2013	2012
	\$'000	\$'000
Financial assets		
Loans and receivables:		
Cash and cash equivalents	223	306
Trade receivables	1 878	409
Total	2 101	715
Financial liabilities		
At amortised cost:		
Supplier payables	6 807	2 604
Total	6 807	2 604

In relation to the department's gross credit risk and the financial effect in respect of the amount that best represents the maximum exposure to credit risk, no collateral is held.

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

	Not past due nor impaired 2013	Not past due nor impaired 2012	Past due or impaired 2013	Past due or impaired 2012
	\$'000	\$'000	\$'000	\$'000
Loans and receivables:				
Cash and cash equivalents	223	306	-	-
Trade receivables	1 810	304	68	105
Total	2 033	610	68	105

Ageing of financial assets that were past due but not impaired for 2013

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables:					
Trade receivables	7	-	61	-	68
Total	7	-	61	-	68

Ageing of financial assets that were past due but not impaired for 2012

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Loans and receivables:					
Trade receivables	3	-	54	48	105
Total	3	-	54	48	105

Note 13C: Liquidity risk

The department's financial liabilities are payables. The exposure to liquidity risk is based on the notion that the department will encounter difficulty in meeting its obligations associated with financial liabilities. This was highly unlikely due to receiving appropriation funding aimed at ensuring there are appropriate resources to meet financial obligations as and when they fall due. In addition, the department has policies in place to ensure timely payments are made when due and has no past experience of default.

Maturities for non-derivative financial liabilities 2013

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	>5 years \$'000	Total
At amortised cost:						
Supplier payables	-	6 807	-	-	-	6 807
Total	-	6 807	-	-	-	6 807

Maturities for non-derivative financial liabilities 2012

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	>5 years \$'000	Total
At amortised cost:						
Supplier payables	-	2 604	-	-	-	2 604
Total	-	2 604	-	-	-	2 604

The department had no derivative financial liabilities in either 2013 or 2012.

Note 13D: Market Risk

The department holds basic financial instruments that do not expose the department to significant market risks. The department was not exposed to "interest rate risk" or "other price risk" and was exposed to foreign exchange "currency risk" through undertaking certain transactions in denominated foreign currency.

Note 14: Financial Assets Reconciliation

		2013 \$'000	2012 \$'000
	Notes		
<u>Financial assets</u>			
Total financial assets per balance sheet		23 739	23 305
Less: non-financial instrument components			
Appropriations receivable		20 696	21 406
GST receivable from the Australian Taxation Office		849	1 106
Other		93	78
Total non-financial instrument components		21 638	22 590
Total financial assets as per financial instruments note	13	2 101	715

Note 15: Administered Expenses

	2013	2012
	\$'000	\$'000

Note 15A: Depreciation and Amortisation**Depreciation:**

Property, plant and equipment	975	929
Buildings	26 118	25 716
Total depreciation	27 093	26 645
Total depreciation and amortisation	27 093	26 645

Note 15B: Losses from Asset Sales

Property, plant and equipment		
Proceeds from sale	(2)	(1)
Carrying value of assets sold	5	538
Selling expense	1	-
Total losses from asset sales	4	537

Note 16: Administered Income

	2013	2012
	\$'000	\$'000

OWN-SOURCE REVENUE**Non-Taxation Revenue****Note 16A: Other revenue**

Other	9	43
Total other revenue	9	43

Note 16B: Other gains

Resources received free of charge	68	2
Total other gains	68	2

Note 17: Administered Financial Assets

	2013	2012
	\$'000	\$'000
<u>Note 17A: Trade and other receivables</u>		
Other receivables		
GST receivable from the Australian Taxation Office	69	634
Other	-	21
Total other receivables	<u>69</u>	<u>655</u>
Total other receivables (gross)	<u>69</u>	<u>655</u>
Receivables are expected to be recovered in:		
No more than 12 months	<u>69</u>	<u>655</u>
Total trade and other receivables (gross)	<u>69</u>	<u>655</u>
Receivables are aged as follows:		
Not overdue	<u>69</u>	<u>655</u>
Total receivables (gross)	<u>69</u>	<u>655</u>

Credit terms for goods and services were within 30 days (2012: 30 days).

Note 18: Administered Non-Financial Assets

	2013	2012
	\$'000	\$'000
Note 18A: Land and Buildings		
Land		
At fair value	50 000	50 000
Total land	50 000	50 000
Buildings		
Work in progress	28 472	23 128
At fair value	2 722 938	2 597 784
Accumulated depreciation	(665 394)	(600 560)
Total buildings	2 086 016	2 020 352
Total land and buildings	2 136 016	2 070 352
Note 18B: Property, plant and equipment		
Heritage and cultural		
Work in progress	315	340
Fair value	83 747	77 772
Total heritage and cultural	84 062	78 112
Other property, plant and equipment		
Office machinery and furniture		
Fair value	8 798	8 472
Accumulated depreciation	(5 783)	(5 348)
Total office machinery and furniture	3 015	3 124
Plant and equipment		
Fair value	10 718	10 559
Accumulated depreciation	(7 747)	(7 305)
Total plant and equipment	2 971	3 254
Total other property, plant and equipment	5 986	6 378
Total property, plant and equipment	90 048	84 490

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

A number of items of property, plant and equipment are expected to be sold or disposed of within the next 12 months.

All revaluations were conducted in accordance with the revaluation policy stated at Note 1. On 30 June 2013, an independent valuer (the Australian Valuation Office) conducted the revaluations.

A revaluation increment of \$80,855,469 for buildings (2012: nil) and \$5,569,638 for heritage and cultural assets (2012: nil) were credited to the asset revaluation surplus by asset class and included in the equity section of the balance sheet; no decrements were expensed (2012: nil).

Note 18C: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment 2013

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Heritage and cultural \$'000	Other property, plant and equipment \$'000	Total Other property, plant and equipment \$'000	Total \$'000
As at 1 July 2012							
Gross book value	50 000	2 620 912	2 670 912	78 112	19 031	97 143	2 768 055
Accumulated depreciation and impairment	-	(600 560)	(600 560)	-	(12 653)	(12 653)	(613 213)
Net book value 1 July 2012	50 000	2 020 352	2 070 352	78 112	6 378	84 490	2 154 842
Additions							
By purchase	-	10 927	10 927	312	587	899	11 826
By donation/gift	-	-	-	68	-	68	68
Revaluations and impairments recognised in other comprehensive income	-	80 855	80 855	5 570	-	5 570	86 425
Depreciation expense	-	(26 118)	(26 118)	-	(975)	(975)	(27 093)
Disposals							
Other	-	-	-	-	(4)	(4)	(4)
Net book value 30 June 2013	50 000	2 086 016	2 136 016	84 062	5 986	90 048	2 226 064
Net book value as of 30 June 2013 represented by:							
Gross book value	50 000	2 751 410	2 801 410	84 062	19 516	103 578	2 904 988
Accumulated depreciation and impairment	-	(665 394)	(665 394)	-	(13 530)	(13 530)	(678 924)
Net book value 30 June 2013	50 000	2 086 016	2 136 016	84 062	5 986	90 048	2 226 064

	Land \$'000	Buildings \$'000	Total land and buildings \$'000	Heritage and cultural \$'000	Other property, plant and equipment \$'000	Total Other property, plant and equipment \$'000	Total \$'000
As at 1 July 2011							
Gross book value	50 000	2 593 076	2 643 076	78 208	18 395	96 603	2 739 679
Accumulated depreciation and impairment	-	(580 997)	(580 997)	-	(11 844)	(11 844)	(592 841)
Net book value 1 July 2011	50 000	2 012 079	2 062 079	78 208	6 551	84 759	2 146 838
Additions							
By purchase	-	33 989	33 989	409	787	1 196	35 185
By donation/gift	-	-	-	2	-	2	2
Depreciation expense	-	(25 716)	(25 716)	-	(929)	(929)	(26 645)
Disposals	-	-	-	-	-	-	-
Other	-	-	-	(507)	(31)	(538)	(538)
Net book value 30 June 2012	50 000	2 020 352	2 070 352	78 112	6 378	84 490	2 154 842
Net book value as of 30 June 2012 represented by:							
Gross book value	50 000	2 620 912	2 670 912	78 112	19 031	97 143	2 768 055
Accumulated depreciation and impairment	-	(600 560)	(600 560)	-	(12 653)	(12 653)	(613 213)
Net book value 30 June 2012	50 000	2 020 352	2 070 352	78 112	6 378	84 490	2 154 842

Note 19: Administered Payables

	2013	2012
	\$'000	\$'000
Note 19A: Suppliers		
Supplier payables and accruals	669	450
Total supplier payables	<u>669</u>	<u>450</u>
Supplier payables expected to be settled within 12 months:		
External parties	669	450
Total supplier payables	<u>669</u>	<u>450</u>
Settlement was usually made within 30 days.		
Note 19B: Other payables		
Other	24	636
Total other payables	<u>24</u>	<u>636</u>
Total other payables are expected to be settled in:		
No more than 12 months	24	636
Total other payables	<u>24</u>	<u>636</u>

Note 20: Administered Cash Flow Reconciliation

	2013	2012
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per Administered Schedule of Assets and Liabilities to Administered Cash Flow Statement		
Cash and cash equivalents as per:		
Schedule of administered cash flows	-	-
Schedule of administered assets and liabilities	-	-
Difference	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(27 020)	(27 137)
Adjustments for non-cash items		
Depreciation/amortisation	27 093	26 645
Loss on disposal of assets	4	537
Resources received free of charge - goods	(68)	(2)
Changes in assets/liabilities		
Decrease in GST Annotations Loan	611	137
Net cash from operating activities	<u>620</u>	<u>180</u>

Note 21: Administered Contingent Assets and Liabilities

Quantifiable Administered Contingencies

The department had no quantifiable administered contingencies as at 30 June 2013 (2012: nil).

Unquantifiable Administered Contingencies

The department had no unquantifiable administered contingencies as at 30 June 2013 (2012: nil).

Significant Remote Administered Contingencies

The department had no significant remote administered contingencies as at 30 June 2013 (2012: nil).

Note 22: Administered Financial Instruments

	2013	2012
	\$'000	\$'000
<u>Note 22A: Categories of financial instruments</u>		
Financial assets		
Loans and receivables		
Trade receivables	-	21
Total loans and receivables	-	21
Carrying amount of financial assets	-	21
Financial liabilities		
At amortised cost		
Supplier payables	669	450
Total financial liabilities at amortised cost	669	450
Carrying amount of financial liabilities	669	450

Note 22B: Credit Risk

The department was exposed to minimal credit risk as its financial assets consist only of trade receivables. The maximum exposure to credit risk was the risk that arose from potential default of a debtor. This amount is equal to the total amount of trade receivables.

The following table illustrates the department's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2013	2012
	\$'000	\$'000
Financial assets		
Loans and receivables:		
Trade receivables	-	21
Total	-	21
Financial liabilities		
At amortised cost:		
Supplier payables	669	450
Total	669	450

In relation to the department's gross credit risk and the financial effect in respect of the amount that best represents the maximum exposure to credit risk, no collateral is held.

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

	Not past due nor impaired	Not past due nor impaired	Past due or impaired	Past due or impaired
	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000
Loans and receivables:				
Trade receivables	-	21	-	-
Total	-	21	-	-

Ageing of financial assets that were past due but not impaired for 2013						
	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Loans and receivables:						
Trade receivables	-	-	-	-	-	-
Total	-	-	-	-	-	-
Ageing of financial assets that were past due but not impaired for 2012						
	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Loans and receivables:						
Trade receivables	21	-	-	-	21	21
Total	21	-	-	-	21	21
Note 22C: Liquidity risk						
The department's financial liabilities are payables. The exposure to liquidity risk was based on the notion that the department will encounter difficulty in meeting its obligations associated with financial liabilities. This was highly unlikely due to receiving appropriation funding aimed at ensuring there are appropriate resources to meet financial obligations as and when they fall due. In addition, the department has policies in place to ensure timely payments were made when due and has no past experience of default.						
Maturities for non-derivative financial liabilities 2013						
	On demand	within 1 year	1 to 2 years	2 to 5 years	>5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At amortised cost:						
Supplier payables	-	669	-	-	-	669
Total	-	669	-	-	-	669

Maturities for non-derivative financial liabilities 2012

	On demand \$'000	within 1 year \$'000	1 to 2 years \$'000	2 to 5 years \$'000	>5 years \$'000	Total
At amortised cost:						
Supplier payables	-	450	-	-	-	450
Total	-	450	-	-	-	450

The department had no derivative financial liabilities in either 2013 or 2012.

Note 22D: Market Risk

The department holds basic financial instruments that do not expose the department to significant market risks. The department was not exposed to "interest rate risk" or "other price risk" and was exposed to foreign exchange "currency risk" through undertaking certain transactions in denominated foreign currency.

Note 23: Administered Financial Assets Reconciliation

		2013 \$'000	2012 \$'000
	Notes		
<u>Financial assets</u>			
Total financial assets per administered schedule of assets and liabilities		69	655
Less: non-financial instrument components			
GST receivable from the Australian Taxation Office		69	634
Total non-financial instrument components		69	634
Total financial assets as per financial instruments note	22	-	21

Note 24: Appropriations

Table A: Annual Appropriations ('Recoverable GST exclusive')

	2013 Appropriation						Appropriation applied in 2013 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act					
	Annual Appropriation \$'000	Appropriations reduced ¹ \$'000	AFM ² \$'000	Section 30 \$'000	Section 31 \$'000	Section 32 \$'000		
DEPARTMENTAL								
Ordinary annual services	111 739	-	-	-	7 032	-	118 771	(325)
Total departmental	111 739	-	-	-	7 032	-	118 771	(325)
ADMINISTERED								
Administered assets and liabilities	12 896	-	-	-	-	-	12 896	1 261
Total administered	12 896	-	-	-	-	-	12 896	1 261

Notes:

- (1) Appropriations reduced under Appropriation Acts (No. 1.3.5) 2012-13; sections 10, 11, 12 and 15 and under Appropriation Acts (No. 2.4.6) 2012-13; sections 12,13, 14 and 17. Departmental appropriations and administered non-operating appropriations do not lapse at financial year-end. However, the Presiding Officers may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. In 2013, there was no reduction in departmental and non-operating departmental appropriations.
- As with departmental appropriations, the Presiding Officers may decide that part or all of an administered appropriation is not required and request that the Finance Minister reduce that appropriation. For administered appropriations reduced under section 11 of Appropriation Acts (Nos. 1.3&5) 2012-13 and section 12 of Appropriation Acts (Nos. 2.4&6) 2012-13, the appropriation is taken to be reduced to the required amount specified in Table F of this note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination.
- (2) Advance to the Finance Minister (AFM) - Appropriation Acts (Nos.1&3) 2012-13; section 13 and Appropriation Acts (Nos.2&4) 2012-13; section 15.
- (3) The following adjustments occurred that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FMO Div 101) but at law the appropriations had not been amended before the reporting period:
 - a. an addition of \$85,000 for the 25th anniversary of Parliament House
 - b. a reduction of \$381,000 for targeted savings measures
 - c. a reduction of \$536,500 for a change in Comcover payment arrangements
- (4) The \$1.26m variance between administered appropriation provided and applied relates to timing differences in administered asset purchases and projects, and reflects the non-lapsing nature of administered non-operating appropriations.

Table A (Cont'd): Annual Appropriations ('Recoverable GST exclusive')

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

Notes:

- (1) Appropriations reduced under Appropriation Acts (No. 1,3,5) 2011-12; sections 10, 11, 12 and 15 and under Appropriation Acts (No. 2,4,6) 2011-12; sections 12,13, 14 and 17. Departmental appropriations and administered non-operating appropriations do not lapse at financial year-end. However, the Presiding Officers may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.
- (2) Advance to the Finance Minister (AFM) - Appropriation Acts (Nos 1&3) 2011-12; section 13 and Appropriation Acts (Nos 2&4) 2011-12; section 15.
- (3) No adjustments occurred that met the recognition criteria of a formal addition or reduction in revenue (in accordance with FMO Div 101) but at law the appropriations had not been amended before the reporting period.
- (4) The \$22,546m variance between administered appropriation provided and applied relates to application of prior-year appropriation balances due to timing differences in administered asset purchases and projects, and reflects the non-lapsing nature of administered non-operating appropriations.

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

	2013 Capital Budget Appropriations				Capital Budget Appropriations applied in 2013 (current and prior years)			Variance \$'000
	Appropriation Act		FIMA Act	Total Capital Budget Appropriations	Payments for non-financial assets ³ \$'000	Payments for other purposes \$'000	Total payments \$'000	
	Annual Capital Budget \$'000	Appropriations reduced ² \$'000	Section 32 \$'000	Total Capital Budget Appropriations \$'000				
DEPARTMENTAL								
Ordinary annual services -								
Departmental Capital Budget ¹	9 747	-	-	9 747	(6 583)	-	(6 583)	3 164
ADMINISTERED								
Ordinary annual services -								
Administered Capital Budget ¹	12 896	-	-	12 896	(11 635)	-	(11 635)	1 261

Notes:

(1) Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1.3.5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

(2) Appropriations reduced under Appropriation Acts (No.1.3.5) 2012-13: sections 10, 11, 12 and 15 or via a determination by the Finance Minister.

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

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

	2012 Capital Budget Appropriations				Capital Budget Appropriations applied in 2012 (current and prior years)			Variance \$'000
	Appropriation Act		FIMA Act	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ³ \$'000	Payments for other purposes \$'000	Total payments \$'000	
	Annual Capital Budget \$'000	Appropriations reduced ² \$'000	Section 32 \$'000					
DEPARTMENTAL								
Ordinary annual services -								
Departmental Capital Budget ¹	20 133	-	-	20 133	(25 094)	-	(25 094)	(4 961)
ADMINISTERED								
Ordinary annual services -								
Administered Capital Budget ¹	12 279	-	-	12 279	(34 825)	-	(34 825)	(22 546)

Notes:

(1) Departmental and Administered Capital Budgets are appropriated through Appropriation Acts (No.1.3.5). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

(2) Appropriations reduced under Appropriation Acts (No.1.3.5) 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.

Table C: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2013	2012
	\$'000	\$'000
DEPARTMENTAL		
Appropriation (Parliamentary Departments) Act (No. 1) 2012-13	21 751	-
Appropriation (Parliamentary Departments) Act (No. 1) 2011-12	-	21 712
Total	21 751	21 712
ADMINISTERED		
Appropriation (Parliamentary Departments) Act (No. 1) 2012-13	1 457	-
Appropriation (Parliamentary Departments) Act (No. 1) 2011-12	-	195
Total	1 457	195

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

	Department of Finance and Deregulation Provides access to a special appropriation for the provision of electorate office IT services
2013	\$'000
Total receipts	13 713
Total payments	(13 713)
	Department of Finance and Deregulation Provides access to a special appropriation for the provision of electorate office IT services
2012	\$'000
Total receipts	12 529
Total payments	(12 529)

Note 25: Compensation and Debt Relief

Compensation and Debt Relief - Departmental

No 'Act of Grace payments' were expended during the reporting period (2012: No expenses).

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*. (2012: No waivers).

No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2012: No payments).

No ex-gratia payments were provided for during the reporting period. (2012: No payments)

No payments were provided in special circumstances relating to parliamentary service employment pursuant to section 66 of the *Parliamentary Service Act 1999* during the reporting period. (2012: No payments)

Compensation and Debt Relief - Administered

No 'Act of Grace payments' were expended during the reporting period (2012: No expenses).

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*. (2012: No waivers).

No payments were provided under the Compensation for Detriment caused by Defective Administration (CDDA) Scheme during the reporting period. (2012: No payments).

No ex-gratia payments were provided for during the reporting period. (2012: No payments)

No payments were provided in special circumstances relating to parliamentary service employment pursuant to section 66 of the *Parliamentary Service Act 1999* during the reporting period. (2012: No payments)

Note 26: Assets Held in Trust

	2013 \$'000	2012 \$'000
Heritage and cultural assets		
Total value at the beginning of the reporting period	4 200	4 200
Changes in fair value	<u>400</u>	<u>-</u>
Total	<u>4 600</u>	<u>4 200</u>

The values above were estimated fair values as at 30 June 2013 (2012: 30 June 2009).

Heritage and cultural assets is comprised of a single artwork, Tom Roberts, *Opening of the First Parliament of the Commonwealth of Australia by H.R.H. The Duke of Cornwall and York (Later King George V), May 9, 1901*, 1903, oil on canvas. This item is on permanent loan from the British Royal Collection.

Note 27: Reporting of Outcomes

The department has one outcome, to which all expenses, income, assets and liabilities are attributed.

Note 27A: Net cost of Outcome Delivery

	Outcome 1	
	2013	2012
	\$'000	\$'000
Departmental		
Expenses	136 902	132 364
Own-source income	6 964	6 560
Administered		
Expenses	27 097	27 182
Own-source income	77	45
Net cost of outcome delivery	156 958	152 941

Note 27B: Major Classes of Departmental Expense, Income, Assets and Liabilities by Outcome

	Outcome 1	
	2013	2012
	\$'000	\$'000
Expenses		
Employee benefits	67 809	66 668
Supplier	44 299	41 747
Depreciation and amortisation	24 593	23 595
Write-down and impairment of assets	2	1
Losses from asset sales	199	353
Total	136 902	132 364
Income		
Sale of goods and rendering of services	4 995	4 805
Rental income	1 587	1 469
Other revenue	381	273
Foreign exchange gains	1	1
Other gains	-	12
Revenue from Government	101 160	103 641
Total	108 124	110 201
Assets		
Cash and cash equivalents	223	306
Trade and other receivables	23 516	22 999
Property, plant and equipment	78 114	85 907
Intangibles	25 255	32 525
Inventories	173	188
Other non-financial assets	3 849	2 162
Total	131 130	144 087
Liabilities		
Suppliers payable	6 807	2 604
Other payables	2 129	2 658
Employee provisions	20 047	20 900
Total	28 983	26 162

Note 27C: Major Classes of Administered Expense, Income, Assets and Liabilities by Outcome		
	Outcome 1	
	2013	2012
	\$'000	\$'000
Expenses		
Depreciation and amortisation	27 093	26 645
Losses from asset sales	4	537
Total	27 097	27 182
Income		
Other revenue	9	43
Other gains	68	2
Total	77	45
Assets		
Trade and other receivables	69	655
Land and buildings	2 136 016	2 070 352
Property, plant and equipment	90 048	84 490
Total	2 226 133	2 155 497
Liabilities		
Suppliers payable	669	450
Other payables	24	636
Total	693	1 086

Note 28: Net Cash Appropriation Arrangements

	2013	2012
	\$'000	\$'000
Total comprehensive income/(loss) less depreciation/ amortisation expenses previously funded through revenue appropriations¹	(932)	1 846
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	(24 593)	(23 595)
Total comprehensive loss - as per the Statement of Comprehensive Income	(25 525)	(21 749)

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.

Note 29: Section 83 of the Constitution

During 2012-13 additional legal advice was received that indicated there could be breaches of Section 83 under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal. The department will review its processes and controls over payments for these items to minimise the possibility for future breaches as a result of these payments. The department has determined that there is a low risk of the certain circumstances mentioned in the legal advice applying to the department and is not aware of any specific breaches of Section 83 in respect of these items.