



Financial statements



INDEPENDENT AUDITOR'S REPORT

To the Speaker of the House of Representatives

Report on the Financial Statements

I have audited the accompanying financial statements of the Department of the House of Representatives for the year ended 30 June 2011, which comprise: a Statement by the Clerk of the House and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Asset Additions; and Notes comprising a Summary of Significant Accounting Policies.

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

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

Auditor's Responsibility

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

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

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

Independence

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

Opinion

In my opinion, the financial statements of the Department of the House of Representatives:

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

Report on Other Legal and Regulatory Requirements

As described in Note 15 to the financial statements, the Department of the House of Representatives has recently become aware there is an increased risk of a breach of section 83 of the Constitution where payments are made from special accounts in circumstances where the payments do not accord with conditions included in the relevant legislation, and has advised that these circumstances will be investigated.

Australian National Audit Office



Ron Wah
Audit Principal

Delegate of the Auditor-General

Canberra
28 September 2011

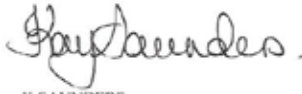
**DEPARTMENT OF THE HOUSE OF REPRESENTATIVES
STATEMENT BY THE CLERK OF THE HOUSE AND CHIEF FINANCIAL OFFICER**

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



B WRIGHT
Clerk of the House

28 September 2011



K SAUNDERS
Chief Financial Officer

28 September 2011

STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
EXPENSES			
Employee benefits	3A	16,242	15,633
Supplier expenses	3B	7,179	6,784
Depreciation and amortisation	3C	1,165	1,067
Write-down and impairment of assets	3D	3	12
Loss on sale of assets	3E	28	6
Total Expenses		24,617	23,503
LESS:			
OWN SOURCE INCOME			
Own Source Revenue			
Sale of goods and rendering of services	4A	797	414
Other revenue	4B	205	3
Total own source revenue		1,002	417
Gains			
Other gains	4C	3,179	2,706
Total gains		3,179	2,706
Total own source income		4,181	3,123
Net cost of services		20,436	20,380
Revenue from Government	4D	21,087	22,188
Surplus attributable to the Australian Government		651	1,808
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserves		-	1,341
Total comprehensive income		-	1,341
Total comprehensive income attributable to the Australian Government		651	3,149

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

BALANCE SHEET for Not-For-Profit Reporting Entities*as at 30 June 2011*

	Notes	2011 \$'000	2010 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	158	250
Trade and other receivables	5B	16,281	13,116
Total financial assets		16,439	13,365
Non-Financial Assets			
Property, plant and equipment	6A	4,600	4,669
Intangibles	6C	505	726
Other non-financial assets	6E	86	136
Total non-financial assets		5,191	5,531
Total Assets		21,630	18,896
LIABILITIES			
Payables			
Suppliers	7A	537	198
Other payables	7B	569	323
Total payables		1,106	521
Provisions			
Employee provisions	8	4,536	4,337
Total provisions		4,536	4,337
Total Liabilities		5,642	4,858
Net Assets		15,989	14,038
EQUITY			
Contributed equity		(14,833)	(16,133)
Reserves		12,987	12,987
Retained surplus		17,835	17,184
Total Equity		15,989	14,038

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

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

	Retained earnings		Asset revaluation reserve		Contributed equity/capital		Total equity	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance								
Balance carried forward from previous period	17,184	15,376	12,987	11,646	(16,133)	(12,500)	14,038	14,522
Adjustment for errors	-	-	-	-	-	-	-	-
Adjusted opening balance	17,184	15,376	12,987	11,646	(16,133)	(12,500)	14,038	14,522
Comprehensive income								
Other comprehensive income - Changes in asset revaluation reserve	-	-	-	1,341	-	-	-	1,341
Surplus (Deficit) for the period	651	1,808					651	1,808
Total comprehensive income	651	1,808	-	1,341	-	-	651	3,149
of which:								
Attributable to the Australian Government	651	1,808	-	-	-	-	651	1,808
Transactions with owners								
Distributions to owners								
Returns of capital:								
Other [Appropriation extinguished]	-	-	-	-	-	(3,633)	-	(3,633)
Contributions by Owners								
Equity injection (Departmental Capital Budget)	-	-	-	-	1,300	-	1,300	-
Sub-total transactions with owners	-	-	-	-	1,300	(3,633)	-	(3,633)
Closing balance as at 30 June	17,835	17,184	12,987	12,987	(14,833)	(16,133)	15,989	14,038
Closing balance attributable to the Australian Government	17,835	17,184	12,987	12,987	(14,833)	(16,133)	15,989	14,038

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

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

	Notes	2011 \$'000	2010 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		897	343
Appropriations		18,719	20,677
Net GST received		376	409
Other		139	-
Total cash received		<u>20,131</u>	<u>21,429</u>
Cash used			
Employees		15,965	15,438
Suppliers		4,650	4,793
Total cash used		<u>20,615</u>	<u>20,231</u>
Net cash from or (used by) Operating Activities	<u>9</u>	<u>(484)</u>	<u>1,198</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		89	24
Total cash received		<u>89</u>	<u>24</u>
Cash used			
Purchase of property, plant and equipment		(896)	(1,143)
Purchase of intangibles		(101)	(58)
Total cash used		<u>(997)</u>	<u>(1,201)</u>
Net cash used by investing activities		<u>(908)</u>	<u>(1,177)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed Equity (DCB)		1,300	-
Total cash received		<u>1,300</u>	<u>-</u>
Net cash used by financing activities		<u>1,300</u>	<u>-</u>
Net increase or (decrease) in cash held		<u>(92)</u>	<u>22</u>
Cash and cash equivalents at the beginning of the reporting period		250	228
Cash and cash equivalents at the end of the reporting period	<u>5A</u>	<u>158</u>	<u>250</u>

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

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

BY TYPE	2011 \$'000	2010 \$'000
Commitments receivable		
GST recoverable on commitments	(47)	(18)
Total Commitments receivable	<u>(47)</u>	<u>(18)</u>
Commitments payable		
Capital commitments		
Intangibles ¹	-	-
Infrastructure, Plant & Equipment	11	-
Total capital commitments	<u>11</u>	<u>-</u>
Other commitments		
Operating leases ²	120	93
Other commitments ³	387	94
Total other commitments	<u>507</u>	<u>187</u>
Net commitments by type	<u>471</u>	<u>169</u>
BY MATURITY		
Commitments receivable		
Operating lease income		
One year or less	(8)	(6)
From one to five years	(3)	(3)
Total operating lease income	<u>(11)</u>	<u>(9)</u>
Other commitments receivable		
One year or less	(25)	(7)
From one to five years	(11)	(2)
Total other commitments receivable	<u>(36)</u>	<u>(9)</u>
Commitments payable		
Capital commitments		
One year or less	11	-
From one to five years	-	-
Total capital commitments	<u>11</u>	<u>-</u>
Operating lease commitments		
One year or less	92	60
From one to five years	27	33
Total operating lease commitments	<u>119</u>	<u>93</u>
Other Commitments		
One year or less	266	70
From one to five years	122	24
Total other commitments	<u>388</u>	<u>94</u>
Net commitments by maturity	<u>471</u>	<u>169</u>

NB: Commitments are GST inclusive where relevant.

¹ Department does not have any commitments for intangibles in 2011

² Operating leases are effectively non-cancellable and comprise agreements for the provision of motor vehicles to senior executives and for departmental use.

³ Other commitments relate to contracts lodged with suppliers.

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

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

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

	Heritage & cultural \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
By purchase - appropriation equity	-	896	101	997
By purchase - appropriation ordinary annual services	-	-	-	-
By purchase - other	-	-	-	-
Total additions	-	896	101	997

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

	Heritage & cultural \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
By purchase - appropriation equity	-	1,143	58	1,201
By purchase - appropriation ordinary annual services	-	-	-	-
By purchase - other	-	-	-	-
Total additions	-	1,143	58	1,201

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Department of the House of Representatives

The Department of the House of Representatives (the department) is one of three parliamentary departments supporting the Australian Parliament. The department provides services to support the efficient conduct of the House of Representatives, its committees and certain joint committees as well as a range of services for Members in Parliament House.

The department is structured to meet one outcome:

Advisory and administrative services support the House of Representatives to fulfil its representative and legislative role.

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

The department's activities contributing to this outcome are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the department in its own right. Administered activities involve the management or oversight by the department, on behalf of the Parliament, of items controlled or incurred by the Government.

Departmental activities are identified under five Outputs -

- Chamber and Main Committee
- Community Awareness
- Committee Services
- Interparliamentary Relations
- Members' Services

1.2 Basis of Preparation of the Financial Report

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

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (or FMO) for reporting periods ending on or after 1 July 2010; and
- 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 are in accordance with historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

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

Unless an alternative treatment is specifically required by an accounting standard or the FMO, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the entity 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 and 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 benefit has occurred and can be reliably measured.

1.3 Significant Accounting Judgements and Estimates

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

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

The following new standards (including reissued standards)/Interpretations that were issued prior to the signing of the statement by the chief executive and chief financial officer 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 entity.

- AASB 7 *Financial Instruments: Disclosures – June 2010 (Compilation)*
- AASB 8 *Operating Segments – May 2009 (Compilation)*
- AASB 118 *Revenue – May 2009 (Compilation)*
- AASB 121 *The Effects of Changes in Foreign Exchange Rates – June 2010 (Compilation)*
- AASB 132 *Financial Instruments: Presentation – June 2010 (Compilation)*
- AASB 139 *Financial Instruments: Recognition and Measurement – December 2009 (Compilation)*

Future Australian Accounting Standard requirements

Of the new standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable to future reporting periods, are not expected to have a future impact on the entity.

- AASB 2010-3 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project.*
- AASB 2009-12 *Amendments to Australian Accounting Standards*
- AASB 124 *Related Party Disclosures*
- AASB 2010-4 *Further amendments to Australian Accounting Standards arising from the Annual Accounting Standards - Disclosures on Transfer of Financial Assets.*
- AASB 1054 *Australian Additional Disclosures*
- AASB 2011-3 *Amendments to Australian Accounting Standards - Orderly Adoption of changes to the ABS GFS Manual and Related Amendments*
- AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*
- AASB 1053 *Application of Tiers of Australian Accounting Standards*
- AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*
- AASB 9 *Financial Instruments*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB (December 2010)*

AASB 2011-4 *Amendments to Australian Accounting Standards to remove Individual Key Management Personnel Disclosure Requirements*

Disclosure of changes in accounting policies

The department is not responsible for preparing the administered schedules and notes relating to the special appropriations from which it draws down various monies to pay for members' remuneration and entitlements. Following changes to the Administrative Arrangement Orders (AAO's) in September 2010, the legislation previously administered by the Department of Education, Employment and Workplace Relations was transferred to the Australian Public Service Commission who is now responsible for reporting the administered special item. The other legislation establishing the appropriations pertaining to the payment of members' superannuation and some entitlements is administered by the Department of Finance and Deregulation, who is responsible for reporting these administered special appropriation items. The department is an agent agency as defined in the FMO and as such must follow certain requirements set down by those Orders.

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 nor effective control over the goods;
- c) the revenue and transaction costs incurred can be reliably measured; and
- d) it is probable that the economic benefits associated with the transaction will flow to the department.

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

- a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- b) the probable economic benefits with the transaction will flow to the department.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance amount. Collectability of debts is reviewed as at end of reporting period. Allowances are made when collectability of the debt is no longer probable.

Revenue from Government

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

Parental Leave Payments Scheme

No amounts were received under the Parental Leave Payments Scheme by the department.

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 agency or authority as a consequence of a restructuring of administrative arrangements (Refer to Note 1.7)

Sale of Assets

Gains from disposal of non-current assets is 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 Australian Government agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

Other Distributions to Owners

The FMO require that distributions to owners be debited to contributed equity unless 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 balance date are measured at their nominal amounts.

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

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, 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 allowable short-hand method. 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

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

The CSS and PSS are defined benefit schemes for the 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 by the Department of Finance and Deregulation as an administered item.

The department makes employer contributions to the employee superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government of the superannuation entitlements of the department's employees. 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. The department does not currently have any finance leases.

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;
- 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;
- c) cash held with outsiders; and
- d) cash in special accounts.

1.12 Financial Assets

The department classifies its financial assets in the following categories:

- a) financial assets as '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. The department holds only receivable financial assets.

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 'at fair value through profit or loss'.

Loans and receivables

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

Impairment of financial assets

Financial assets are assessed for impairment at 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.

1.13 Investments in Associates

The department has no investment in associates.

1.14 Jointly Controlled Entities

The department has no interest in jointly controlled entities.

1.15 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

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

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

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).

1.16 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the balance sheet. 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.

1.17 Financial Guarantee Contracts

The department is not party to any financial guarantee contracts.

1.18 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 agency's accounts immediately prior to the restructuring.

1.19 Property, Plant and Equipment

Asset Recognition Threshold

Asset purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total and IT equipment which has a capitalisation threshold of \$500).

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:

Asset Class:	Fair Value Measured at:
Property Plant and Equipment ¹	Market Selling Price
Heritage and Cultural Assets	Market Selling Price

¹ Within this class there are 238 items with a fair value measured at depreciated replacement cost. These items are located within the House of Representatives chamber and in offices in the House of Representatives wing.

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

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through surplus and deficit. Revaluation decrements for a class of assets are recognised directly through surplus and deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Work-in-progress

If, at 30 June 2011, an asset is not fully constructed and/or ready for use, the expenditure will be disclosed separately as 'work-in-progress'. Depreciation will not be set until the project has been completed to a stage where it can provide a service to the Department.

Depreciation

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

	2011	2010
Plant and equipment ¹	15 years	15 years
Computer equipment	2 to 5 years	2 to 5 years
Furniture and fittings	5 to 50 years	5 to 50 years
Office machines and equipment	5 to 15 years	5 to 15 years

¹ Within this class there is one item with a useful life of 25 years located within the storeroom in the basement.

Heritage and cultural assets are not depreciated.

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

Impairment

All assets were assessed for impairment at 30 June 2011. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

Heritage and Cultural Assets

The department has the following Heritage and Cultural Assets (with an aggregated fair value of \$323,000) ;

- . 13701-Gold Key 1927 Parliament
- . 13702-Mace - Garrard Engraved Silver
- . 15320-Gold Key 1988 Parliament
- . Yirrkala Bark Petition 14 Aug 1963, Wood Bark 59.1cm X 33.2cm
- . Yirrkala Bark Petition 28 Aug 1963, Wood Bark 49.1cm X 30cm
- . Yirrkala Bark Petition 8 Oct 1968, Wood Bark 59.1cm X 34cm
- . Ritual Stick - Yirrkala People 1976, Wood Feathers 47.1cm X 24.2cm

The department has classified these items as heritage and cultural assets as they are primarily used for purposes which relate to their heritage value and cultural significance.

1.20 Investment Properties

The department has no investment properties..

1.21 Intangibles

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the department's software is 3 to 5 years (2009-10: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2011.

1.22 Inventories

The department has no inventories.

1.23 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.

Competitive Neutrality

The department does not carry out functions to which competitive neutrality applies.

1.24 Comparative Revisions

Comparative information in Note 3 has been revised where appropriate to enhance comparability. The changes have had no impact on total expenses or the surplus attributable to the Australian Government.

Note 2: Events after the Balance Sheet Date

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

Note 3: Expenses

	2011 \$'000	2010 \$'000
<u>Note 3A: Employee benefits</u>		
Wages and salaries	12,309	11,683
Superannuation		
Defined contribution plans	406	323
Defined benefit plans	1,866	1,825
Leave and other entitlements	1,581	1,652
Separation and redundancies	80	150
<i>Total employee benefits</i>	<u>16,242</u>	<u>15,633</u>

Note 3B: Suppliers

Staff Related Services	319	345
Travel	868	1,005
Office Services	4,341	4,331
Communication	1,455	924
Corporate Expenses	40	-
<i>Total goods and services</i>	<u>7,023</u>	<u>6,605</u>

Goods and services

Provision of goods – related entities	28	-
Provision of goods – external entities	912	1,029
Rendering of services – related entities	3,280	2,748
Rendering of services – external entities	2,803	2,828
<i>Total goods and services</i>	<u>7,023</u>	<u>6,605</u>

Other supplier expenses

Operating lease rentals:		
Minimum lease payments	89	71
Workers compensation premiums	67	107
<i>Total other supplier expenses</i>	<u>156</u>	<u>178</u>
<i>Total supplier expenses</i>	<u>7,179</u>	<u>6,784</u>

Note 3C: Depreciation and amortisation

Depreciation:		
Property, plant and equipment	843	725
<i>Total depreciation</i>	<u>843</u>	<u>725</u>
Amortisation:		
Intangibles:		
Computer Software	322	342
<i>Total amortisation</i>	<u>322</u>	<u>342</u>
<i>Total depreciation and amortisation</i>	<u>1,165</u>	<u>1,067</u>

Note 3D: Write-down and impairment of assets

Asset write downs and impairments from

Property, plant and equipment write-off	3	9
Other	-	3
<i>Total write-down and impairment of assets</i>	<u>3</u>	<u>12</u>

Note 3E: Losses from sale of assets

Property, plant and equipment

Proceeds from sale	93	28
Carrying value of assets sold	(117)	(30)
Selling expense	(4)	(4)
<i>Net loss from sale of assets</i>	<u>(28)</u>	<u>(6)</u>

Note 4: Income

	2011	2010
OWN-SOURCE REVENUE	\$'000	\$'000

Note 4A: Sale of goods and rendering of services

Provision of goods - related entities	7	72
Provision of goods - external parties	<u>18</u>	<u>27</u>
<i>Total sale of goods</i>	<u>25</u>	<u>99</u>
Rendering of services - related entities	<u>739</u>	315
Rendering of services - external parties	<u>33</u>	-
<i>Total rendering of services</i>	<u>772</u>	<u>315</u>
<i>Total sale of goods and rendering of services</i>	<u><u>797</u></u>	<u><u>414</u></u>

Note 4B: Other Revenue

Grants received	137	-
Comcare refunds	<u>68</u>	<u>3</u>
<i>Total other revenue</i>	<u><u>205</u></u>	<u><u>3</u></u>

GAINS

Note 4C: Other gains

Resources received free of charge	3,170	2,695
Other financial income	<u>9</u>	<u>11</u>
<i>Total other gains</i>	<u><u>3,179</u></u>	<u><u>2,706</u></u>

REVENUE FROM GOVERNMENT

Note 4D: Revenue from Government

Appropriation:		
Departmental outputs	<u>21,087</u>	<u>22,188</u>
<i>Total revenue from Government</i>	<u><u>21,087</u></u>	<u><u>22,188</u></u>

Note 5: Financial Assets

	2011	2010
	\$'000	\$'000
Note 5A: Cash and cash equivalents		
Special Account	-	-
Cash on hand or on deposit	133	231
Cash held by the salary sacrifice service provider	25	19
Total cash and cash equivalents	158	250
Note 5B: Trade and other receivables		
Goods and services	71	163
Appropriations receivable:		
for existing outputs	13,827	10,481
for special account	2,327	2,372
Total appropriations receivable	16,154	12,853
GST receivable from the Australian Taxation Office	58	100
Total other receivables	58	100
Total trade and other receivables (gross)	16,283	13,116
Less allowance for impairment:		
Goods and services	2	-
Total trade and other receivables (net)	16,281	13,116
Receivables are represented by:		
no more than 12 months	16,283	13,116
more than 12 months	-	-
Total trade and other receivables (gross)	16,283	13,116
Receivables are aged as follows:		
Not overdue	16,281	13,116
Overdue by:		
Less than 30 days	-	-
30 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	2	-
Total receivables (gross)	16,283	13,116
The impairment allowance account is aged as follows:		
Not overdue	-	-
Overdue by:		
0 to 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	2	-
Total impairment allowance account	2	-

Reconciliation of the Impairment Allowance Account:**Movements in relation to 2011**

	Goods and services	Total
	\$'000	\$'000
Opening balance	-	-
Provision for Doubtful Debt	2	2
Closing balance	2	2

Reconciliation of the Impairment Allowance Account:

There have been no movements in relation to 2010.

Note 6: Non-Financial Assets

	2011 \$'000	2010 \$'000
Note 6A: Property, plant and equipment		
Heritage and cultural:		
- Artworks – at fair value	323	323
Total heritage and cultural	323	323
Property, plant and equipment:		
- fair value	5,141	4,401
- accumulated depreciation	(864)	(55)
Total other property, plant and equipment	4,277	4,346
Total property, plant and equipment	4,600	4,669

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

Note 6B: Reconciliation of the opening and closing balances of property, plant and equipment (2010-11)

	Other property, plant & equipment \$'000	Heritage and Cultural \$'000	Total \$'000
As at 1 July 2010			
Gross book value	4,401	323	4,724
Accumulated depreciation and impairment	(55)	-	(55)
Net book value 1 July 2010	4,346	323	4,669
Additions	896	-	896
Depreciation expense	(843)	-	(843)
Disposals:			
Write Offs	(3)	-	(3)
Other disposals	(118)	-	(118)
Net book value 30 June 2011	4,277	323	4,600
Net book value as of 30 June 2011 represented by:			
Gross book value	5,141	323	5,464
Accumulated depreciation and impairment	(864)	-	(864)
	4,277	323	4,600

Reconciliation of the opening and closing balances of property, plant and equipment (2009-10)

	Other property, plant & equipment \$'000	Heritage and Cultural \$'000	Total \$'000
As at 1 July 2009			
Gross book value	4,536	289	4,825
Accumulated depreciation and impairment	(1,876)	-	(1,876)
Net book value 1 July 2009	2,660	289	2,949
Additions:			
by purchase ¹	1,143	-	1,143
comprehensive income	1,307	34	1,341
Reclassification/Transfer	-	-	-
Depreciation expense	(725)	-	(725)
Impairments recognised in the operating result	-	-	-
Disposals:			
Write Offs	(9)	-	(9)
Other disposals	(30)	-	(30)
Net book value 30 June 2010	4,346	323	4,669
Net book value as of 30 June 2010 represented by:			
Gross book value	4,401	323	4,724
Accumulated depreciation and impairment	(55)	-	(55)
	<u>4,346</u>	<u>323</u>	<u>4,669</u>

¹ Asset addition by purchase consists of \$580,663 commissioned assets and \$562,356 under work-in-progress non-commissioned new LCD TV

Note 6: Non-Financial Assets

	2011 \$'000	2010 \$'000
Note 6C: Intangibles		
Computer software at cost:		
Internally developed – in progress	50	-
Internally developed – in use	335	531
Purchased software - in progress	-	16
Purchased - in use	1,687	2,263
Accumulated amortisation	(1,567)	(2,084)
Total intangibles (non-current)	505	726

No indicators of impairment were found for intangible assets.

Note 6D: Reconciliation of the opening and closing balances of intangibles (2010-11).

	Computer software internally developed \$'000	Computer software purchased \$,000	Total \$'000
As at 1 July 2010			
Gross book value	531	2,279	2,810
Accumulated amortisation	(418)	(1,666)	(2,084)
Net book value 1 July 2010	113	613	726
Additions	40	61	101
Amortisation	(40)	(282)	(322)
Other movements	11	(11)	-
Disposals			
Write Offs	-	-	-
Other disposals	-	-	-
Net book value 30 June 2011	124	381	505
Net book value as of 30 June 2010 represented by:			
Gross book value	385	1,687	2,072
Accumulated amortisation and impairment	(261)	(1,306)	(1,567)
	124	381	505

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

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2009			
Gross book value	531	2,239	2,770
Accumulated amortisation	(378)	(1,379)	(1,757)
Net book value 1 July 2009	153	860	1,013
Additions:			
by purchase or internally developed	-	58	58
Amortisation	(40)	(302)	(342)
Impairments recognised in the operating result	-	-	-
Disposals			
Write Offs	-	(3)	(3)
Other disposals	-	-	-
Net book value 30 June 2010	113	613	726

Net book value as of 30 June 2010 represented by:

Gross book value	531	2,279	2,810
Accumulated amortisation and impairment	(418)	(1,666)	(2,084)
	<u>113</u>	<u>613</u>	<u>726</u>

Note 6E: Other non-financial assets

Prepayments	<u>86</u>	<u>136</u>
Total other non-financial assets	<u>86</u>	<u>136</u>

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

no more than 12 months	<u>86</u>	<u>136</u>
Total other non-financial assets	<u>86</u>	<u>136</u>

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

Note 7: Payables

	2011 \$'000	2010 \$'000
Note 7A: Suppliers		
Accrued expenses	537	198
Total supplier payables	537	198
Supplier payables expected to be settled within 12 months:		
Related entities	146	54
Unrelated entities	391	144
Total	537	198
Total supplier payables	537	198

Settlement is usually made within 30 days.

Note 7B: Other payables

Salaries and wages	300	240
Superannuation	55	43
Salary sacrifice payables	25	19
GST payable to ATO	12	21
Other	176	-
Total other payables	569	323
Total other payables expected to be settled in:		
no more than 12 months	569	323
Total	569	323

Note 8: Provisions

	2011 \$'000	2010 \$'000
Note 8: Employee provisions		
Leave	4,536	4,266
Other	-	71
Total employee provisions	4,536	4,337
Employee provisions are expected to be settled in:		
no more than 12 months	624	516
more than 12 months	3,912	3,821
Total employee provisions	4,536	4,337

Note 9: Cash flow reconciliation

	2011 \$'000	2010 \$'000
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash Flow Statement	158	250
Balance Sheet	<u>158</u>	<u>250</u>
Difference	<u><u>-</u></u>	<u><u>-</u></u>
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(20,436)	(20,380)
Add revenue from Government	<u>21,087</u>	<u>22,188</u>
Surplus attributable to the Australian Government	<u><u>651</u></u>	<u><u>1,808</u></u>
Adjustments for non-cash items:		
Depreciation /amortisation	1,165	1,067
Net write down of non-financial assets	3	12
Extinguishment of Appropriation	-	(3,633)
Loss/(Gain) on disposal of assets	<u>28</u>	<u>6</u>
	<u><u>1,196</u></u>	<u><u>(2,547)</u></u>
Changes in assets / liabilities:		
(Increase) / decrease in net receivables	(3,165)	1,986
(Increase) / decrease in prepayments	50	(34)
Increase / (decrease) in employee provisions	199	126
Increase / (decrease) in supplier payables	339	(104)
Increase / (decrease) in GST payable	(9)	18
Increase / (decrease) in accrued expenses	-	(122)
Increase / (decrease) in other payables	<u>255</u>	<u>68</u>
Net cash from operating activities	<u><u>(484)</u></u>	<u><u>1,198</u></u>

Note 10: Contingent Liabilities and Assets

The department does not have any contingent liabilities and assets as at 30 June 2011.

The department did not have contingent liabilities and assets for the preceding financial year 2009-10

Quantifiable Contingencies

The department had no quantifiable contingencies as at 30 June 2011.

Unquantifiable Contingencies

The department had no unquantifiable contingencies as at 30 June 2011.

Significant Remote Contingencies

The department had no remote contingencies as at 30 June 2011.

Note 11: Senior Executive Remuneration

Note 11A: Senior Executive Remuneration Expense for the Reporting Period

	2011	2010
	\$	\$
Short-term employee benefits:		
Salary	950,508	819,364
Annual leave accrued	71,595	62,274
Other ¹	65,894	53,219
Total short-term employee benefits²	1,087,997	934,857
Post-employment benefits:		
Superannuation	184,610	137,982
Total post-employment benefits	184,610	137,982
Other long-term benefits:		
Long-service leave	23,763	21,400
Total other long-term benefits	23,763	21,400
Termination benefits	-	302,918
Total³	1,296,370	1,397,157

Notes:

¹ Includes motor vehicle allowances and FBT for cars.

² The Department does not pay performance bonuses to its senior executives.

³ Note 11A excludes acting arrangements and part-year service where remuneration expensed for a senior executive was less than \$150,000.

Note 11: Senior Executive Remuneration

Note 11B: Average Annual Remuneration Packages and Bonus Paid for Substantive Senior Executives as at the end of the Reporting Period

	as at 30 June 2011				as at 30 June 2010					
	Senior Executives		Fixed elements		Senior Executives		Fixed elements			
	No.	\$	Salary	Allowances	Total	No.	\$	Salary	Allowances	Total
Total remuneration (including part-time arrangements):										
less than \$150,000	-	-	-	-	-	-	-	-	-	-
\$150,000 to \$164,999	-	-	-	-	-	-	-	-	-	-
\$165,000 to \$179,999	3	162,409	13,276	175,685	3	155,069	16,966	172,035		
\$180,000 to \$194,999	-	-	-	-	-	-	-	-	-	-
\$195,000 to \$199,999	-	-	-	-	-	-	-	-	-	-
\$200,000 to \$214,999	-	-	-	-	-	-	-	-	-	-
\$215,000 to \$229,999	1	203,011	16,250	219,261	1	191,433	13,947	205,380		
\$230,000 to \$244,999	-	-	-	-	-	-	-	-	-	-
\$250,000 to \$264,999	-	-	-	-	-	-	-	-	-	-
\$265,000 to \$279,999	-	-	-	-	-	-	-	-	-	-
\$280,000 to \$314,999	-	-	-	-	-	-	-	-	-	-
\$315,000 to \$329,999	1	260,270	58,914	319,184	1	250,000	50,766	300,766		
Total	5			319,184	5			319,184		

Notes:
 1 This table reports substantive senior executives who were employed by the Department at the end of the reporting period. Fixed elements were based on the employment agreement of each individual. Each row represents an average annualised figure (based on headcount) for the individuals in that remuneration package band (i.e. the 'Total' column).

Variable Elements:

With the exception of bonuses, variable elements were not included in the Fixed Elements and Bonus Paid¹ table above. The following variable elements were available as part of senior executives' remuneration package:

- (a) On average senior executives were entitled to the following leave entitlements:
 - Recreation Leave (AL): entitled to 20 days (2010: 20 days) each full year worked (pro-rata for part-time SES);
 - Personal Leave (PL): entitled to 18 days (2010: 18 days) or part-time equivalent; and
 - Long Service Leave (LSL): in accordance with Long Service Leave (Commonwealth Employees) Act 1976.
- (b) Senior executives were members of the following superannuation fund:
 - Commonwealth Superannuation Scheme (CSS); this scheme is closed to new members, and employer contributions were averaged 20.1 per cent (2010: 18.8 per cent) (including productivity component). More information on CSS can be found at <http://www.css.gov.au>;
- (c) Variable allowances:
 - N/A
- (d) Various salary sacrifice arrangements were available to senior executives including super, motor vehicle and expense payment fringe benefits.

Note 11C: Other Highly Paid Staff

During the reporting period, there was 1 employee whose salary was \$150,000 or more. This employee did not have a role as senior executive and was therefore not disclosed as a senior executive in Note 11A and Note 11B.

Note 12: Remuneration of Auditors

	2011	2010
	\$'000	\$'000

Financial statement audit services are provided free of charge to the department.

The fair value of the services provided was:	80	80
	80	80

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

Note 13: Financial Instruments

	2011	2010
	\$'000	\$'000

Note 13A: Categories of Financial Instruments

Financial Assets

Loans and receivables

Cash and cash equivalents	158	250
Trade and other receivables	71	163

Carrying amount of financial assets	229	413
--------------------------------------------	------------	------------

Financial Liabilities

Other Liabilities (amortised cost)

Suppliers	-	-
Accrued expenses	537	198
Other payables	570	323

Carrying amount of financial liabilities	1,106	521
-------------------------------------------------	--------------	------------

Note 13B: Net Income and Expense from Financial Assets

There is no income from/expense for the department's financial assets.

Note 13C: Net Income and Expense from Financial Liabilities

There is no income from/expense for the department's financial liabilities.

Note 13D: Fair Value of Financial Instruments

The fair value of the department's financial assets and liabilities equal the carrying amount in the current and preceding financial year.

Note 13E: Credit risk

The department is exposed to minimal credit risk as receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2011: \$71,000 and 2010: \$163,000). The department has assessed the risk of the default on payment and has allocated \$2,000 in 2011 (2010: \$Nil) to an 'allowance for doubtful debts' account.

The department has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

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
	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	158	250	-	-
Trade and other receivables	69	163	2	-
Total	227	413	2	-
Financial liabilities				
Suppliers	-	-	-	-
Accrued expenses	537	198	-	-
Other payables	570	323	-	-
Total	1,106	521	-	-

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

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other receivables	-	-	-	2	2
Total	-	-	-	-	-

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

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other receivables	-	-	-	-	-
Total	-	-	-	-	-

The following list of assets have been individually assessed as impaired:

Trade Receivables of Nil (2010: \$Nil)

Note 13F: 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 is highly unlikely as the department is appropriated funding from the Australian Government and manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due.

In addition, the department has internal policies and procedures in place to ensure timely payment is made when due and has no past experience of default.

The following tables illustrates the maturities for financial liabilities

	On demand 2011 \$'000	within 1 year 2011 \$'000	1 to 5 years 2011 \$'000	> 5 years 2011 \$'000	Total 2011 \$'000
Other Liabilities					
Accrued expenses	-	537	-	-	537
Other payables	-	569	-	-	569
Total	-	1,106	-	-	1,106

	On demand 2010 \$'000	within 1 year 2010 \$'000	1 to 5 years 2010 \$'000	> 5 years 2010 \$'000	Total 2010 \$'000
Other liabilities					
Accrued expenses	-	198	-	-	198
Other payables	-	323	-	-	323
Total	-	521	-	-	521

Note 13G: Market risk

The department is not exposed to market risk.

Note 14: Appropriations

Table A: Annual Appropriations (Recoverable GST exclusive)

	2011 Appropriations				Appropriation applied in 2011 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act			
	Annual Appropriation \$'000	Appropriations reduced ^(a) \$'000	Section 30 \$'000	Section 31 \$'000		
DEPARTMENTAL						
Ordinary annual services	22,387	-	5	978	19,993	3,377
Other services						
Previous years' outputs	31	-	-		31	-
Total departmental	22,418	-	5	978	20,025	3,377

Notes:

(a) There were no reductions in appropriations for 2010-11

	2010 Appropriations				Appropriation applied in 2010 (current and prior years) \$'000	Variance \$'000
	Appropriation Act		FMA Act			
	Annual Appropriation \$'000	Appropriations reduced ^(a) \$'000	Section 30 \$'000	Section 31 \$'000		
DEPARTMENTAL						
Ordinary annual services	22,188	-	1	341	21,012	1,518
Other services						
Equity	7	(3,633)	-		(3,626)	-
Previous years' outputs	31	-	-		31	-
Total departmental	22,226	(3,633)	1	341	17,386	1,549
ADMINISTERED						
Ordinary annual services						
Administered items						
Payments to CAC Act bodies	-	(119)	-		(119)	-
Other services						
States, ACT, NT and Local government						
New administered outcomes						
Administered assets and liabilities						
Payments to CAC Act bodies						
Total administered	-	(119)	-	-	(119)	-

Notes:

(a) Appropriations reduced under *Appropriation Acts (No.4) 2009-10*; sections 18(1). Departmental appropriations do not lapse at financial year-end. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament. On 13th May 2010, the Finance Minister issued a determination to reduce departmental appropriations. The amount of the reduction under *Appropriation (Parliamentary Departments) Act (No.1) 2004-2005* was: \$3,633m.

Table B: Unspent Departmental Annual Appropriations ('Recoverable GST exclusive')

	2011	2010
Authority	\$'000	\$'000
Parliamentary Appropriation Act (No.1) 2004-05	2,905	2,905
Parliamentary Appropriation Act (No.1) 2005-06	2,932	2,932
Parliamentary Appropriation Act (No.1) 2006-07	113	113
Parliamentary Appropriation Act (No.1) 2007-08	1,510	1,510
Parliamentary Appropriation Act (No.1) 2008-09	1,472	1,472
Parliamentary Appropriation Act (No.1) 2009-10	1,518	1,549
Parliamentary Appropriation Act (No.1) 2010-11	3,377	-
Total	13,827	10,481

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

The Department of the House of Representatives has recently become aware that there is an increased risk of non-compliance with Section 83 of the Constitution where payments are made from special appropriations and special accounts in circumstances where payments do not accord with conditions included in the relevant legislation.

The Department will investigate these circumstances and any impact on its special appropriations shown below, seeking legal advice as appropriate.

	Department of Finance and Deregulation (third party drawing rights)	Australian Public Service Commission (third party drawing rights)	Department of Education, Employment and Workplace Relations (third party drawing rights)
2011	\$'000	\$'000	\$'000
Total payments	2,080	16,077	11,273

	Department of Finance and Deregulation (third party drawing rights)	Department of Education, Employment and Workplace Relations (third party drawing rights)
2010	\$'000	\$'000
Total payments	1,693	26,326

Note 15: Special Accounts

The Department of the House of Representatives has recently become aware that there is an increased risk of non-compliance with Section 83 of the Constitution where payments are made from special appropriations and special accounts in circumstances where payments do not accord with conditions included in the relevant legislation.

The Department will investigate these circumstances and any impact on its special accounts shown below, seeking legal advice as appropriate.

Inter-Parliamentary Relations Special Account (Departmental)	2011	2010
	\$'000	\$'000
Appropriation: <i>Financial Management and Accountability Act 1997; s20</i>		
Establishing Instrument: 2004/08		
<i>Purpose</i> : For the receipt of all moneys and the payment of all expenditure related to the operation of the Commonwealth Parliamentary Association on behalf of the States, Territories and Commonwealth Branches of the Commonwealth Parliamentary Association, inter-parliamentary training, education and development services provided to support other governments and bodies that are not agencies within the meaning of the <i>Financial Management and Accountability Act 1997</i> .		
The Minister for Finance and Administration has approved the earning of interest for this account under section 20 of the FMA Act. Interest is appropriated under this section of the Act.		
Balance carried from previous period	2,372	2,393
Appropriation for reporting period	141	141
GST credits (FMA Act s 30A)	-	7
Other receipts	-	7
Total credits	141	155
Available for payments	2,513	2,548
Payments made to suppliers	(186)	(176)
Total decrease	(186)	(176)
Total Balance carried to next period	2,327	2,372

Services for Other Entities and Trust Moneys- Department of the House of Representatives Special Account	2011	2010
	\$'000	\$'000
Appropriation: <i>Financial Management and Accountability Act 1997; s20</i>		
Establishing Instrument: 2011/10		
<i>Purpose</i> : For expenditure of monies temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.		
Balance carried from previous period	138	158
Other receipts	75	7
Available for payments	213	165
Payments made to suppliers	(15)	-
Transfer to departmental account	(63)	(27)
Total decrease	(78)	(27)
Total balance carried to the next period	135	138

Note 16: Compensation and Debt Relief

	2011	2010
	\$	\$
Departmental		
No 'Act of Grace' payments were made during the reporting period. (2010: No payments made)	-	-
	<u> </u>	<u> </u>
No payments were made under s66 of the <i>Parliamentary Service Act 1999</i> during the reporting period. (2010: No payments made)	-	-
	<u> </u>	<u> </u>

Note 17: Reporting of Outcomes**Note 17A: Net Cost of Outcome Delivery**

	Outcome 1	
	2011	2010
	\$'000	\$'000
Expenses		
Departmental	24,617	23,503
Total expenses	24,617	23,503
Income from non-government sector		
Departmental	51	27
Total departmental	51	27
Other own source income		
Departmental		
Goods and services income	746	387
Other revenue	205	3
Other gains	3,179	2,706
Total Departmental	4,130	3,096
Net cost/(contribution) of outcome delivery	20,436	20,380

Note 17B: Major Classes of Departmental Expenses, Income, Assets and Liabilities by Outcome

	Outcome 1	
	2011	2010
	\$'000	\$'000
Departmental expenses:		
Employees	16,242	15,633
Suppliers	7,179	6,784
Depreciation and Amortisation	1,165	1,067
Write-down and impairment of assets	3	12
Loss on sale of assets	28	6
Total	24,617	23,503
Departmental income:		
Income from government	21,087	22,188
Sale of goods and services	797	414
Other gains and revenue	3,384	2,709
Total	25,268	25,311
Departmental assets:		
Cash and cash equivalents	158	250
Trade and other receivables	16,281	13,116
Infrastructure, plant and equipment	4,600	4,669
Intangibles	505	726
Other non-financial assets	86	136
Total	21,630	18,896
Departmental liabilities:		
Suppliers	537	198
Other payables	569	323
Employee provisions	4,536	4,337
Total	5,642	4,858

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