



Financial statements



INDEPENDENT AUDITOR'S REPORT

To the Speaker of the House of Representatives

I have audited the accompanying financial statements of the Department of the House of Representatives for the year ended 30 June 2014, 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; Administered Schedule of Comprehensive Income; Administered Schedule of Assets and Liabilities; Administered Reconciliation Schedule; Administered Cash Flow Statement 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 is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Department of the House of Representatives' 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 Representatives' 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.

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 Representatives' financial position as at 30 June 2014 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
26 September 2014

**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 2014 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.



D ELDER
Clerk of the House

26 September 2014



K SAUNDERS
Chief Financial Officer

26 September 2014

Table of Contents

Statement by CEO and CFO	62
Statement of Comprehensive Income	64
Statement of Financial Position	65
Statement of Changes in Equity	66
Cash Flow Statement	67
Schedule of Commitments	68
Administered Statement of Comprehensive Income	69
Administered Schedule of Assets and Liabilities	69
Administered Reconciliation Schedule	70
Administered Cash Flow Statement	70
Note 1: Summary of Significant Accounting Policies	71
Note 2: Events After the Reporting Period	80
Note 3: Expenses	81
Note 4: Income	82
Note 5: Fair Value Measurements	83
Note 6: Financial Assets	85
Note 7: Non-Financial Assets	87
Note 8: Payables	90
Note 9: Provisions	91
Note 10: Restructuring	92
Note 11: Cash Flow Reconciliation	93
Note 12: Contingent Assets and Liabilities	94
Note 13: Senior Executive Remuneration	95
Note 14: Remuneration of Auditors	97
Note 15: Financial Instruments	98
Note 16: Financial Assets Reconciliation	100
Note 17: Administered - Expenses	101
Note 18: Administered - Financial Assets	101
Note 19: Administered - Payables	102
Note 20: Administered - Cash Flow Reconciliation	102
Note 21: Administered - Financial Instruments	103
Note 22: Administered - Financial Assets Reconciliation	103
Note 23: Appropriations	104
Note 24: Special Accounts and FMA Act Section 39 Investments	108
Note 25: Compensation and Debt Relief	109
Note 26: Reporting of Outcomes	110
Note 27: Net Cash Appropriation Arrangements	111

Statement of Comprehensive Income
for the period ended 30 June 2014

		2014	2013
	Notes	\$'000	\$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	3A	18,103	18,180
Supplier	3B	5,804	6,038
Depreciation and amortisation	3C	499	985
Write-down and impairment of assets	3D	1	2
Losses from asset sales	3E	2	14
Total expenses		<u>24,409</u>	<u>25,219</u>
LESS:			
Own-source income			
Own-source revenue			
Sale of goods and rendering of services	4A	508	828
Interest	4B	2	-
Other revenue	4B	568	673
Total own-source revenue		<u>1,078</u>	<u>1,501</u>
Gains			
Other gains	4C	1,997	1,957
Total gains		<u>1,997</u>	<u>1,957</u>
Total own-source income		<u>3,075</u>	<u>3,458</u>
Net cost of services		<u>21,334</u>	<u>21,761</u>
Revenue from Government	4D	21,486	21,913
Surplus attributable to the Australian Government		<u>152</u>	<u>152</u>
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation surplus		-	450
Total comprehensive income		<u>-</u>	<u>450</u>
Total comprehensive income attributable to the Australian Government		<u>152</u>	<u>602</u>

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

Statement of Financial Position

as at 30 June 2014

	Notes	2014 \$'000	2013 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	6A	645	390
Trade and other receivables	6B	18,043	19,099
Total financial assets		18,688	19,489
Non-Financial Assets			
Property, plant and equipment	7A,B	4,562	4,217
Intangibles	7C,D	2,621	1,741
Inventories	7E	22	26
Other non-financial assets	7F	142	120
Total non-financial assets		7,347	6,104
Total assets		26,035	25,593
LIABILITIES			
Payables			
Suppliers	8A	804	395
Other payables	8B	1,738	1,179
Total payables		2,542	1,574
Provisions			
Employee provisions	9A	5,664	5,592
Total provisions		5,664	5,592
Total liabilities		8,206	7,166
Net assets		17,829	18,427
EQUITY			
Parent Entity Interest			
Contributed equity		(12,326)	(12,378)
Reserves		13,437	13,437
Retained surplus (accumulated deficit)		16,718	17,368
Total Equity		17,829	18,427

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

Statement of Changes in Equity
for the period ended 30 June 2014

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance								
Balance carried forward from previous period	17,368	17,114	13,437	12,987	(12,378)	(13,428)	18,427	16,673
Adjustment for errors	-	-	-	-	-	-	-	-
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjusted opening balance	17,368	17,114	13,437	12,987	(12,378)	(13,428)	18,427	16,673
Comprehensive income								
Other comprehensive income	-	-	-	450	-	-	-	450
Surplus (Deficit) for the period	152	152					152	152
Total comprehensive income	152	152	-	450	-	-	152	602
of which:								
Attributable to the Australian Government	152	152	-	450	-	-	152	602
Transactions with owners								
Distributions to owners								
Returns of capital: Other	118	102	-	-	-	-	118	102
Contributions by owners								
Departmental capital budget	-	-	-	-	1,055	1,050	1,055	1,050
Transfer to DPS for ICT restructure	-	-	-	-	(1,327)	-	(1,327)	-
Transfer of ICT assets to DPS for restructure	-	-	-	-	(596)	-	(596)	-
Sub-total transactions with owners	118	102	-	-	(868)	1,050	(751)	1,152
Reclassify prior year operating to capital budget	(920)	-	-	-	920	-	-	-
Other transfers between equity components	-	-	-	-	-	-	-	-
Closing balance as at 30 June	16,718	17,368	13,437	13,437	(12,326)	(12,378)	17,828	18,427

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

Cash Flow Statement
for the period ended 30 June 2014

	Notes	2014 \$'000	2013 \$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations		21,335	20,052
Sales of goods and rendering of services		761	705
Interest received		2	-
Net GST received		270	253
Revenue from external sources		1,074	1,320
Other		1	20
Total cash received		<u>23,443</u>	<u>22,350</u>
Cash used			
Employees		17,977	17,905
Suppliers		3,838	4,702
Total cash used		<u>21,815</u>	<u>22,607</u>
Net cash from/(used by) operating activities	11	<u>1,628</u>	<u>(257)</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sales of property, plant and equipment		8	9
Total cash received		<u>8</u>	<u>9</u>
Cash used			
Purchase of property, plant and equipment		1,281	726
Purchase of intangibles		1,047	1,298
Purchase of inventories		-	-
Total cash used		<u>2,328</u>	<u>2,024</u>
Net cash from/(used by) investing activities		<u>(2,320)</u>	<u>(2,015)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity (DCB)		830	2,024
Funds transferred to Special Account		-	102
Funds transferred to Departmental Account (IPU)		118	-
Total cash received		<u>948</u>	<u>2,126</u>
Cash used			
Funds returned to the OPA		-	-
Total cash used		<u>-</u>	<u>-</u>
Net cash from financing activities		<u>948</u>	<u>2,126</u>
Net increase/(decrease) in cash held		<u>255</u>	<u>(146)</u>
Cash and cash equivalents at the beginning of the reporting period		390	538
Cash and cash equivalents at the end of the reporting period	6A	<u>645</u>	<u>390</u>

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

SCHEDULE OF COMMITMENTS

as at 30 June 2014

	2014	2013
BY TYPE	\$'000	\$'000
Commitments receivable		
Net GST recoverable on commitments ¹	<u>(76)</u>	<u>(129)</u>
Total commitments receivable	<u>(76)</u>	<u>(129)</u>
Commitments payable		
Capital commitments		
Property, plant and equipment ²	158	-
Intangibles ³	<u>510</u>	<u>1,245</u>
Total capital commitments	<u>668</u>	<u>1,245</u>
Other commitments		
Operating leases ⁴	93	88
Other ⁵	<u>239</u>	<u>77</u>
Total other commitments	<u>332</u>	<u>165</u>
Net commitments by type	<u>924</u>	<u>1,281</u>
BY MATURITY		
Commitments receivable		
Operating lease income		
One year or less	(4)	(7)
From one to five years	<u>(4)</u>	<u>(1)</u>
Total operating lease income	<u>(8)</u>	<u>(8)</u>
Other commitments receivable		
One year or less	(68)	(113)
From one to five years	<u>-</u>	<u>(8)</u>
Total other commitments receivable	<u>(68)</u>	<u>(121)</u>
Commitments payable		
Capital commitments		
One year or less	643	1,157
From one to five years	<u>25</u>	<u>88</u>
Total capital commitments	<u>668</u>	<u>1,245</u>
Operating lease commitments		
One year or less	46	76
From one to five years	<u>48</u>	<u>12</u>
Total operating lease commitments	<u>94</u>	<u>88</u>
Other Commitments		
One year or less	155	77
From one to five years	<u>83</u>	<u>-</u>
Total other commitments	<u>238</u>	<u>77</u>
Net commitments by maturity	<u>924</u>	<u>1,281</u>

Note:

1. Commitments were GST inclusive where relevant.
2. Property, plant and equipment includes contracts for purchase of new office furniture for Department staff.
3. Purchase of software licences and development of Table Office Production System, and a Venue Management System.
4. Operating leases included were effectively non-cancellable and comprise agreements for the provision of motor vehicles to senior executives and for departmental use.
5. Other commitments relate to contracts lodged with suppliers.

Administered Schedule of Comprehensive Income*for the period ended 30 June 2014*

	Notes	2014 \$'000	2013 \$'000
EXPENSES			
Suppliers	17A	315	-
Total expenses		<u>315</u>	<u>-</u>
Net cost of services		<u>315</u>	<u>-</u>
Surplus/(Deficit)		<u>(315)</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to profit or loss			
Other comprehensive income		-	-
Total other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income/(loss)		<u>(315)</u>	<u>-</u>

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

Administered Schedule of Assets and Liabilities*as at 30 June 2014*

	Notes	2014 \$'000	2013 \$'000
ASSETS			
Financial assets			
Cash and cash equivalents		-	-
Trade and other receivables		5	-
Total financial assets		<u>5</u>	<u>-</u>
Non-financial assets			
Total non-financial assets		<u>-</u>	<u>-</u>
Total assets administered on behalf of Government		<u>5</u>	<u>-</u>
LIABILITIES			
Payables			
Suppliers	19A	4	-
Other payables	19B	5	-
Total payables		<u>9</u>	<u>-</u>
Total liabilities administered on behalf of Government		<u>9</u>	<u>-</u>
Net assets/(liabilities)		<u>(4)</u>	<u>-</u>

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

Administered Reconciliation Schedule

	2014	2013
	\$'000	\$'000
Opening assets less liabilities as at 1 July	-	-
Net (cost of)/ contribution by services		
Administered expenses	(315)	-
Transfers to/from Australian Government:		
Annual appropriations for administered expenses	311	-
Closing assets less liabilities as at 30 June	<u>(4)</u>	<u>-</u>

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

Administered Cash Flow Statement

for the period ended 30 June 2014

	Notes	2014	2013
		\$'000	\$'000
OPERATING ACTIVITIES			
Cash received			
Net GST received		19	-
Other		-	-
Total cash received		<u>19</u>	<u>-</u>
Cash used			
Suppliers		335	-
Total cash used		<u>335</u>	<u>-</u>
Net cash flows from (used by) operating activities		<u>(316)</u>	<u>-</u>
Net increase (decrease) in Cash Held	20	<u>(316)</u>	<u>-</u>
Cash and cash equivalents at the beginning of the reporting period		-	-
Cash from Official Public Account for:			
-Appropriations		311	-
-GST Appropriations		24	-
Total cash from official public account		<u>335</u>	<u>-</u>
Cash to the Official Public Account			
-Appropriations		-	-
-GST Appropriations		(19)	-
Total cash to official public account		<u>(19)</u>	<u>-</u>
Net cash from/(to) the Official Public Account		<u>316</u>	<u>-</u>
Cash and cash equivalents at the end of the reporting period		<u>-</u>	<u>-</u>

This schedule should be read in conjunction with the accompanying notes.

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of the Department of the House of Representatives

The Department is one of four parliamentary Departments supporting the Australian Parliament. It is a not-for-profit entity. 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 Federation Chamber;
- Community Relations and Awareness;
- Committee Services;
- Interparliamentary Relations; and
- Members' Services and Corporate Support.

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 (FMOs) for reporting periods ending on or after 1 July 2011; 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 FMOs, assets and liabilities are recognised in the statement of financial position 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 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 benefit has occurred and can be reliably measured.

Subject to the Department serving the Parliament independently of the Executive Government of the Commonwealth, the Department acknowledges that 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* (2014) HCA 23, 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.

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 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.

All new, revised or amending standards and interpretations that were issued prior to the signing of the Statement by the Clerk and Chief Financial Officer that were applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact.

Future Australian Accounting Standard Requirements

All new, revised or amending standards and interpretations that were issued by the Australian Accounting Standards Board prior to the signing of the Statement by the Clerk and Chief Financial Officer are not expected to have a future material impact on the entity's financial statements.

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 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.

Parental Leave Payments Scheme

Amounts received under the Parental Leave Payments Scheme by the Department not yet paid to employees were presented gross as cash and a liability (payable). The total amount received under this scheme was \$7,265.63 (2013: \$47,345.46).

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 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 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.

On 14 April 2014, the Finance Minister issued a determination under Section 11 of Appropriation (Parliamentary Departments) Act (No. 1) 2012-2013 and Appropriation (Parliamentary Departments) Act (No. 1) 2013-2014 to reduce Departmental items by \$920,000 and \$407,000 respectively.

1.8 Employee Benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits expected within twelve months of the end of the 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 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 entitled to be members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap). Staff are also allowed Choice of Fund and may have the same contributions as for PSSap directed to their nominated fund.

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's administered schedules and notes.

The Department makes employer contributions to the employees' defined benefit 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. 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 Fair Value Measurement

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- a) level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- b) level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and
- c) level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period in conjunction with an independent valuer.

The Department deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period.

1.12 Cash

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

- a) cash on hand;
- b) demand deposits in bank accounts with an original maturity of 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.

1.13 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. 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.

1.14 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).

1.15 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position. 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.

1.16 Financial Guarantee Contracts

The Department is not party to any financial guarantee contracts.

1.17 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.

1.18 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total 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 231 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, property, 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.

An independent qualified valuer undertook a materiality review of the Department's property, plant and equipment as at 30 June 2014. The last independent revaluation was undertaken as at 30 June 2013.

Work-in-progress

If, at 30 June 2014, 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:

	2014	2013
Plant and equipment	2 to 10 years	2 to 10 years
Computer equipment	2 to 5 years	2 to 5 years
Furniture and fittings	2 to 50 years	5 to 50 years
Office machines and equipment	2 to 20 years	5 to 15 years

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 3C.

Impairment

All assets were assessed for impairment at 30 June 2014. 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 \$369,000 (2013: \$369,000).

- . 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.

1.19 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 7 years (2012-13: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2014.

1.20 Inventories

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

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.

1.21 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.

1.22 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

The Department does not collect Administered revenues. Cash is drawn from the OPA to make payments under Parliamentary appropriation on behalf of the Government. These transfers to and from the OPA are adjustments to the administered cash held by the Department on behalf of the Government and reported as such in the administered cash flow statement and in the administered reconciliation schedule.

Receivables

The Department only has administered GST receivable.

Note 2: Events after the Reporting Period

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

Administered

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

Note 3: Expenses

	2014	2013
	\$'000	\$'000
Note 3A: Employee Benefits		
Wages and salaries	13,096	13,684
Superannuation:		
Defined contribution plans	684	652
Defined benefit plans	2,085	2,206
Leave and other entitlements	2,053	1,638
Separation and redundancies	185	-
Total employee benefits	18,103	18,180

Note 3B: Supplier

Goods and services

Staff Related Services	326	397
Travel	814	1,121
Office Services	4,275	4,003
Communication	116	246
Corporate Expenses	52	64
Total goods and services	5,583	5,831

Goods and services are made up of:

Provision of goods – related entities	1	-
Provision of goods – external parties	920	948
Rendering of services – related entities	2,977	2,178
Rendering of services – external parties	1,685	2,705
Total goods and services	5,583	5,831

Other supplier expenses

Operating lease rentals – related entities:		
Minimum lease payments	75	89
Workers compensation expenses	146	118
Total other supplier expenses	221	207
Total supplier expenses	5,804	6,038

Note 3C: Depreciation and Amortisation

Depreciation:

Property, plant and equipment	330	781
Total depreciation	330	781

Amortisation:

Intangibles	169	204
Total amortisation	169	204
Total depreciation and amortisation	499	985

Note 3D: Write-Down and Impairment of Assets

Asset write-downs and impairments from:

Impairment of property, plant and equipment	1	2
Write-down of inventory	-	-
Total write-down and impairment of assets	1	2

Note 3E: Losses from Asset Sales

Property, plant and equipment:

Proceeds from sale	(16)	(13)
Carrying value of assets sold	9	23
Selling expense	8	4
Total losses from asset sales	2	14

Note 4: Income

	2014	2013
	\$'000	\$'000

OWN-SOURCE REVENUE

Note 4A: Sale of Goods and Rendering of Services

Provision of goods - related entities	13	9
Provision of goods - external parties	23	28
Rendering of services - related entities	464	776
Rendering of services - external parties	8	15
Total sale of goods and rendering of services	508	828

Note 4B: Other Revenue

Bank Interest - Inter Parliamentary Union	2	-
Total interest	2	-

Funding from external sources	567	661
Comcare refunds	-	4
Royalties	1	8
Total other revenue	568	673

GAINS

Note 4C: Other Gains

Resources received free of charge ¹	1,997	1,948
Other financial income	-	8
First time recognition of assets	-	1
Total other gains	1,997	1,957

	2014	2013
	\$'000	\$'000

REVENUE FROM GOVERNMENT

Note 4D: Revenue from Government

Appropriations:

Departmental appropriations	21,486	21,913
Total revenue from Government	21,486	21,913

1. Resources received free of charge relate to goods and services provided by the Department of Parliamentary Services that the Department would otherwise incur in relation to rent.

Note 5: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value.

The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Department can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Note 5A: Fair Value Measurement

Fair value measurements at the end of the reporting period by hierarchy for non-financial assets in 2014

	Fair value measurements at the end of the reporting period using			
	Fair value \$'000	Level 1 inputs \$'000	Level 2 inputs \$'000	Level 3 inputs \$'000
Non-financial assets:				
Property, plant and equipment	4,562	-	2,949	1,613
Total non-financial assets	4,562	-	2,949	1,613
Assets not measured at fair value in the statement of financial position:				
Non-financial assets ¹	-	-	-	-

1. The Department did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2014.

Fair value Measurement - Highest & Best Use

The Department's assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all controlled assets is considered their highest and best use.

Note 5B: Level 1 and Level 2 transfers for recurring fair value measurements

Recurring fair value measurements transferred between Level 1 and Level 2 for assets and liabilities

	Transferred from	
	Level 1 to Level 2 \$'000	Level 2 to Level 1 \$'000
Non-financial assets:		
Property, plant and equipment	-	-
Total non-financial assets	-	-

There have been no transfers between levels of the hierarchy during the year.

The Department's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

Note 5C: Valuation technique and inputs for Level 2 and Level 3 fair value measurements

Level 2 and 3 fair value measurements - valuation technique and the inputs used for assets in 2014

	Category (Level 2 or Level 3)	Fair value	Valuation technique(s) ¹	Inputs used	Transferred from
					Range (weighted average) ²
Non-financial assets:					
Property, plant and equipment	2	2,949	Market Approach	Adjusted market transactions	
Property, plant and equipment	3	1,613	Depreciated Replacement Cost (DRC)	Replacement Cost New	
				Consumed economic benefit / Obsolescence of asset	2.00H% - 2.00L% (2.00%) per annum

1. There has been no changes to valuation techniques.

2. Significant unobservable inputs only. Not applicable for assets or liabilities in the Level 2 category.

There were no significant inter-relationships between unobservable inputs that materially affect fair value.

Recurring and non-recurring Level 3 fair value measurements - valuation processes

The Department procured the service of the Australian Valuation Office (AVO) to undertake a comprehensive valuation of all non-financial assets at 30 June 2013. The Department tests the procedures of the valuation model as an internal management review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. The Department has engaged Australian Valuation Solutions (AVS) to provide written assurance that the models developed comply with AASB 13.

There is no change in the valuation technique since the prior year.

Significant Level 3 inputs utilised by the entity are derived and evaluated as follows:

Property, Plant and Equipment - Consumed economic benefit / Obsolescence of asset

Assets that do not transact with enough frequency or transparency to develop objective opinions of value from observable market evidence have been measured utilising the cost (Depreciated Replacement Cost or DRC) approach. Under the DRC approach the estimated cost to replace the asset is calculated and then adjusted to take into account its consumed economic benefit / asset obsolescence (accumulated Depreciation). Consumed economic benefit / asset obsolescence has been determined based on professional judgment regarding physical, economic and external obsolescence factors relevant to the asset under consideration.

The weighted average is determined by assessing the fair value measurement as a proportion of the total fair value for the class against the total useful life of each asset.

Recurring Level 3 fair value measurements - sensitivity of inputs

Property, Plant and Equipment - Consumed economic benefit / Obsolescence of asset

The significant unobservable inputs used in the fair value measurement of the entity's leasehold improvements and property, plant and equipment asset classes relate to the consumed economic benefit / asset obsolescence. A significant increase (decrease) in this input would result in a significantly lower (higher) fair value measurement.

Note 5D: Reconciliation for recurring Level 3 fair value measurements

Recurring Level 3 fair value measurements - reconciliation for assets

	Non-financial assets	
	Property, plant and equipment \$'000	Total \$'000
Opening balance	1,678	1,678
Total gains/(losses) in accumulated depreciation ²	(65)	(65)
Purchases	-	-
Sales	-	-
Issues	-	-
Settlements	-	-
Transfers into Level 3 ³	-	-
Transfers out of Level 3 ³	-	-
Closing balance	1,613	1,613
Changes in unrealised gains/(losses) recognised ⁴	-	-

1. Opening balance as determined in accordance with AASB 13.

2. Gains/(losses) are reflected in the Statement of Comprehensive Income.

3. There have been no transfers between levels of the hierarchy during the year.

4. Unrealised gains/(losses) (if any) will be reflected in the Statement of Comprehensive Income.

The Department's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

Note 6: Financial Assets

	2014	2013
	\$'000	\$'000
Note 6A: Cash and Cash Equivalents		
Cash held by the salary sacrifice service provider	35	35
Cash on hand or on deposit	610	355
Total cash and cash equivalents	645	390
Note 6B: Trade and Other Receivables		
Goods and services	283	365
Total receivables for goods and services	283	365
Appropriations receivable:		
For existing programs	15,213	15,923
For departmental supplementations	-	272
For Special Account	2,504	2,473
Total appropriations receivable	17,717	18,668
Other receivables:		
GST receivable from the Australian Taxation Office	43	66
Total other receivables	43	66
Total trade and other receivables (gross)	18,043	19,099
Less impairment allowance account:		
Goods and services	-	-
Total impairment allowance account	-	-
Total trade and other receivables (net)	18,043	19,099
Receivables are expected to be recovered in:		
No more than 12 months	18,043	19,099
Total trade and other receivables (net)	18,043	19,099
Receivables are aged as follows:		
Not overdue	18,038	19,070
Overdue by:		
0 to 30 days	-	-
31 to 60 days	5	28
61 to 90 days	-	1
More than 90 days	-	-
Total receivables (gross)	18,043	19,099
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	-	-
Total impairment allowance account	-	-

Reconciliation of the Impairment Allowance Account:**Movements in relation to 2014**

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

Movements in relation to 2013

	Goods and services \$'000	Total \$'000
Opening balance	-	-
Amounts written off	-	-
Amounts recovered and reversed	-	-
Increase/decrease recognised in net surplus	-	-
Closing balance	-	-

Note 7: Non-Financial Assets

	2014	2013
	\$'000	\$'000
Note 7A: Property, Plant and Equipment		
Heritage and cultural:		
Fair value	369	369
Total heritage and cultural	369	369
Other property, plant and equipment:		
Fair value	4,480	3,848
Accumulated depreciation	(287)	-
Total other property, plant and equipment	4,193	3,848
Total property, plant and equipment	4,562	4,217

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

Note 7B: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment 2014

	Heritage and cultural ¹ \$'000	Other property, plant & equipment \$'000	Total \$'000
As at 1 July 2013			
Gross book value	369	3,848	4,217
Accumulated depreciation and impairment	-	-	-
Net book value 1 July 2013	369	3,848	4,217
Additions:			
By purchase	-	1,281	1,281
Revaluations and impairments recognised in other comprehensive income	-	-	-
Transfer to DPS	-	(596)	(596)
Depreciation expense	-	(330)	(330)
Disposals:			
Other disposals	-	(10)	(10)
Net book value 30 June 2014	369	4,193	4,562
Net book value as of 30 June 2014 represented by:			
Gross book value	369	4,480	4,849
Accumulated depreciation and impairment	-	(287)	(287)
Net book value 30 June 2014	369	4,193	4,562

1. Other property that met the definition of a heritage and cultural item were disclosed in the heritage and cultural asset class.

Note 7B: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment 2013

	Heritage and cultural ¹	Other property, plant & equipment	Total
	\$'000	\$'000	\$'000
As at 1 July 2012			
Gross book value	323	5,091	5,414
Accumulated depreciation and impairment	-	(1,567)	(1,567)
Net book value 1 July 2012	323	3,524	3,847
Additions:			
By purchase or internally developed	-	726	726
Revaluations and impairments recognised in other comprehensive income	46	404	450
Depreciation expense	-	(781)	(781)
Disposals:			
Other disposals	-	(25)	(25)
Net book value 30 June 2013	369	3,848	4,217
Net book value as of 30 June 2013 represented by:			
Gross book value	369	3,848	4,217
Accumulated depreciation and impairment	-	-	-
Net book value 30 June 2013	369	3,848	4,217

1. Property, plant and equipment that met the definition of a heritage and cultural item were disclosed in the heritage and cultural asset class.

	2014 \$'000	2013 \$'000
Note 7C: Intangibles		
Computer software:		
Internally developed – in progress	449	1,513
Internally developed – in use	2,423	390
Purchased - in use	636	1,924
Accumulated amortisation	(887)	(2,086)
Total intangibles	2,621	1,741

No indicators of impairment were found for intangible assets.

Note 7D: Reconciliation of the Opening and Closing Balances of Intangibles 2014

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2013			
Gross book value	1,903	1,924	3,827
Accumulated amortisation and impairment	(310)	(1,776)	(2,086)
Net book value 1 July 2013	1,593	148	1,741
Additions:			
By purchase or internally developed	1,047	-	1,047
Amortisation	(94)	(75)	(169)
Other movements	-	-	-
Disposals:			
Other disposals	-	-	-
Write off	-	-	-
Net book value 30 June 2014	2,546	73	2,619
Net book value as of 30 June 2014 represented by:			
Gross book value	2,872	636	3,508
Accumulated amortisation and impairment	(323)	(564)	(887)
Net book value 30 June 2014	2,549	72	2,621

Note 7D (Cont'd): Reconciliation of the Opening and Closing Balances of Intangibles 2013

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
As at 1 July 2012			
Gross book value	665	1,864	2,529
Accumulated amortisation and impairment	(265)	(1,617)	(1,882)
Net book value 1 July 2012	400	247	647
Additions:			
By purchase or internally developed	1,238	60	1,298
Amortisation	(45)	(159)	(204)
Other movements	-	-	-
Disposals:			
Other disposals	-	-	-
Net book value 30 June 2013	1,592	148	1,741

Net book value as of 30 June 2013 represented by:

Gross book value	1,903	1,924	3,827
Accumulated amortisation and impairment	(310)	(1,776)	(2,086)
Net book value 30 June 2013	1,593	148	1,741

2014 2013
\$'000 \$'000

Note 7E: Inventories**Inventories held for sale:**

Work in progress	-	-
Finished goods	22	26
Total inventories held for sale	22	26
Inventories held for distribution	-	-
Total inventories	22	26

During 2014, \$4,240 of inventory held for sale was recognised as an expense (2013: \$3,886).

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.

During 2014, \$0 of inventory was written down as an expense due to losses (2013: \$0).

2014 2013
\$'000 \$'000

Note 7F: Other Non-Financial Assets

Prepayments	142	120
Total other non-financial assets	142	120

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

No more than 12 months	142	120
Total other non-financial assets	142	120

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

Note 8: Payables

	2014	2013
	\$'000	\$'000

Note 8A: Suppliers

Trade creditors and accruals	804	395
Total suppliers payables	804	395

Suppliers payables expected to be settled within 12 months:

Related entities	363	181
External parties	441	214
Total	804	395

Settlement was usually made within 30 days.

Note 8B: Other Payables

Wages and salaries	440	390
Superannuation	87	78
Salary sacrifice payables	35	35
GST payable	6	8
Paid parental leave	4	6
Unearned income ¹	1,166	659
Other	-	3
Total other payables	1,738	1,179

All other payables are payable within 12 months.

1. Unearned income relates to Department of Foreign Affairs ('DFAT') (AusAID) funding for Pacific Parliamentary Development programs. Payment is made in advance of work being performed, and unspent funds are acquitted and returned to DFAT.

Note 9: Provisions

	2014	2013
	\$'000	\$'000
Note 9A: Employee Provisions		
Leave	<u>5,664</u>	<u>5,592</u>
Total employee provisions	<u>5,664</u>	<u>5,592</u>
Employee provisions are expected to be settled in:		
No more than 12 months	<u>1,118</u>	<u>1,094</u>
More than 12 months	<u>4,546</u>	<u>4,498</u>
Total employee provisions	<u>5,664</u>	<u>5,592</u>

Note 10: Restructuring

Note 10A: Departmental Restructuring

	2014
	ICT Services - Department of Parliamentary Services ¹
	\$'000
FUNCTIONS RELINQUISHED	
Assets relinquished	
Information, Communication and Technology Assets	(596)
Total assets relinquished	(596)
Liabilities relinquished	
Provisions	102
Total liabilities relinquished	102
Net assets/(liabilities) relinquished	(494)

¹ The provision of Information, Communications Technology (ICT) services was assumed by the Department of Parliamentary Services on 1 July 2013. The restructuring followed agreement to recommendations outlined in an independent review of ICT for the Parliament (undertaken by Mr Michael Roche).

Note 11: Cash Flow Reconciliation

	2014	2013
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash Flow Statement	645	390
Statement of Financial Position	645	390
Difference	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from operating activities:		
Net cost of services	(21,334)	(21,761)
Add revenue from Government	21,486	21,913
Surplus attributable to the Australian Government	<u>152</u>	<u>152</u>
Adjustments for non-cash items		
Depreciation / amortisation	499	985
Net write down of non-financial assets	1	2
Loss/(Gain) on disposal of assets	2	14
	<u>502</u>	<u>1,001</u>
Changes in assets / liabilities		
(Increase) / decrease in net receivables	(45)	(2,189)
(Increase) / decrease in prepayments	(22)	17
(Increase) / decrease in net inventories	4	(26)
Increase / (decrease) in employee provisions	71	291
Increase / (decrease) in supplier payables	408	(138)
Increase / (decrease) in GST payables	(2)	(8)
Increase / (decrease) in prepayments received	506	659
Increase / (decrease) in other payable	55	(16)
Net cash from/(used by) operating activities	<u>1,628</u>	<u>(257)</u>

Note 12: Contingent Assets and Liabilities

The department does not have any contingent liabilities and assets as at 30 June 2014.

The department did not have contingent liabilities and assets as at 30 June 2013.

Quantifiable Contingencies

The department had no quantifiable contingencies as at 30 June 2014. (2013:NIL)

Unquantifiable Contingencies

The department had no unquantifiable contingencies as at 30 June 2014. (2013:NIL)

Significant Remote Contingencies

The department had no remote contingencies as at 30 June 2014. (2013:NIL)

The department does not have any administered contingent liabilities and assets as at 30 June 2014.

The department did not have administered contingent liabilities and assets as at 30 June 2013.

Quantifiable Contingencies

The department had no quantifiable administered contingencies as at 30 June 2014.

Unquantifiable Contingencies

The department had no unquantifiable administered contingencies as at 30 June 2014.

Significant Remote Contingencies

The department had no remote administered contingencies as at 30 June 2014.

The Department did not receive Administered funding during 2013.

Note 13: Senior Executive Remuneration

Note 13A: Senior Executive Remuneration Expenses for the Reporting Period

	2014	2013
	\$	\$
Short-term employee benefits:		
Salary	1,005,003	1,093,136
Motor vehicle and other allowances	24,299	49,594
Total short-term employee benefits	1,029,302	1,142,730
Post-employment benefits:		
Retirement Benefit	271,677	-
Superannuation	214,679	259,655
Total post-employment benefits	486,356	259,655
Other long-term benefits:		
Annual leave accrued	85,137	83,368
Long-service leave	27,758	27,181
Total other long-term benefits	112,895	110,549
Total employment benefits	1,628,553	1,512,934

Notes:

- Note 13A is prepared on an accrual basis.
- Note 13A excludes acting arrangements and part-year service where total remuneration expensed as a senior executive was less than \$195,000.

Note 13B: Average Annual Reportable Remuneration Paid to Substantive Senior Executives During the Reporting Period

Average annual reportable remuneration ¹	2014				
	Senior Executives	Reportable salary ²	Contributed superannuation ³	Retirement benefit ⁴	Total
	No.	\$	\$	\$	\$
Total remuneration (including part-time arrangements):					
Less than \$195,000	1	18,148	4,070	-	22,218
\$195,000 to \$224,999	-	-	-	-	-
\$225,000 to \$254,999	3	200,248	42,628	-	242,876
\$255,000 to \$284,999	-	-	-	-	-
\$285,000 to \$314,999	-	-	-	-	-
\$315,000 to \$374,999	1	298,680	52,747	-	351,427
\$375,000 to \$444,999	-	-	-	-	-
\$445,000 to \$524,999	1	466,933	33,838	271,677	772,448
Total	6				

Average annual reportable remuneration ¹	2013				
	Senior Executives	Reportable salary ²	Contributed superannuation ³	Retirement benefit ⁴	Total
	No.	\$	\$	\$	\$
Total remuneration (including part-time arrangements):					
Less than \$195,000	-	-	-	-	-
\$195,000 to \$224,999	2	176,735	44,994	-	221,729
\$225,000 to \$254,999	-	-	-	-	-
\$255,000 to \$284,999	2	221,815	49,292	-	271,107
\$285,000 to \$314,999	-	-	-	-	-
\$315,000 to \$374,999	-	-	-	-	-
\$375,000 to \$444,999	1	345,630	71,084	-	416,714
Total	5				

Notes:

- 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.
- 'Reportable salary' includes the following:
 - gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes);
 - reportable employer superannuation contributions; and
 - exempt foreign employment income.
- The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.
- 'Retirement benefit' represents accumulated leave amounts paid to a senior executive upon retirement.

Note 13C: Other Highly Paid Staff

2014				
Average annual reportable remuneration ¹	Staff No.	Reportable salary ² \$	Contributed superannuation ³ \$	Total \$
Total remuneration (including part-time arrangements): \$195,000 to \$224,999	-	-	-	-
Total	-			

2013				
Average annual reportable remuneration ¹	Staff No.	Reportable salary ² \$	Contributed superannuation ³ \$	Total \$
Total remuneration (including part-time arrangements): \$195,000 to \$224,999	-	-	-	-
\$180,000 to \$194,999	1	157,783	33,520	191,303
Total	1			

Notes:

1. This table reports staff:
 - a) who were employed by the entity during the reporting period;
 - b) whose reportable remuneration was \$195,000 or more for the financial period (prior year reportable amount \$180,000); and
 - c) were not required to be disclosed in Tables A, B or director disclosures.
 Each row is an averaged figure based on headcount for individuals in the band.
2. 'Reportable salary' includes the following:
 - a) gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column);
 - b) reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes);
 - c) reportable employer superannuation contributions; and
 - d) exempt foreign employment income.
3. The 'contributed superannuation' amount is the average actual superannuation contributions paid to other highly paid staff in that reportable remuneration band during the reporting period.

Note 14: Remuneration of Auditors

	2014	2013
	\$'000	\$'000

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

Fair value of the services provided

Financial statement audit services	<u>80</u>	<u>83</u>
Total	<u>80</u>	<u>83</u>

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

Note 15: Financial Instruments

2014 2013
\$'000 \$'000

Note 15A: Categories of Financial Instruments

Financial Assets

Cash and cash equivalents 645 390
Trade and other receivables 283 365

Total 928 755

Carrying amount of financial assets 928 755

Financial Liabilities

At amortised cost:

Suppliers 200 98
Accrued expenses 604 298
Other Payables 1,738 1,179

Total 2,542 1,575

Carrying amount of financial liabilities 2,542 1,575

Note 15B: Net Gains or Losses from Financial Assets

There is no gains or losses for the department's financial assets.

Note 15C: Net Gains or Losses from Financial Liabilities

There is no gains or losses for the department's financial liabilities.

Note 15D: 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 15E: 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 (2014: \$283,000 and 2013: \$365,000).

The department has assessed the risk of the default on payment and has allocated \$0 in 2014 (2013: \$0) 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
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Financial assets				
Cash and cash equivalents	645	390	-	-
Trade and other receivables	278	336	5	29
Total	923	726	5	29
Financial liabilities				
Suppliers	200	98	-	-
Accrued expenses	604	298	-	-
Other payables	1,738	1,179	-	-
Total	2,542	1,575	-	-

Ageing of financial assets that are past due but not impaired for 2014

	0 to 30 days \$'000	31 to 60 days \$'001	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Trade and other receivables	-	5	-	-	5
Total	-	5	-	-	5

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

	0 to 30 days \$'000	31 to 60 days \$'001	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Trade and other receivables	-	28	1	-	29
Total	-	28	1	-	29

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

Trade Receivables of \$0 (2013: \$0).

Note 15F: 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 2014 \$'000	1 to 5 years 2014 \$'000	> 5 years 2014 \$'000	Total 2014 \$'000
Other Liabilities				
Suppliers	-	200	-	200
Accrued expenses	-	604	-	604
Other payables	-	1,738	-	1,738
Total	-	2,542	-	2,542

	On demand 2013 \$'000	1 to 5 years 2013 \$'000	> 5 years 2013 \$'000	Total 2013 \$'000
Other liabilities				
Suppliers	-	98	-	98
Accrued expenses	-	298	-	298
Other payables	-	1,179	-	1,179
Total	-	1,575	-	1,575

Note 15G: Market Risk

The department is not exposed to market risk.

Note 16: Financial Assets Reconciliation

		2014	2013
		\$'000	\$'000
<u>Financial assets</u>	Notes		
Total financial assets as per statement of financial position		18,687	19,489
Less: non-financial instrument components			
Appropriations receivable	6B	17,717	18,668
Other receivables	6B	43	66
Total non-financial instrument components		<u>17,760</u>	<u>18,734</u>
Total financial assets as per financial instruments note	15A	<u>928</u>	<u>755</u>

Note 17: Administered - Expenses

	2014	2013
	\$'000	\$'000
Note 17A: Suppliers		
Goods and services		
Hospitality Services	315	-
Total goods and services	315	-
Goods and services are made up of:		
Provision of goods – related entities	-	-
Provision of goods – external parties	-	-
Rendering of services – related entities	72	-
Rendering of services – external parties	243	-
Total goods and services	315	-

Note 18: Administered - Financial Assets

	2014	2013
	\$'000	\$'000
Note 18A: Trade and Other Receivables		
GST receivable from Australian Taxation Office	5	-
Receivables are expected to be recovered in:		
No more than 12 months	5	-
More than 12 months	-	-
Total trade and other receivables (net)	5	-
Receivables were aged as follows:		
Not overdue	5	-
Overdue by:		
0 to 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	-	-
Total receivables (gross)	5	-

The only receivable is GST receivable. There was no impairment allowance.

Note 19: Administered - Payables

	2014 \$'000	2013 \$'000
Note 19A: Suppliers		
Trade creditors and accruals	4	-
Total suppliers	<u>4</u>	<u>-</u>
Supplier payables expected to be settled within 12 months:		
Related entities	-	-
External parties	4	-
Total	<u>4</u>	<u>-</u>
Supplier payables expected to be settled in greater than 12 months:		
Related entities	-	-
External parties	-	-
Total	<u>-</u>	<u>-</u>
Total supplier	<u>4</u>	<u>-</u>
Settlement was usually made within 30 days.		
Note 19B: Other Payables		
GST Appropriation payable to OPA	5	-
Total other payables	<u>5</u>	<u>-</u>
Total other payables are expected to be settled in:		
No more than 12 months	5	-
More than 12 months	-	-
Total other payables	<u>5</u>	<u>-</u>

Note 20: Administered - Cash Flow Reconciliation

	2014 \$'000	2013 \$'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	(315)	-
Movements in assets / liabilities		
(Increase) / decrease in net receivables	(5)	-
Increase / (decrease) in supplier payables	4	-
Net cash used by operating activities	<u>(316)</u>	<u>-</u>

Note 21: Administered - Financial Instruments

	2014	2013
	\$'000	\$'000
Note 21A: Categories of Financial Instruments		
Financial Liabilities		
At amortised cost:		
Trade creditors and accruals	4	-
Total financial liabilities at amortised cost	4	-
Carrying amount of financial liabilities	4	-

Note 21B: Net Gains and Losses from Financial Assets & Liabilities

There is no gains or losses from Administered financial instruments.

Note 22: Administered - Financial Assets Reconciliation

	2014	2013
	\$'000	\$'000
Financial Assets		
Total financial assets per administered schedule of assets and liabilities	5	
Less: non-financial instrument components		
GST Receivable from the ATO	5	-
Total non-financial instrument components	5	-
Total financial assets as per financial instruments note	-	-

Note 23: Appropriations

Table A: Annual Appropriations (Recoverable GST exclusive)

	2014 Appropriations						Appropriation applied in 2014 (current and prior years) \$'000	Variance ² \$'000
	Appropriation Act		FMA Act			Total appropriation \$'000		
	Annual Appropriation \$'000	Appropriations reduced ¹ \$'000	AFM \$'000	Section 30 \$'000	Section 31 \$'000			
DEPARTMENTAL								
Ordinary annual services	22,893	(407)	-	-	1,892	24,378	(24,088)	
Other services	-	-	-	-	-	-	-	
Total departmental	22,893	(407)	-	-	1,892	24,378	290	
ADMINISTERED								
Ordinary annual services	325	(11)	-	-	-	314	(311)	
Administered items ³	325	(11)	-	-	-	314	(311)	
Total administered	325	(11)	-	-	-	314	3	

Notes:

1 Departmental appropriations do not lapse at financial year-end. There were reductions in appropriations for the year ended 30 June 2014. The Departmental appropriation reduction of \$407,000 relates to the transfer of ICT functions to DPS. The Instrument to Reduce Appropriations (No. 2 of 2013-2014) was approved by the Finance Minister on 14 April 2014. This also included a further \$920,000 reduction from prior year appropriations (not shown above). A further \$80,000 of Ordinary annual service appropriation was quarantined for Microsoft Volume Licensing, but has not been recognised as a formal appropriation reduction for 2013-14.

2 The variance relates to reduced expenditure due to the end of the 43rd Parliament, less additional spending of accumulated capital budget appropriations plus the amount of \$80,000 which has been quarantined and was unavailable for use by the Department. The Administered variance relates to 2013-14 accrued expenses, payable in 2014-15.

3 For administered appropriations reduced under section 11 of Appropriation Acts (Nos. 1, 3 and 5) or section 12 of Appropriation Acts (Nos. 2, 4 and 6), the appropriation is taken to be reduced to the required amount specified in Note 23F of the note once the annual report is tabled in Parliament. All administered appropriations may be adjusted by a Finance Minister's determination, which is disallowable by Parliament. There was no other administered reduction in 2013-14.

	2013 Appropriations						Appropriation applied in 2013 (current and prior years) \$'000	Variance ² \$'000
	Appropriation Act		FMA Act			Total appropriation \$'000		
	Annual Appropriation \$'000	Appropriations reduced ¹ \$'000	AFM \$'000	Section 30 \$'000	Section 31 \$'000			
DEPARTMENTAL								
Ordinary annual services	22,691	-	-	1	1,986	24,678	(24,191)	
Other services	-	-	-	-	-	-	487	
Total departmental	22,691	-	-	1	1,986	24,678	487	

Notes:

1. Departmental appropriations do not lapse at financial year-end. There were no reductions in appropriations for the year ended 30 June 2013.

2. The variance shown relates to capital accumulations for capital projects undertaken in 2012-13 adding to reduced expenditure due to the end of the 43rd Parliament.

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

	2014 Capital Budget Appropriations			Capital Budget Appropriations applied in 2014 (current and prior years)			Variance ³ \$'000
	<i>Appropriation Act</i>	<i>FMA Act</i>	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ² \$'000	Payments for other purposes \$'000	Total payments \$'000	
	Annual Capital Budget \$'000	Appropriations reduced \$'000					
DEPARTMENTAL							
Ordinary annual services - Departmental Capital Budget ¹	1,055	(407)	648	830	-	830	(182)

Notes:

1. Departmental and Administered Capital Budgets are appropriated through Parliamentary Appropriation Act (No.1). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. The above amounts are also included in Table A: Annual Appropriations. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Payments made on non-financial assets include purchases of assets and expenditure on assets which has been capitalised.
3. The variance shown is due to spending current year and prior year capital on new capital projects.

	2013 Capital Budget Appropriations			Budget Appropriations applied in			Variance ³ \$'000
	<i>Appropriation Act</i>	<i>FMA Act</i>	Total Capital Budget Appropriations \$'000	Payments for non-financial assets ² \$'000	Payments for other purposes \$'000	Total payments \$'000	
	Annual Capital Budget \$'000	Appropriations reduced \$'000					
DEPARTMENTAL							
Ordinary annual services - Departmental Capital Budget ¹	1,050	-	1,050	2,024	-	2,024	(974)

Notes:

1. Departmental and Administered Capital Budgets are appropriated through Parliamentary Appropriation Act (No.1). They form part of ordinary annual services, and are not separately identified in the Appropriation Acts. The above amounts are also included in Table A: Annual Appropriations. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.
2. Payments made on non-financial assets include purchases of assets and expenditure on assets which has been capitalised.
3. The variance relates to accumulating capital budget appropriations to be spent on capital projects in the 2012-13 year.

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

Authority	2014 \$'000	2013 \$'000
DEPARTMENTAL		
Parliamentary Appropriation Act (No.1) 2010-11	-	9,659
Parliamentary Appropriation Act (No.1) 2011-12	-	3,953
Parliamentary Appropriation Act (No.1) 2012-13	-	2,311
Parliamentary Appropriation Act (No.1) 2013-14	15,293	-
Total	15,293	15,923
ADMINISTERED		
Parliamentary Appropriation Act (No.1) 2013-14	14	-
Total	14	-

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

	Department of Finance (third party drawing rights)	Australian Public Service Commission (third party drawing rights)
2014	\$'000	\$'000
Total receipts	7,086	38,149
Total payments	7,086	38,149
2013		
Total receipts	\$'000	\$'000
Total payments	6,764	37,017
Department of Finance (third party Australian Public Service Commission drawing rights)		
Total receipts	6,764	37,017
Total payments	6,764	37,017

Compliance with Statutory Conditions for Payments from the Consolidated Revenue Fund

Section 83 of the Constitution provides that no amount may be paid out of Consolidated Revenue Fund except under an appropriation made by law. The Department of Finance provided information to agencies in 2011 regarding the need for risk assessments in relation to compliance with statutory conditions on payments from special appropriations.

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 has reviewed 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. The Department is not aware of any specific breaches of Section 83 in respect of these items.

As at 30th June 2014, the Department of the House of Representatives has reviewed all transactions drawn from special appropriations with statutory provisions for 2013-14. The total amount of these payments is \$45.23m. The work has not identified any issue of non-compliance with Section 83.

Table F: Reduction in Administered Items (‘Recoverable GST exclusive’)

2014	Amount required ³ - by Appropriation Act		Total amount required ³	Total amount appropriated ⁴	Total reduction ⁵
	Act (No.1)	Act (No.3)			
Ordinary Annual Services Outcome 1	314,113.62	-	314,113.62	325,000.00	10,886.38

Notes:

1. Numbers in this section of the table must be disclosed to the cent.
2. Administered items for 2014 were reduced to these amounts when these financial statements were tabled in Parliament as part of the entity's 2014 annual report. This reduction was effective in 2015, but the amounts were reflected in Table A in the 2014 financial statements in the column ‘Appropriations reduced’ as they were adjustments to 2014 appropriations.
3. Amount required as per Appropriation (Parliamentary Departments) Act (Act 1 s. 11; Act 2 s. 12).
4. Total amount appropriated in 2014.
5. Total reduction effective in 2015.

Note 24: Special Accounts and FMA Act Section 39

Note 24A: Special Accounts (Recoverable GST exclusive)

Inter-Parliamentary Relations Special Account (Departmental)	2014	2013
	\$'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 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	2,473	2,345
Appropriation for reporting period	78	141
GST recoverable (FMA Act section 30A)	2	1
Transfer from Services for Other Entities and Trust Moneys - Department of the House of Representatives Special Account	-	102
Total credits	80	244
Available for payments	2,553	2,589
Payments made to suppliers	(50)	(116)
Total decrease	(50)	(116)
Total Balance carried to next period	2,503	2,473

Services for Other Entities and Trust Moneys- Department of the House of Representatives Special Account	2014	2013
	\$'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	-	102
Other receipts	-	-
Available for payments	-	102
Payments made to suppliers	-	-
Transfer to Inter-Parliamentary Special Account	-	(102)
Transfer to OPA	-	-
Total decrease	-	(102)
Total balance carried to the next period	-	-

Note 25: Compensation and Debt Relief

	2014 \$	2013 \$
Departmental		
No 'Act of Grace' payments were made during the reporting period. (2013: No payments made)	<u>-</u>	<u>-</u>
No payments were made under s66 of the Parliamentary Service Act 1999 during the reporting period. (2013: No payments made)	<u>-</u>	<u>-</u>
Administered		
No 'Act of Grace' payments were made during the reporting period. (2013: No payments made)	<u>-</u>	<u>-</u>

Note 26: Reporting of Outcomes**Note 26A: Net Cost of Outcome Delivery**

	Outcome 1	
	2014	2013
	\$'000	\$'000
Departmental		
Expenses	24,409	25,219
Total expenses	24,409	25,219
Income from non-government sector	31	43
Other own source income		
Goods and services income	477	785
Interest	2	-
Other revenue	568	673
Other gains	1,997	1,957
Total other own-source income	3,044	3,415
Net Departmental cost/(contribution) of outcome delivery	21,334	21,761
Administered		
Expenses	315	-
Total expenses	315	-
Net Administered cost/(contribution) of outcome delivery	315	-
Net cost/(contribution) of outcome delivery	21,649	21,761

Outcome 1 is described in Note 1.1.

Note 27: Net Cash Appropriation Arrangements

	2014 \$'000	2013 \$'000
Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriations¹	651	1,587
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<u>(499)</u>	<u>(985)</u>
Total comprehensive income - as per the Statement of Comprehensive Income	<u>152</u>	<u>602</u>

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.

