

STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Original Budget 2016 \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1.1A	82,609	78,908	80,212
Suppliers	1.1B	44,666	38,421	47,190
Depreciation and amortisation	1.1C	19,114	22,549	25,221
Write-down and impairment of assets	1.1D	3	2	-
Foreign exchange losses	1.1E	-	14	-
Losses from asset sales	1.1F	219	32	-
Total expenses		146,611	139,926	152,623
Own-Source Revenue and Gains				
Own-source revenue				
Sale of goods and rendering of services	1.2A	5,193	5,561	5,875
Rental income	1.2B	1,894	1,557	2,010
Other revenue	1.2C	820	633	514
Total own-source revenue		7,907	7,751	8,399
Gains				
Foreign exchange gains	1.2D	3	-	-
Total gains		3	-	-
Total own-source revenue and gains		7,910	7,751	8,399
Net cost of services		138,701	132,175	144,224
Revenue from Government – appropriation	1.2E	119,003	120,519	119,003
Deficit attributable to the Australian Government		(19,698)	(11,656)	(25,221)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		-	2,248	-
Total other comprehensive loss attributable to the Australian Government		(19,698)	(9,408)	(25,221)

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

STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Original Budget 2016 \$'000
ASSETS				
Financial Assets				
Cash at bank	3.1A	574	432	547
Trade and other receivables	3.1B	24,899	31,759	12,523
Total financial assets		25,473	32,191	13,070
Non-Financial Assets				
Property, plant and equipment	3.2A	68,264	63,638	65,198
Intangibles	3.2A	28,119	24,993	25,722
Inventories	3.2B	242	275	173
Other non-financial assets	3.2C	6,703	3,423	2,927
Total non-financial assets		103,328	92,329	94,020
Total assets		128,801	124,520	107,090
LIABILITIES				
Payables				
Suppliers	3.3A	5,381	3,262	3,403
Other payables	3.3B	1,021	2,443	85
Total payables		6,402	5,705	3,488
Provisions				
Employee provisions	6.1A	21,732	21,370	24,050
Total provisions		21,732	21,370	24,050
Total liabilities		28,134	27,075	27,538
Net assets		100,667	97,445	79,552
EQUITY				
Non-controlling interest				
Contributed equity		222,022	199,101	222,022
Reserves		20,331	20,331	18,083
Accumulated deficit		(141,686)	(121,987)	(160,553)
Total non-controlling interest		100,667	97,445	79,552
Total equity		100,667	97,445	79,552

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

STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2016

	Contributed equity		Asset revaluation reserve		Accumulated deficit		Total equity	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
CONTRIBUTED EQUITY								
Opening balance								
Balance carried forward from previous period	199,101	174,862	20,331	18,083	(121,987)	(110,332)	97,445	82,613
Adjustment for errors	-	-	-	-	(1)	1	(1)	1
Adjustment for change of accounting policy	-	-	-	-	-	-	-	-
Adjusted opening balance	199,101	174,862	20,331	18,083	(121,988)	(110,331)	97,444	82,614
Comprehensive income								
Surplus/(Deficit) for the period	-	-	-	2,248	(19,698)	(11,656)	(19,698)	(9,408)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	2,248	(19,698)	(11,656)	(19,698)	(9,408)
Total comprehensive income attributable to Australian Government	-	-	-	2,248	(19,698)	(11,656)	(19,698)	(9,408)
Transactions with owners								
Contributions by owners								
Departmental capital budget	22,921	24,239	-	-	-	-	22,921	24,239
Restructure	-	-	-	-	-	-	-	-
Total transactions with owners	22,921	24,239	-	-	-	-	22,921	24,239
Transfers between equity components	-	-	-	-	-	-	-	-
Closing balance attributable to Australian Government	222,022	199,101	20,331	20,331	(141,686)	(121,987)	100,667	97,445

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

Accounting Policy

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.

STATEMENT OF CASH FLOW

for the period ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Original Budget 2016 \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		123,814	109,966	119,003
Sale of goods and rendering of services		6,244	8,064	8,674
Net GST received		5,645	5,103	6,209
Other		823	492	374
Total cash received		136,526	123,625	134,260
Cash used				
Employees		83,706	79,310	80,212
Suppliers		52,800	44,420	54,048
Total cash used		136,506	123,730	134,260
Net cash from/(used by) operating activities	5.3	20	(105)	-
INVESTING ACTIVITIES				
Cash received				
Proceeds from sales of property, plant and equipment		124	31	-
Total cash received		124	31	-
Cash used				
Purchase of property, plant and equipment		16,652	9,540	22,921
Purchase of intangibles		10,580	9,013	-
Total cash used		27,232	18,553	22,921
Net cash used by investing activities		(27,108)	(18,522)	(22,921)
FINANCING ACTIVITIES				
Cash received				
Departmental capital budget		27,230	18,512	22,921
Total cash received		27,230	18,512	22,921
Net cash from financing activities		27,230	18,512	22,921
Net increase/(decrease) in cash held		142	(115)	-
Cash and cash equivalents at the beginning of the reporting period		432	547	547
Cash and cash equivalents at the end of the reporting period	3.1A	574	432	547

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

ADMINISTERED SCHEDULE OF COMPREHENSIVE INCOME*for the period ended 30 June 2016*

	Notes	2016 \$'000	2015 \$'000	Original Budget 2016 \$'000
NET COST OF SERVICES				
Expenses				
Suppliers	2.1A	3,863	3,144	6,703
Depreciation and amortisation	2.1B	32,547	28,802	31,498
Write-down and impairment of assets	2.1C	52	26	-
Total expenses		36,462	31,972	38,201
Income				
Revenue				
Non-taxation revenue				
Other revenue	2.2A	70	-	-
Total non-taxation revenue		70	-	-
Total revenue		70	-	-
Gains				
Other gains	2.2B	-	1	-
Total gains		-	1	-
Total income		70	1	-
Net cost of services		36,392	31,971	38,201
Deficit		(36,392)	(31,971)	(38,201)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		15,745	13,654	-
Total comprehensive (loss)		(20,647)	(18,317)	(38,201)

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

ADMINISTERED SCHEDULE OF ASSETS AND LIABILITIES as at 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Original Budget 2016 \$'000
ASSETS				
Financial Assets				
Trade and other receivables	4.1A	333	212	404
Total financial assets		333	212	404
Non-Financial Assets				
Land and buildings	4.2A	2,132,400	2,129,397	2,165,027
Property, plant and equipment	4.2A	91,370	91,090	157,328
Computer software	4.2A	29	-	-
Total non-financial assets		2,223,799	2,220,487	2,322,355
Total assets administered on behalf of Government		2,224,132	2,220,699	2,322,759
LIABILITIES				
Payables				
Suppliers	4.3A	254	502	764
Other payables	4.3B	367	202	392
Total payables		621	704	1,156
Total liabilities administered on behalf of government		621	704	1,156
Net assets		2,223,511	2,219,995	2,321,603

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

ADMINISTERED RECONCILIATION SCHEDULE*for the period ended 30 June 2016*

	2016 \$'000	2015 \$'000
Opening assets less liabilities as at 1 July	2,219,995	2,225,148
Net (cost of)/contribution by services		
Income	70	1
Expenses	(36,462)	(31,972)
Other comprehensive income		
Revaluations transferred to reserves	15,745	13,654
Transfers (to)/from Australian Government		
Appropriation transfers from Official Public Account		
Administered asset and liabilities appropriations	20,167	9,770
Administered annual appropriations	4,078	3,406
Appropriation Transfers to OPA		
Administered receipts	(82)	(12)
Closing assets less liabilities as at 30 June	2,223,511	2,219,995

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

Accounting Policy*Administered cash transfers to and from the Official Public Account*

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

ADMINISTERED SCHEDULE OF CASH FLOWS

for the period ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Original Budget 2016 \$'000
OPERATING ACTIVITIES				
Cash received				
Sale of goods and rendering of services		-	12	-
Net GST received		-	179	4,064
Other		70	-	-
Total cash received		70	191	4,064
Cash used				
Suppliers		4,077	3,400	10,767
Net GST paid		121	-	-
Total cash used		4,198	3,400	10,767
Net cash used by operating activities		(4,128)	(3,209)	(6,703)
INVESTING ACTIVITIES				
Cash used				
Purchase of property, plant and equipment		20,137	9,764	33,941
Purchase of computer software		29	-	-
Total cash used		20,166	9,764	33,941
Net cash used by investing activities		(20,166)	(9,764)	(33,941)
Net decrease in cash held		(24,294)	(12,973)	(40,644)
Cash from Official Public Account				
Appropriations		24,245	13,176	44,708
Total cash used from official public account		24,245	13,176	44,708
Cash to official public account				
Appropriations		131	(191)	4,064
Administered receipts		(82)	(12)	-
Total cash to official public account		49	(203)	4,064
Cash and cash equivalents at the end of the reporting period	5.3	-	-	-

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

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Overview

Objectives of the Department of Parliamentary Services

The Department of Parliamentary Services (the department) is an Australian Commonwealth controlled entity. It is a not-for-profit entity. The department is structured to meet the following outcome:

- Support the functions of Parliament and parliamentarians through the provision of professional services, advice and facilities and maintain Australian Parliament House.

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

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

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

- Parliament House Works Program: Strategically plan to upgrade and maintain Parliament House as a safe and accessible workplace and public building.

The Basis of Preparation

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) Financial Reporting Rule (FRR) 2016 for reporting periods ending on or after 1 July 2015; and
- b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets at fair value. The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

The department has adopted the AASB 2015-7 *Amendments to the Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. This amending standard applies to reporting periods beginning on or after 1 July 2016. Early adoption impacts on disclosure in the Note 7 (*Fair Value Measurements*) with no effect on the face statements. No other accounting standard has been adopted earlier than the application date as stated in the standard.

The following new standards, revised standards, interpretations and/or amending standards that were issued prior to the signing of the statement by the Accountable Authority and Chief Finance Officer, and are applicable to the current reporting period, did not have a material effect, and are not expected to have a future material effect, on the department's financial statements:

Standard/Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 9 Financial Instruments	Reduced disclosure for financial instruments has decreased the disclosure from four notes to two.

All other new standards, revised standards, amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect, and are not expected to have a future material effect, on the department's financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Future Australian Accounting Standard Requirements

The following new standards, revised standards, amending standards and/or interpretations were issued by the Australian Accounting Standards Board prior to the signing of the statement by the Accountable Authority and Chief Finance Officer, which are expected to have a material impact on the department's financial statements for future reporting periods:

Standard/Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 124 Related Parties	The department will apply AASB 124 <i>Related Party Disclosures</i> in 2016-17. This standard requires the disclosure of significant transactions with related parties. Related parties include key managers of the department, relevant Ministers, and other Australian Government entities.

All other new standards, revised standards, amending standards and/or interpretations that were issued prior to the signing of the statement by the Accountable Authority and Chief Finance Officer, and are applicable to future reporting periods, and are not expected to have a future material effect on the department's financial statements:

Standard/Interpretation	Nature of change in accounting policy, transitional provisions, and adjustment to financial statements
AASB 9 Financial Instruments	The department expects to apply AASB 9 <i>Financial Instruments</i> in 2018-19. This standard will require most financial assets to be measured at fair value, except for those that are held only for the collection of the principal and interest. Also, wherever there has been a significant increase in credit risk, the standard will require an expense be recognised for all expected losses over the life of the financial asset. In other cases, an expense will be recognised for losses expected in the year after reporting date.
AASB 15 Revenue from Contracts with Customers	The department expects to apply AASB 15 <i>Revenue from Contracts with Customers</i> in 2018-19. The standard requires revenue from such contracts to be recognised as the department transfers identifiable goods and services to the customer.

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, 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.

Events After the Reporting Period

Departmental

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

Administered

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. Financial Performance

1.1. Expenses

	2016	2015
	\$'000	\$'000
Note 1.1A: Employee Benefits		
Wages and salaries	61,672	59,187
Superannuation		
Defined contribution plans	4,551	4,088
Defined benefit plans	7,175	6,690
Leave and other entitlements	6,931	7,166
Separation and redundancies	1,610	1,221
Other	670	556
Total employee benefits	82,609	78,908

Accounting Policy

Accounting policies for employee related expenses is contained in the People section.

Note 1.1B: Suppliers

Goods and services supplied or rendered

Professional services	2,508	2,955
Contractors	5,624	6,888
Utilities	5,285	5,695
Support services	4,838	2,481
ICT licensing	4,663	3,570
Property operating expenses	8,837	8,208
Information resources	2,651	2,004
Communications	2,404	1,520
Office equipment and supplies	1,924	709
Training and other personnel expenses	1,781	1,090
Travel	584	524
Work health and safety	283	242
Other	739	606
Total goods and services supplied or rendered	42,121	36,492
Goods supplied	5,674	4,575
Services rendered	36,447	31,917
Total goods and services supplied or rendered	42,121	36,492

Other suppliers

Operating lease rentals in connection with		
Minimum lease payments	84	-
Workers compensation expenses	2,461	1,929
Total other suppliers	2,545	1,929
Total suppliers	44,666	38,421

Leasing commitments

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

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within 1 year	698	2
Between 1 to 5 years	1,348	-
Total operating lease commitments	2,046	2

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2016 \$'000	2015 \$'000
<u>Note 1.1C: Depreciation and Amortisation</u>		
Depreciation		
Property, plant and equipment	11,660	13,343
Total depreciation	11,660	13,343
Amortisation		
Computer software	7,400	9,161
Other intangibles	54	45
Total amortisation	7,454	9,206
Total depreciation and amortisation	19,114	22,549
<u>Note 1.1D: Write-Down and Impairment of Assets</u>		
Impairment on trade and other receivables	3	2
Total write-down and impairment of assets	3	2
<u>Note 1.1E: Foreign exchange losses</u>		
Non-speculative	-	14
Total foreign exchange losses	-	14
<u>Note 1.1F: Losses from Asset Sales</u>		
Property, plant and equipment		
Proceeds from sale	(120)	(58)
Carrying value of assets sold	343	64
Selling expense	(4)	26
Total losses from asset sales	219	32

Accounting Policy

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.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1.2. Own-Source Revenue and Gains

	2016	2015
OWN SOURCE REVENUE	\$'000	\$'000

Note 1.2A: Sale of Goods and Rendering of Services

Sale of goods	1,109	1,031
Rendering of services	4,084	4,530
Total sale of goods and rendering of services	5,193	5,561

Accounting Policy

Revenue from the sale of goods is recognised when:

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

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

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

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

- a) surveys of work performed;
- b) services performed to date as a percentage of total services to be performed; or
- c) the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Note 1.2B: Rental Income

Operating lease		
Contingent rentals	68	147
Rentals	1,826	1,410
Total rental income	1,894	1,557

Subleasing rental income commitments

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

Commitments for sublease rental income receivables are as follows:

Within 1 year	1,944	293
Between 1 to 5 years	4,859	1,081
Total sublease rental income commitments	6,803	1,374

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

		2016	2015
	Note	\$'000	\$'000
Note 1.2C: Other Revenue			
Resources received free of charge			
Remuneration of auditors		161	141
Other			
Public carpark		326	161
Project recovery		179	292
Other		154	39
Total other revenue		820	633

Accounting Policy

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 Commonwealth entity as a consequence of a restructuring of administrative arrangements (refer to the Statement of Changes in Equity).

GAINS

Note 1.2D: Foreign Exchange Gains

Non-speculative		3	-
Total foreign exchange gains		3	-

REVENUE FROM GOVERNMENT

Note 1.2E: Revenue from Government

Appropriations			
Departmental appropriations	5.1A	119,003	120,519
Total revenue from Government		119,003	120,519

Accounting Policy

Revenue from Commonwealth

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2. Income and Expenses Administered on Behalf of Government

2.1. Administered – Expenses

<u>Note 2.1A: Suppliers</u>	2016	2015
	\$'000	\$'000
Goods and services supplied or rendered		
Professional services	2,864	1,756
Contractors	187	841
Labour costs	671	540
Office equipment and supplies	21	4
Work health and safety	5	1
Travel	2	2
Training and other personnel expenses	34	-
Maintenance	79	-
Total goods and services supplied or rendered	3,863	3,144
Goods supplied	22	3
Services rendered	3,841	3,141
Total goods and services supplied or rendered	3,863	3,144
 <u>Note 2.1B: Depreciation and Amortisation</u>		
Depreciation		
Property, plant and equipment	1,040	1,062
Buildings	31,507	27,740
Total depreciation	32,547	28,802
Total depreciation and amortisation	32,547	28,802
 <u>Note 2.1C: Write-Down and Impairment of Assets</u>		
Property, plant and equipment		
Written down values	52	26
Total losses from asset sales	52	26

2.2. Administered – Income

	2016	2015
	\$'000	\$'000
Revenue		
Non-Taxation Revenue		
<u>Note 2.2A: Other Revenue</u>		
Filming	68	-
Other	2	-
Total other revenue	70	-

Accounting Policy

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

Note 2.2B: Other Gains

Resources received free of charge	-	1
Total other gains	-	1

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3. Financial Position

3.1. Financial Assets

	2016	2015
	\$'000	\$'000
Note 3.1A: Cash and Cash Equivalents		
Cash on hand or on deposit	574	432
Total cash and cash equivalents	574	432

Accounting Policy

Cash is recognised at its nominal amount. Cash and cash equivalents include cash at bank and on hand.

Note 3.1B: Trade and Other Receivables

Goods and services receivables

Goods and services	1,607	367
Total goods and services receivables	1,607	367

Appropriations receivables

Operating	17,193	22,004
Departmental Capital Budget	4,341	8,650
Total appropriations receivable	21,534	30,654

Other receivables

GST receivable from the Australian Taxation Office	1,723	730
Other	35	8
Total other receivables	1,758	738
Total trade and other receivables (gross)	24,899	31,759

Trade and other receivables (net) expected to be recovered

No more than 12 months	24,899	31,759
Total trade and other receivables (net)	24,899	31,759

Credit terms for goods and services were within 30 days (2015: 30 days).

Accounting Policy

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.2. Non-Financial Assets

Note 3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles for 2016

	Information and communication technology \$'000	Furniture and equipment \$'000	Library collection \$'000	Computer software \$'000	Other intangibles \$'000	Total \$'000
As at 1 July 2015						
Gross book value	150,118	14,542	5,168	73,523	6,540	249,891
Accumulated depreciation, amortisation and impairment	(105,392)	(255)	(543)	(53,694)	(1,376)	(161,260)
Total as at 1 July 2015	44,726	14,287	4,625	19,829	5,164	88,631
Additions						
By purchase	15,349	572	731	9,619	961	27,232
Depreciation	(9,461)	(2,414)	215	(7,400)	(54)	(19,114)
Other movements - transfer	(39)	16	-	-	-	(23)
Disposals	(321)	(22)	-	-	-	(343)
Total as at 30 June 2016	50,254	12,439	5,571	22,048	6,071	96,383
Total as at 30 June 2016 represented by						
Gross book value	94,050	15,103	5,899	83,142	7,501	205,695
Accumulated depreciation, impairment, and amortisation	(43,796)	(2,664)	(328)	(61,094)	(1,430)	(109,312)
Total as at 30 June 2016	50,254	12,439	5,571	22,048	6,071	96,383

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 3.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles for 2015

	Information and communication technology \$'000	Furniture and equipment \$'000	Library collection \$'000	Computer software \$'000	Other intangibles \$'000	Total \$'000
As at 1 July 2014						
Gross book value ¹	155,433	100,576	11,883	65,009	6,009	338,910
Accumulated depreciation, impairment and amortisation ¹	(109,127)	(85,869)	(7,568)	(44,374)	(1,491)	(248,429)
Net book value 1 July 2014	46,306	14,707	4,315	20,635	4,518	90,481
Reclassifications ²	-	(79)	-	235	(155)	1
Additions						
By purchase	7,950	835	712	8,167	846	18,510
Revaluations and impairments recognised in other comprehensive income	-	1,291	957	-	-	2,248
Depreciation and amortisation	(9,533)	(2,471)	(1,339)	(9,161)	(45)	(22,549)
Other movements - transfer	47	4	-	(47)	-	4
Disposals	(44)	-	(20)	-	-	(64)
Net book value 30 June 2015	44,726	14,287	4,625	19,829	5,164	88,631
Total as at 30 June 2015 represented by						
Gross book value ¹	150,118	14,542	5,168	73,523	6,540	249,891
Accumulated depreciation, impairment, and amortisation ¹	(105,392)	(255)	(543)	(53,694)	(1,376)	(161,260)
Total as at 30 June 2015	44,726	14,287	4,625	19,829	5,164	88,631

¹ Revaluation of assets for the year ending 30 June 2015 was accounted for using the net method (2014: gross method) which represents the difference in accumulated depreciation. Refer to accounting policy below.

² Information and communication technology items were reclassified as computer software and other intangibles for the financial year ending 30 June 2015.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Contractual commitments for the acquisition of property, plant, equipment and intangible assets

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

	2016	2015
	\$'000	\$'000
Commitments are payable as follows:		
Within 1 year	16,730	6,896
Between 1 to 5 years	14,257	3,232
More than 5 years	-	147
Total commitments	30,987	10,275

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

No revaluation was conducted for departmental assets as at 30 June 2016. A revaluation increment of \$2,248,111 for property, plant and equipment was credited to the asset revaluation reserve as at 30 June 2015. Asset materiality reviews were conducted for information and communication technology, furniture and equipment and library collection asset classes as at 30 June 2016. All revaluations were conducted in accordance with the revaluation policy stated below. Independent valuations and asset materiality reviews were performed by Australian Valuation Solutions as at 30 June 2016 and 30 June 2015.

Accounting Policy

Acquisition of assets

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

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

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 (excluding GST), which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

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

The department's intangibles comprise software and other intangibles (digitised Hansard records and digitised audio visual records). These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Revaluations

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

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Depreciation

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

Software and other intangibles are amortised on a straight-line basis over its anticipated useful life.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date.

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

	2016	2015
Buildings	5 – 200 years	5 – 200 years
Furniture and equipment	5 – 30 years	5 – 30 years
Information and communication technology	1 – 40 years	1 – 40 years
Library collection	3 – 30 years	3 – 30 years
Other Intangibles	100 years	100 years
Other property, plant and equipment	2 – 47 years	2 – 47 years
Software	2 – 14 years	2 – 14 years

Work in progress

All assets not fully constructed at 30 June 2016 are recorded as work in progress and are valued at cost.

Depreciation will not commence until the project has been completed to a stage where it can provide service to the department.

Impairment

All assets were assessed for impairment at 30 June 2016. Where indicators 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.

No material indicators of impairment were found.

Derecognition

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2016	2015
	\$'000	\$'000
Note 3.2B: Inventories		
Inventories held for sale		
Finished goods	<u>242</u>	<u>275</u>
Total inventories held for sale	<u>242</u>	<u>275</u>
Total inventories	<u>242</u>	<u>275</u>

During 2016, \$562,622 of inventory held for sale was recognised as an expense (2015: \$522,580).

No items of inventory were written down during the year.

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

Note 3.2C: Other Non-Financial Assets

Prepayments	<u>6,703</u>	<u>3,423</u>
Total other non-financial assets	<u>6,703</u>	<u>3,423</u>
Other non-financial assets expected to be recovered		
No more than 12 months	<u>5,523</u>	<u>2,832</u>
More than 12 months	<u>1,180</u>	<u>591</u>
Total other non-financial assets	<u>6,703</u>	<u>3,423</u>

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

Accounting Policy

Inventories held for sale are valued at the lower of cost and net realisable value. Inventories held for distribution are valued at cost, adjusted for any loss of service potential.

Costs incurred in bringing each item of inventory to its present location and conditions 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

3.3. Payables

	2016	2015
	\$'000	\$'000
Note 3.3A: Suppliers		
Trade creditors and accruals	5,381	3,262
Total suppliers	5,381	3,262
Suppliers expected to be settled		
No more than 12 months	5,381	3,262
Total suppliers	5,381	3,262

Settlement was usually made within 30 days.

Note 3.3B: Other Payables

Wages and salaries	235	1,902
Superannuation	48	377
Separations and redundancies	509	-
Unearned Income	73	63
Other	156	101
Total other payables	1,021	2,443
Other payables expected to be settled		
No more than 12 months	1,021	2,443
Total other payables	1,021	2,443

4. Assets and Liabilities Administered on Behalf of Government

4.1. Administered – Financial Assets

	2016	2015
	\$'000	\$'000
Note 4.1A: Trade and Other Receivables		
Other receivables		
GST receivable from the Australian Taxation Office	333	212
Total other receivables	333	212
Total trade and other receivables (gross)	333	212
Trade and other receivables expected to be recovered		
No more than 12 months	333	212
Total trade and other receivables	333	212

Credit terms for goods and services were within 30 days.

Accounting Policy

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

4.2. Administered – Non-Financial Assets

Note 4.2A: Reconciliation of the Opening and Closing Balances of Land and Buildings, Property, Plant and Equipment and Intangibles for 2016

	Land \$'000	Buildings \$'000	Heritage and cultural \$'000	Other property, plant & equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2015						
Gross book value	50,000	2,079,480	84,778	6,334	-	2,220,592
Accumulated depreciation and impairment	-	(83)	-	(22)	-	(105)
Net book value 1 July 2015	50,000	2,079,397	84,778	6,312	-	2,220,487
Additions						
By purchase	-	18,765	655	717	29	20,166
Revaluations and impairments recognised in other comprehensive income	30,000	(14,255)	-	-	-	15,745
Depreciation expense	-	(31,507)	-	(1,040)	-	(32,547)
Disposals	-	-	-	-	-	-
Other	-	-	-	(52)	-	(52)
Total as at 30 June 2016	80,000	2,052,400	85,433	5,937	29	2,223,799
Total as at 30 June 2016 represented by						
Gross book value	80,000	2,052,400	85,433	6,999	29	2,224,861
Accumulated depreciation and impairment	-	-	-	(1,062)	-	(1,062)
Total as at 30 June 2016	80,000	2,052,400	85,433	5,937	29	2,223,799

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 4.2A: Reconciliation of the Opening and Closing Balances of Land and Buildings, Property, Plant and Equipment and Intangibles for 2015

	Land \$'000	Buildings \$'000	Heritage and cultural \$'000	Other property, plant & equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2014						
Gross book value ¹	50,000	2,792,225	84,508	24,827	-	2,951,560
Accumulated depreciation and impairment ¹	-	(707,197)	-	(18,463)	-	(725,660)
Total as at 1 July 2014	50,000	2,085,028	84,508	6,364	-	2,225,900
Additions						
By purchase	-	9,276	270	218	-	9,764
Revaluations and impairments recognised in other comprehensive income	-	13,564	-	91	-	13,655
Depreciation	-	(27,740)	-	(1,062)	-	(28,802)
Disposals	-	-	-	(26)	-	(26)
Other	-	(731)	-	727	-	(4)
Total as at 30 June 2015	50,000	2,079,397	84,778	6,312	-	2,220,487
Total as at 30 June 2015 represented by:						
Gross book value ¹	50,000	2,079,480	84,778	6,334	-	2,220,592
Accumulated depreciation and impairment ¹	-	(83)	-	(22)	-	(105)
Total as at 30 June 2015	50,000	2,079,397	84,778	6,312	-	2,220,487

¹ Revaluation of assets for the year ending 30 June 2015 was accounted for using the net method (2014: gross method) which represents the difference in accumulated depreciation.

Department of Parliamentary Services

Notes to and forming part of the financial statements

Contractual commitments for the acquisition of property, plant, equipment

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

	2016	2015
	\$'000	\$'000
Commitments are payable as follows:		
Within 1 year	4,245	760
Between 1 to 5 years	545	5
Total commitments	4,790	765

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

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

All revaluations were conducted in accordance with the revaluation policy. As at 30 June 2016 Australian Valuation Solutions conducted the revaluations (2015: Australian Valuation Solutions).

Revaluation increments of \$15,743,618 for land and buildings (2015: \$13,563,682), nil for other property, plant and equipment (2015: \$90,649) and nil for heritage and cultural assets (2015: nil) were credited to the asset revaluation reserve by asset class.

Accounting Policy

Heritage and cultural assets

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

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

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

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

4.3. Administered – Payables

Note 4.3A: Suppliers

Trade creditors and accruals	254	502
Total supplier payables	254	502
Suppliers expected to be settled		
No more than 12 months	254	502
Total suppliers	254	502

Settlement was usually made within 30 days.

Note 4.3B: Other Payables

Other	367	202
Total other payables	367	202
Total other payables expected to be settled		
No more than 12 months	367	202
Total other payables	367	202

Department of Parliamentary Services Notes to and forming part of the financial statements

5. Funding

5.1. Appropriations

Note 5.1A: Annual Appropriations ('Recoverable GST exclusive')

	Annual appropriations for 2016						Variance ¹ \$'000
	Appropriation Act		PGPA Act		Total appropriation \$'000	Appropriation applied in 2016 (current and prior years) ² \$'000	
	Annual Appropriation \$'000	Advance to the Finance Minister \$'000	Section 74 Receipts \$'000	Section 75 Transfers \$'000			
Departmental							
Ordinary annual services	119,003	-	6,325	-	125,328	(129,481)	(4,153)
Capital Budget ³	22,921	-	-	-	22,921	(27,232)	(4,311)
Total departmental	141,924	-	6,325	-	148,249	(156,713)	(8,464)
Administered							
Ordinary annual services	6,703	-	-	-	6,703	(4,077)	2,626
Capital Budget ³	33,741	-	-	-	33,741	(20,166)	13,575
Total administered	40,444	-	-	-	40,444	(24,243)	16,201

¹ The ordinary annual services appropriation applied in 2015-16 is \$4.2 million more than the 2015-16 appropriation. This is caused by an increase in prepayments relating to ICT support, maintenance and software licence costs, as well as an increase in trade receivables. DPS has \$1.6 million in revenue where the receipts will be received in 2016-17. The expenditure was covered from previous year appropriations where the department had underspent. The capital appropriation applied in 2015-16 is \$4.3 million more than the 2015-16 appropriation. This variation is due to projects planned to be delivered in 2014-15 transitioning in to 2015-16. The expenditure associated with these works along with the planned 2015-16 projects occurred this financial year. Accordingly, appropriation was available to cover this additional expenditure from the previous financial year underspend.

² Payments for non-financial assets include purchases of assets, expenditure on assets which has been capitalised.

³ Departmental and administered capital budgets are appropriated through Appropriation (Parliamentary Departments) Bill (No. 1). They form part of ordinary annual services, and are not separately identified in the Parliamentary Appropriation Acts.

Department of Parliamentary Services Notes to and forming part of the financial statements

	Annual appropriations for 2015					Appropriation applied in 2015 (current and prior years) ² \$'000	Variance ¹ \$'000
	Appropriation Act		PGPA Act		Total appropriation \$'000		
	Annual Appropriation \$'000	Advance to the Finance Minister \$'000	Section 74 Receipts \$'000	Section 75 Transfers \$'000			
Departmental							
Ordinary annual services	120,519	-	7,798	-	128,317	(118,327)	9,990
Capital Budget ³	24,239	-	-	-	24,239	(18,553)	5,686
Total departmental	144,758	-	7,798	-	152,556	(136,880)	15,676
Administered							
Ordinary annual services	4,400	-	-	-	4,400	(3,400)	1,000
Capital Budget ³	122,212	-	-	-	122,212	(9,764)	112,448
Total administered	126,612	-	-	-	126,612	(13,164)	113,448

¹The \$15.7million and \$113.4million variance between departmental and administered appropriation provided and applied relates to the underspend for 2014-15.

²Payments for non-financial assets include purchases of assets, expenditure on assets which has been capitalised.

³ Departmental and administered capital budgets are appropriated through Appropriation (Parliamentary Departments) Bill (No. 1). They form part of ordinary annual services, and are not separately identified in the Parliamentary Appropriation Acts.

Department of Parliamentary Services Notes to and forming part of the financial statements

Note 5.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2016 \$'000	2015 \$'000
Departmental		
Appropriation (Parliamentary Departments) Act (No. 1) 2015-16	22,108	-
Appropriation (Parliamentary Departments) Act (No. 1) 2014-15	-	28,379
Appropriation (Parliamentary Departments) Act (No. 2) 2014-15	-	2,707
Total departmental	22,108	31,086
Administered		
Appropriation (Parliamentary Departments) Act (No. 1) 2015-16	38,032	-
Appropriation (Parliamentary Departments) Act (No. 1) 2014-15	7,756	11,154
Appropriation (Parliamentary Departments) Act (No. 2) 2014-15	96,289	111,046
Appropriation (Parliamentary Departments) Act (No. 1) 2013-14	-	3,056
Total administered	142,077	125,256

Note 5.1C: Disclosure by agent in relation to Annual and Special Appropriations ('Recoverable GST exclusive')

	Department of Finance provides access to a special appropriation for the provision of electorate office IT services 2016 \$'000	Department of Finance provides access to a special appropriation for the provision of Auspic services 2016 \$'000
Total receipts	24,055	212
Total payments	(24,055)	(212)

	Department of Finance provides access to a special appropriation for the provision of electorate office IT services 2015 \$'000	Department of Finance provides access to a special appropriation for the provision of Auspic services 2015 \$'000
Total receipts	15,252	210
Total payments	(15,252)	(210)

5.2. Net Cash Appropriation Arrangements

	2016 \$'000	2015 \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations¹	(584)	13,140
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	(19,114)	(22,549)
Total comprehensive income (loss) - as per the Statement of Comprehensive Income	(19,698)	(9,409)

¹ Commonwealth entities 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.

Department of Parliamentary Services

Notes to and forming part of the financial statements

5.3. Cash Flow Reconciliation

	2016	2015
	\$'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	574	432
Statement of financial position	574	432
Discrepancy	<u>-</u>	<u>-</u>
Reconciliation of net cost of services to net cash from/(used by) operating activities		
Net cost of services	(138,701)	(132,176)
Revenue from Government	119,003	120,519
Adjustments for non-cash items		
Depreciation/amortisation	19,114	22,549
Net write down of non-financial assets	3	2
Loss on disposal of non-financial assets	219	64
Movements in assets and liabilities		
Assets		
(Increase)/Decrease in net receivables	2,551	(10,002)
(Increase)/Decrease in inventories	33	(102)
(Increase)/Decrease in prepayments	(3,280)	(496)
Liabilities		
Increase/(Decrease) in employee provisions	362	53
Increase/(Decrease) in supplier payables	2,138	(141)
Increase/(Decrease) in other payable	(1,422)	(375)
Net cash from/(used by) operating activities	<u>20</u>	<u>(105)</u>
Reconciliation of cash and cash equivalents as per administered schedule of assets and liabilities to administered cash flow statement		
Reconciliation of net cost of services to net cash from/(used by) operating activities		
Net cost of services	(36,392)	(31,971)
Adjustments for non-cash items		
Depreciation/amortisation	32,547	28,802
Gain/Loss on disposal of assets	52	26
Resources received free of charge	-	(1)
Movements in assets and liabilities		
Liabilities		
(Increase) / decrease in net receivables	(121)	-
Increase/(decrease) in supplier payables	(248)	(256)
Movement in GST Annotations Loan	34	191
Net cash used by operating activities	<u>(4,128)</u>	<u>(3,209)</u>

Department of Parliamentary Services

Notes to and forming part of the financial statements

6. People

6.1. Employee Provisions

	2016	2015
	\$'000	\$'000
Note 6.1A: Employee Provisions		
Leave	21,732	21,370
Total employee provisions	21,732	21,370
Employee provisions are expected to be settled in:		
No more than 12 months	4,355	7,232
More than 12 months	17,377	14,138
Total employee provisions	21,732	21,370

Accounting Policy

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

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

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

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the department's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary (using the short-hand method) as at 30 June 2016. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

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

Superannuation

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

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

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

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

Department of Parliamentary Services Notes to and forming part of the financial statements

6.2. Senior Management Personnel Remuneration

	2016	2015
	\$'000	\$'000
Short-term employee benefits		
Salary	3,461	3,282
Other	-	76
Total short-term employee benefits	<u>3,461</u>	<u>3,358</u>
Post-employment benefits		
Superannuation	615	522
Total post-employment benefits	<u>615</u>	<u>522</u>
Other long-term employee benefits		
Annual leave	276	233
Long-service leave	124	105
Total other long-term employee benefits	<u>400</u>	<u>338</u>
Termination benefits		
Redundancy payments	185	379
Total termination benefits	<u>185</u>	<u>379</u>
Total senior executive remuneration expenses	<u>4,661</u>	<u>4,597</u>

The total number of senior management personnel that are included in the above table are 22 individuals (2015: 23 individuals).

Accounting Policy

The Department has included all Senior Management Personnel that were in acting arrangements throughout the financial year for a minimum period of three months.

The senior management personnel remuneration note is prepared on an accrual basis.

'Other' includes vehicle and other allowances and associated fringe benefits tax.

Department of Parliamentary Services Notes to and forming part of the financial statements

7. Managing Uncertainties

7.1. Contingent Assets and Liabilities

Departmental

The department had no quantifiable or unquantifiable contingencies as at 30 June 2016 (2015: nil).

Administered

The department had no quantifiable or unquantifiable contingencies as at 30 June 2016 (2015: nil).

Accounting Policy

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

7.2. Financial Instruments

	2016	2015
	\$'000	\$'000
Note 7.2A: Categories of Financial Instruments		
Financial Assets		
Loans and receivables		
Cash and cash equivalents	574	432
Trade and other receivables	<u>1,607</u>	<u>367</u>
Total loans and receivables	<u>2,181</u>	<u>799</u>
Total financial assets	<u>2,181</u>	<u>799</u>
Financial Liabilities		
Financial liabilities measured at amortised cost		
Suppliers	<u>5,381</u>	<u>3,262</u>
Total financial liabilities measured at amortised cost	<u>5,381</u>	<u>3,262</u>
Total financial liabilities	<u>5,381</u>	<u>3,262</u>

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

Accounting Policy

Financial Assets

The department classifies its financial assets in to the following categories:

- a) financial assets at fair value through profit or loss; and
- b) loans and receivables.

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

Effective interest method

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

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.

Department of Parliamentary Services

Notes to and forming part of the financial statements

Impairment of financial assets

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

Financial assets held at amortised cost - if there is objective evidence that an impairment loss has been incurred for loans and receivables 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.

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

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 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).

Note 7.2B: Credit Risk

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

Maximum exposure to credit risk (excluding any collateral or credit enhancements)

	2016	2015
	\$'000	\$'000
Financial assets carried at amount not best representing maximum exposure to credit risk		
Cash and cash equivalents	574	432
Trade and other receivables	1,607	367
Total financial assets carried at amount not best representing maximum exposure to credit risk	2,181	799
Financial liabilities carried at amount not best representing maximum exposure to credit risk		
Suppliers	5,381	3,262
Total financial liabilities carried at amount not best representing maximum exposure to credit risk	5,381	3,262

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

Department of Parliamentary Services Notes to and forming part of the financial statements

Credit quality of financial assets 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
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Cash and cash equivalents	574	432	-	-
Trade and other receivables	1,604	315	3	52
Total	2,178	747	3	52

Ageing of financial assets that were past due but not impaired in 2016

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other receivables	1	2	-	-	3
Total	1	2	-	-	3

Ageing of financial assets that were past due but not impaired in 2015

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Trade and other receivables	43	1	-	8	52
Total	43	1	-	8	52

Note 7.2C: Liquidity Risk

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

Maturities for non-derivative financial liabilities in 2016

	On demand	Within 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Suppliers payables	-	5,381	-	-	-	5,381
Total	-	5,381	-	-	-	5,381

Maturities for non-derivative financial liabilities in 2015

	On demand	Within 1 year	Between 1 to 2 years	Between 2 to 5 years	More than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Suppliers payables	-	3,262	-	-	-	3,262
Total	-	3,262	-	-	-	3,262

Note 7.2D: Market Risk

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

Department of Parliamentary Services

Notes to and forming part of the financial statements

7.3. Administered – Financial Instruments

	2016	2015
	\$'000	\$'000
Note 7.3A: Categories of Financial Instruments		
Financial Liabilities		
Financial liabilities measured at amortised cost		
Supplier payables	254	502
Total financial liabilities measured at amortised cost	254	502
Total financial liabilities	254	502

Note 7.3B: Credit Risk

The department has no other administered receivables other than statutory Goods and Services Tax (GST) refund.

Maximum exposure to credit risk (excluding any collateral or credit enhancement)

Financial liabilities carried at amount not best representing maximum exposure to credit risk

At amortised cost

Supplier payables	254	502
Total financial liabilities carried at amount not best representing maximum exposure to credit risk	254	502

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

Department of Parliamentary Services

Notes to and forming part of the financial statements

Note 7.3C: Liquidity Risk

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

Maturities for non-derivative financial liabilities in 2016

	On demand \$'000	Within 1 year \$'000	between 1 to 2 years \$'000	between 2 to 5 years \$'000	More than 5 years \$'000	Total \$'000
At amortised cost						
Supplier payables	-	254	-	-	-	254
Total	-	254	-	-	-	254

Maturities for non-derivative financial liabilities in 2015

	On demand \$'000	Within 1 year \$'000	between 1 to 2 years \$'000	between 2 to 5 years \$'000	More than 5 years \$'000	Total \$'000
At amortised cost						
Supplier payables	-	502	-	-	-	502
Total	-	502	-	-	-	502

The department had no derivative financial liabilities in either 2016 or 2015.

Note 7.3D: Market Risk

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

Department of Parliamentary Services Notes to and forming part of the financial statements

7.4. Fair Value Measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

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 entity 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 7.4A: Fair Value Measurements

	Fair value measurements at the end of the reporting period			Valuation technique(s) and inputs used
	2016 \$'000	2015 \$'000	Category (Level 1, 2 or 3) ³	
Non-financial assets²	24,228	7,430	2	Market Approach: This approach seeks to estimate the current value of an asset with reference to recent market transactions involving identical or comparable assets.
Property, plant and equipment ¹				Inputs: Prices and other relevant information generated by market transactions involving plant and equipment assets were considered.
Property, plant and equipment ¹	38,618	46,490	3	Depreciated Replacement Cost: The amount a market participant would be prepared to pay to acquire or construct a substitute asset of comparable utility, adjusted for physical depreciation and obsolescence.
				Inputs: Current prices for substitute assets. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the assets under consideration.
Property, plant and equipment - Library ¹	5,418	4,478	3	Market Approach Inputs: Prices and other relevant information generated by market transactions involving library collection items. Professional judgement.
Total non-financial assets	68,264	58,398		

¹ No departmental non-financial assets were measured at fair value on a non-recurring basis as at 30 June 2016 (2015: nil).

² DPS's assets are held for operational purposes and are not held for the purpose of deriving a profit. The current use of all non-financial asset's is considered their highest and best use.

³ There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

Department of Parliamentary Services Notes to and forming part of the financial statements

Note 7.4B: Reconciliation for recurring Level 3 fair value measurements¹

Recurring Level 3 fair value measurements - Reconciliation for assets

	Property, plant and equipment		Non-financial assets		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
As at 1 July	50,968	54,088	50,968	54,088	101,936	108,176
Total gains/(losses) recognised in net cost of services ¹	(10,221)	(11,502)	(10,221)	(11,502)	(20,442)	(21,904)
Total gains/(losses) recognised in other comprehensive income ²	-	2,258	-	2,258	2,258	2,258
Purchases	3,294	5,974	3,294	5,974	6,588	6,588
Disposals	(200)	(43)	(200)	(43)	(243)	(243)
Other adjustment ³	193	-	193	-	193	-
Transfers into Level 3 ⁴	-	193	-	193	193	-
Transfers out of Level 3 ⁴	-	-	-	-	-	-
Total as at 30 June	44,034	50,968	44,034	50,968	88,068	101,936

¹ These gains/(losses) are presented in the Statement of Comprehensive Income under Note 1.1C.

² These gains/(losses) are presented in the Statement of Comprehensive Income under Other Comprehensive Income.

³ A net adjustment of \$193,296 has been made during the year to recalibrate the 2016 opening balance in the financial management information system. This was due to a misalignment of asset useful lives and associated depreciation expenses for certain assets in the furniture and equipment, ICT and library asset classes.

⁴ There have been no transfers into or out of level 3 during the year.

Accounting Policy

DPS engaged the service of Australian Valuation Solutions (AVS) to conduct desktop valuations of all non-financial asset classes at 30 June 2016 and has relied upon those outcomes to validate carrying amounts. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. Comprehensive valuations are carried out at least once every three years. AVS use valuation models that are compliant with AASB 13.

The methods utilised to determine and substantiate the unobservable inputs are derived and evaluated as follows:

Buildings & Property, Plant and Equipment - Physical Depreciation and Obsolescence. 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 Depreciated Replacement Cost approach. Depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the assets under consideration.

Property, Plant and Equipment (Library) - Average Market Price per Item. The fair value of the library collection has been determined using the market approach. Estimated average market prices have been applied having regard to the nature and size of the collection. AVS has utilised professional judgement to account for these differing characteristics.

Department of Parliamentary Services Notes to and forming part of the financial statements

7.5. Administered – Fair Value Measurement

The following tables provide an analysis of assets and liabilities that are measured at fair value. The remaining assets and liabilities disclosed in the statement of financial position do not apply the fair value hierarchy.

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 entity 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 7.5A: Fair Value Measurements, Valuation Techniques and Inputs Used

Non-financial Assets ²	Fair value measurements at the end of the reporting period		Valuation technique(s) and inputs used
	2016 \$'000	2015 \$'000	
Land ¹	80,000	50,000	Market Approach: The restricted nature and unique characteristics of land associated with APH. Inputs: Prices and other relevant information generated by market transactions involving land assets were considered. Significant professional judgement has been utilised. Depreciated Replacement Cost: The amount a market participant would be prepared to pay to acquire or construct a substitute asset of comparable utility, adjusted for physical depreciation and obsolescence. Inputs: Current prices for substitute assets. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the assets under consideration.
Buildings ¹	2,052,400	2,065,132	Market Approach Inputs: Prices and other relevant information generated by market transactions involving plant and equipment assets were considered.
Property, plant and equipment ¹	4,254	4,119	Market Approach Inputs: Prices and other relevant information generated by market transactions involving furniture assets were considered. Significant professional judgement has been utilised.
Property, plant and equipment - furniture ¹	523	775	Market Approach Inputs: Current prices for substitute assets. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the assets under consideration.
Property, plant and equipment ¹	1,160	1,330	Market Approach Inputs: Current prices for substitute assets. Physical depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the assets under consideration.

**Department of Parliamentary Services
Notes to and forming part of the financial statements**

Non-financial Assets²	2016 \$'000	2015 \$'000	Category (Level 1, 2 or 3)³	Valuation technique(s) and inputs used
Heritage and cultural ¹	60,433	59,523	2	Market Approach Inputs: Prices and other relevant information generated by market transactions involving heritage and cultural assets were considered.
Heritage and cultural ¹	25,000	25,000	3	Market Approach Inputs: Prices and other relevant information generated by market transactions involving heritage and cultural assets were considered. Significant professional judgement has been utilised.
Total non-financial assets	2,223,770	2,205,879		

¹ No administered non-financial assets were measured at fair value on a non-recurring basis as at 30 June 2016 (2015: nil)

² DPS's assets are held for operational purposes and are not held for the purpose of deriving a profit. The current use of all non-financial asset's is considered their highest and best use.

³ There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

Department of Parliamentary Services Notes to and forming part of the financial statements

Note 7.5B: Reconciliation for Recurring Level 3 Fair Value Measurements

Recurring Level 3 Fair value measurements - Reconciliation for assets

	Non-financial assets						Total		
	Land		Buildings		Property, plant and equipment			Heritage and cultural	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000		2016 \$'000	2015 \$'000
As at 1 July	50,000	50,000	2,065,132	2,073,824	2,105	1,436	25,000	2,142,237	2,150,260
Total gains/(losses) recognised in net cost of services ¹	-	-	(31,507)	(27,740)	(415)	(160)	-	(31,922)	(27,900)
Total gains/(losses) recognised in other comprehensive income ²	30,000	-	(14,256)	13,564	-	(2)	-	15,744	13,562
Assets under construction	-	-	31,245	-	-	-	-	31,245	-
Purchases	-	-	1,787	5,484	-	-	-	1,787	5,484
Disposals	-	-	-	-	(7)	-	-	(7)	-
Transfers into Level 3 ³	-	-	-	-	-	831	-	-	831
Transfers out of Level 3 ³	-	-	-	-	-	-	-	-	-
Total as at 30 June	80,000	50,000	2,052,401	2,065,132	1,683	2,105	25,000	2,159,084	2,142,237

¹ These gains/(losses) are presented in the Statement of Comprehensive Income under Note 2.1C.

² These gains/(losses) are presented in the Statement of Comprehensive Income under Other Comprehensive Income.

³ There have been no transfers into or out of level 3 during the year.

Department of Parliamentary Services Notes to and forming part of the financial statements

Accounting Policy

DPS engaged the service of the Australian Valuation Solutions (AVS) to conduct a comprehensive valuation of the land and buildings asset classes and desktop valuations of all other non-financial asset classes at 30 June 2016, and has relied upon those outcomes to establish and validate carrying amounts. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. Comprehensive valuations are carried out at least once every three years with the exception of Heritage and Cultural which is once every four years. AVS use valuation models that are compliant with AASB 13.

The methods utilised to determine and substantiate the unobservable inputs are derived and evaluated as follows:

Land - Price per Square Metre. The fair value of the land asset class has been determined using the market approach. Due to the restricted nature and unique characteristics of land associated with APH there was insufficient observable market evidence to determine fair value. Reference has been made to sales of land with a limited level of comparability at distant locations and adjusted by AVS using professional judgement to take account of the differing characteristics.

Building - Replacement Cost New. 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 Depreciated Replacement Cost approach. Under the Depreciated Replacement Cost 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). The replacement cost to replace APH buildings has been determined by a Quantity Surveyor.

Buildings & Property, Plant and Equipment - Physical Depreciation and Obsolescence. 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 Depreciated Replacement Cost approach. Depreciation and obsolescence has been determined based on professional judgement regarding physical, economic and external obsolescence factors relevant to the assets under consideration.

Property, Plant & Equipment (Furniture) - Adjusted Market Transactions. The fair value of the furniture asset class has been determined using the market approach. Due to the unique characteristics of ministerial furniture assets there was insufficient evidence of directly comparable market transactions to determine fair value. Reference has been made to transactions of furniture assets with limited levels of comparability and adjusted by AVS using professional judgement to take account of the differing characteristics.

Cultural and Heritage - Adjusted Market Transactions. A specialist Valuer has been consulted to determine the fair value of the 1297 Inspecimus copy of Magna Carta. Due to the historic nature of the asset, observable market transactions are scarce and AVS has used significant professional judgement in determining the fair value.

DPS's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Department of Parliamentary Services Notes to and forming part of the financial statements

8. Other Information

8.1. Assets Held in Trust

	2016 \$'000	2015 \$'000
Heritage and cultural asset		
Total value at the beginning and end of the reporting period	<u>4,600</u>	<u>4,600</u>
Total	<u>4,600</u>	<u>4,600</u>

An independent valuation for the above asset was conducted as at 30 June 2013.

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

8.2. Reporting of Outcomes

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

8.3. Budget Variance Commentary

DEPARTMENTAL	
Explanation of major variances	Affected statements and line items
<p>ICT and building activities originally proposed to be supplied through contracted labour and contracted services were delivered through additional DPS employees. This caused departmental employee benefits costs of \$2.4 million more than originally budgeted, and a \$2.5 million underspend in suppliers expenses where the funding was originally allocated.</p> <p>This change to the manner in which services were delivered is also reflected in the actual average staffing level for 2015-16 of 778 compared with the planned average staffing level of 743 reported in the 2015-16 Portfolio Budget Statements (PBS).</p>	<p>Statement of Comprehensive Income:</p> <ul style="list-style-type: none"> • Employee benefits • Suppliers expenses <p>Statement of Cash Flow – Operating activities:</p> <ul style="list-style-type: none"> • Cash used - employees • Cash used - suppliers
<p>Planned capital projects remaining as work in progress throughout the 2015-16 financial year, as well as significant upward adjustments to the useful life of library collection assets per the 2014-15 revaluation contributed to a \$6.1 million variation between the original depreciation budget and end of year result.</p>	<p>Statement of Comprehensive Income:</p> <ul style="list-style-type: none"> • Depreciation and amortisation expenses <p>Statement of Financial Position:</p> <ul style="list-style-type: none"> • Property, plant and equipment, and intangibles through accumulated depreciation balances

Department of Parliamentary Services

Notes to and forming part of the financial statements

<p>The operating underspend in 2014-15 of \$10.3 million increased the 2015-16 opening balance impacting the trade and other receivables budget balance, contributing to the variance of \$12.4 million. There was also a \$9.2 million underspend in departmental capital in 2014-15, of which \$4.2 million was spent in 2015-16, explaining the drop in the receivable between the 2015-16 opening and closing balances.</p>	<p>Statement of Financial Position:</p> <ul style="list-style-type: none"> Trade and other receivables <p>Statement of Cash Flow – Investing activities:</p> <ul style="list-style-type: none"> Cash used - purchase of property, plant and equipment
<p>New and increased ICT capabilities led to additional ICT support, maintenance and licence costs in 2015-16 resulting in \$3.8 million of prepayments at the end of the financial year and the variance to budget in non-financial assets.</p>	<p>Statement of Financial Position:</p> <ul style="list-style-type: none"> Other non-financial assets
ADMINISTERED	
Explanation of major variances	Affected statements and line items
<p>The protracted timing of preparation for the implementation of the Building Condition Assessment Report (BCAR) recommendations had the following impact on DPS' administered financial performance for 2015-16:</p> <ul style="list-style-type: none"> suppliers expenses were \$2.8 million less than originally budgeted; some of the works aimed to meet the BCAR recommendations in 2015-16 were moved into 2016-17 and beyond, which delayed the purchase of property, plant and equipment. As a result, the balance of the property, plant and equipment was lower than originally budgeted; and DPS received additional funding from 2015-16 to implement the BCAR, however, the majority of the funding was not expended within the planned timeframe. The time taken to recruit suitably qualified staff and to conduct the necessary stakeholder engagement saw the majority of the planned works transition to 2016-17. 	<p>Statement of Comprehensive Income:</p> <ul style="list-style-type: none"> Suppliers expenses <p>Statement of Financial Position:</p> <ul style="list-style-type: none"> Property, plant and equipment <p>Statement of Cash Flow – Investing activities:</p> <ul style="list-style-type: none"> Cash used - purchase of property, plant and equipment
<p>The administered land and buildings balance is \$32.6 million lower than originally budgeted. This is primarily due to the final balance in 2014-15 being \$56.2 million below the amount forecast at the time the 2015-16 PBS was published. This has been offset by a revaluation increase of \$15.7 million and additions being \$10.7million greater than budgeted.</p>	<p>Statement of Financial Position:</p> <ul style="list-style-type: none"> Land and buildings Asset revaluation <p>Statement of Cash Flow – Investing activities:</p> <ul style="list-style-type: none"> Purchase of property, plant and equipment
<p>The variation for net GST received of \$4.1 million and the zero result is due to GST received and paid being netted off in the administered cash flow where it was originally budgeted as separate items in operating cash received and cash used. This variation is offset by lower supplier expenditure than originally budgeted.</p>	<p>Statement of Cash Flow – Operating activities:</p> <ul style="list-style-type: none"> Cash received - net GST received