

Financial Statements



INDEPENDENT AUDIT REPORT

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

Matters relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements published in both the annual report and on the website of the Parliament of Australia for the year ended 30 June 2005. The Department of Parliamentary Services' Secretary is responsible for the integrity of both the annual report and its web site.

The audit report refers only to the financial statements, schedules and notes named below. It does not provide an opinion on any other information, which may have been hyperlinked to/from, the audited financial statements.

If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements in the Department of Parliamentary Services' annual report.

Scope

The financial statements and Chief Executive's responsibility

The financial statements comprise:

- Statement by the Chief Executive and Chief Finance Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Commitments and Contingencies;
- Schedule of Administered Items; and
- Notes to and forming part of the Financial Statements

of the Department of Parliamentary Services for the year ended 30 June 2005.

The Department of Parliamentary Services' Secretary is responsible for preparing financial statements that give a true and fair presentation of the financial position and performance of the Department of Parliamentary Services, and that comply with accounting standards, other mandatory financial reporting requirements in Australia, and the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*. The Department's Secretary is also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial

Financial statements

statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, accounting standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Department of Parliamentary Services' financial position, and of its performance as represented by the statements of financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Secretary.

Independence

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

Audit Opinion

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

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (b) give a true and fair view of the Department of Parliamentary Services' financial position as at 30 June 2005 and of its performance and cash flows for the year then ended, in accordance with:
 - (i) the matters required by the Finance Minister's Orders; and
 - (ii) applicable accounting standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



Rebecca Reilly
Executive Director

Delegate of the Auditor-General

Canberra
7 October 2005

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

In our opinion, the attached financial statements for the year ended 30 June 2005 have been prepared 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.



Hilary Penfold QC
Secretary

7 October 2005



Judith König FCPA
Chief Finance Officer

7 October 2005

Financial statements**DEPARTMENT OF PARLIAMENTARY SERVICES****STATEMENT OF FINANCIAL PERFORMANCE***for the year ended 30 June 2005*

	Notes	2005 \$'000	2004 \$'000
Revenues from ordinary activities			
Revenues from Government	3A	112,876	38,904
Goods and services	3B	6,734	6,746
Revenue from sale of assets	3C	45	28
Other revenues		500	191
Revenues from ordinary activities		120,155	45,869
Expenses from ordinary activities (excluding borrowing cost expense)			
Employees	4A	57,548	25,032
Suppliers	4B	41,164	15,448
Depreciation and amortisation	4C	19,109	6,271
Write-down and impairment of assets	4D	1,323	711
Value of assets sold	3C	205	159
Expenses from ordinary activities (excluding borrowing costs expense)		119,349	47,621
Borrowing costs expense	5	37	22
Operating Surplus or (Deficit) from ordinary activities		769	(1,774)
Net credit to asset revaluation reserve	11	1,033	-
Total Revenues, Expenses and Valuation Adjustments Attributable to Members of the Parent Entity and Recognised Directly in Equity		1,033	-
Total changes in equity other than those resulting from transactions with the Owners as Owners		1,802	(1,774)

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

Financial statements**DEPARTMENT OF PARLIAMENTARY SERVICES
STATEMENT OF FINANCIAL POSITION**

as at 30 June 2005

	Notes	2005 \$'000	2004 \$'000
ASSETS			
Financial Assets			
Cash	6A	318	3,701
Receivables	6B	37,572	21,203
Total Financial Assets		37,890	24,904
Non-Financial Assets			
Infrastructure, plant and equipment	7A,B	55,596	41,468
Intangibles	7C	11,656	13,395
Inventories	7D	204	190
Other non-financial assets	7E	1,125	731
Total Non-Financial assets		68,581	55,784
Total Assets		106,471	80,688
LIABILITIES			
Interest Bearing Liabilities			
Leases	8	363	742
Total Interest Bearing Liabilities		363	742
Provisions			
Employees	9	16,846	18,413
Total Provisions		16,846	18,413
Payables			
Suppliers	10A	3,406	3,153
Other Payables	10B	797	1,815
Total Payables		4,203	4,968
Total Liabilities		21,412	24,123
NET ASSETS		85,059	56,565
EQUITY			
Contributed Equity	11A,B	85,031	58,339
Reserves	11A	1,033	-
Retained Surpluses (Accumulated Deficits)	11A	(1,005)	(1,774)
TOTAL EQUITY		85,059	56,565
Current Assets		39,219	25,824
Non-current Assets		67,252	54,864
Current Liabilities		9,457	11,540
Non-current Liabilities		11,955	12,583

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

Financial statements**DEPARTMENT OF PARLIAMENTARY SERVICES****STATEMENT OF CASH FLOWS***for the year ended 30 June 2005*

	Notes	2005 \$'000	2004 \$'000
OPERATING ACTIVITIES			
Cash Received			
Goods and services		9,449	8,737
Appropriations		100,925	35,240
Net GST received from ATO		3,853	1,038
Total Cash Received		114,227	45,015
Cash Used			
Employees		59,114	22,659
Suppliers		47,853	16,066
Borrowing costs		37	22
Total Cash Used		107,004	38,747
Net Cash From or (Used By) Operating Activities	12	7,223	6,268
INVESTING ACTIVITIES			
Cash Received			
Proceeds from sales of property, plant and equipment		45	28
Total Cash Received		45	28
Cash Used			
Purchase of property, plant and equipment	7B	7,779	3,462
Purchase of intangibles	7C	2,872	1,630
Total Cash Used		10,651	5,092
Net Cash From or (Used by) Investing Activities		(10,606)	(5,064)
Net Increase or (Decrease) in cash held		(3,383)	1,204
Cash at the beginning of the reporting period		3,701	2,497
Cash at the End of the Reporting Period	6A	318	3,701

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

Financial statements**DEPARTMENT OF PARLIAMENTARY SERVICES
SCHEDULE OF COMMITMENTS***as at 30 June 2005*

BY TYPE	Notes	2005 \$'000	2004 \$'000
Capital Commitments			
Infrastructure, Plant and Equipment ¹		2,261	1,206
Total Capital Commitments		2,261	1,206
Other Commitments			
Operating leases ²		2,423	4,823
Other ³		15,879	24,699
Total Other Commitments		18,302	29,522
Commitments Receivable		(2,273)	(4,977)
Net Commitments by Type		18,290	25,751
BY MATURITY			
Capital Commitments			
One year or less		2,261	1,206
From one to five years		-	-
Over five years		-	-
Total Capital Commitments by Maturity		2,261	1,206
Operating Lease Commitments			
One year or less		1,165	1,979
From one to five years		1,258	2,843
Over five years		-	-
Total Operating Lease Commitments by Maturity		2,423	4,822
Other Commitments			
One year or less		6,460	7,353
From one to five years		9,419	17,347
Over five years		-	-
Total Other Commitments by Maturity		15,879	24,700
Commitments Receivable		(2,273)	(4,977)
Net Commitments by Maturity		18,290	25,751

NB : Commitments are GST inclusive where relevant.

- Infrastructure, plant and equipment commitments are primarily for purchase of equipment and services for IT system assets and furniture and fittings.
- Operating leases included are effectively non-cancellable and comprise agreements for the provision of motor vehicles, office accommodation and storage facilities.

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Motor vehicles	Lease periods vary from 18 to 60 months, depending on the type of vehicle leased. Ownership never passes to DPS. There are no renewal or purchase options at the end of the leases.
Office accommodation	Relates to office space at the West Block annexe to Old Parliament House. The lease agreement is for a period of ten years, ending in June 2007. Lease payments are subject to annual increases linked to CPI.
Storage facilities	Relates to warehouse space at Queanbeyan. The lease agreement is for a period of 5 years, ending in January 2008. Lease payments are subject to annual increases linked to CPI movements.

- Other commitments are comprised of long term contracts in force as at 30 June 2005, where total consideration is greater than \$100,000, and outstanding purchase orders at 30 June 2005, where the goods and services were ordered but not received by 30 June 2005.

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

Financial statements**DEPARTMENT OF PARLIAMENTARY SERVICES
SCHEDULE OF CONTINGENCIES***as at 30 June 2005*

Contingent liabilities	Guarantees		Claims for damages/costs		Total	
	2005	2004	2005	2004	2005	2004
Balance from previous period	-	-	17	17	17	17
New	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-
Liabilities crystallised	-	-	(15)	-	(15)	-
Obligations expired	-	-	(2)	-	(2)	-
Total Contingent Liabilities	-	-	-	17	-	17
Contingent assets	Guarantees		Claims for damages/costs		Total	
	2005	2004	2005	2004	2005	2004
Balance from previous period	-	-	-	-	-	-
New	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-
Assets crystallised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Total Contingent Assets	-	-	-	-	-	-
Net Contingencies	-	-	-	17	-	17

Details of each class of contingent liabilities and assets, including any that are not included above because they cannot be quantified or are considered remote, are disclosed in Note 13: Contingent Liabilities and Assets

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

Financial statements**DEPARTMENT OF PARLIAMENTARY SERVICES
SCHEDULE OF ADMINISTERED ITEMS**

	Notes	2005 \$'000	2004 \$'000
Revenues Administered on Behalf of Government <i>for the year ended 30 June 2005</i>			
Non-taxation revenue			
Other sources of non-taxation revenue	18	373	16
Total Revenues Administered on Behalf of Government		373	16
Expenses Administered on Behalf of Government <i>for the year ended 30 June 2005</i>			
Depreciation and amortisation	19	39,853	16,595
Write-down	19	22,746	-
Value of assets sold	19	56	166
Total Expenses Administered on Behalf of Government		62,655	16,761
Assets Administered on Behalf of Government <i>as at 30 June 2005</i>			
Financial Assets			
Receivables	20	467	224
Total Financial Assets		467	224
Non-Financial Assets			
Land and Buildings	20	1,293,517	1,314,144
Property, Plant and Equipment	20	29,439	31,278
Heritage and Cultural Assets	20	62,133	84,327
Total Non-Financial Assets		1,385,089	1,429,749
Total Assets Administered on Behalf of Government		1,385,556	1,429,973
Liabilities Administered on Behalf of Government <i>as at 30 June 2005</i>			
Payables			
Suppliers	21	520	336
Total Liabilities Administered on Behalf of Government		520	336
Net Assets Administered on Behalf of Government		1,385,036	1,429,637
Current Assets		467	224
Non-current Assets		1,385,089	1,429,749
Current Liabilities		520	336
Non-current Liabilities		-	-

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

Financial statements

DEPARTMENT OF PARLIAMENTARY SERVICES			
SCHEDULE OF ADMINISTERED ITEMS (continued)			
	Notes	2005 \$'000	2004 \$'000
Administered Cash Flows			
<i>for the year ended 30 June 2005</i>			
Operating Activities			
Cash Received			
GST received from ATO		1,521	512
Total Cash Received		1,521	512
Cash Used			
GST paid to Suppliers		(1,768)	(517)
Total Cash Used		(1,768)	(517)
Net Cash From / (Used In) Operating Activities		(247)	(5)
Investing Activities			
Cash Received			
Proceeds from sales of property, plant and equipment	18	1	4
Total Cash Received		1	4
Cash Used			
Purchase of property, plant and equipment	20	(17,682)	(5,189)
Total Cash Used		(17,682)	(5,189)
Net Cash From / (Used In) Investing Activities		(17,681)	(5,185)
Net Increase (Decrease) in Cash Held		(17,928)	(5,190)
Cash at the beginning of the reporting period		-	10
Cash from Official Public Account for:			
- Appropriations		17,888	5,179
- GST Annotations Appropriation under S 30A		1,768	517
		19,656	5,696
Cash to Official Public Account for:			
- GST returned		(1,521)	(511)
- Other		(207)	(5)
		(1,728)	(516)
Cash at End of Reporting Period	20	-	-

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

DEPARTMENT OF PARLIAMENTARY SERVICES
SCHEDULE OF ADMINISTERED ITEMS (continued)

	Notes	2005 \$'000	2004 \$'000
Administered Commitments			
<i>as at 30 June 2005</i>			
BY TYPE			
Capital Commitments			
Infrastructure, plant and equipment		<u>16,102</u>	11,219
Total Capital Commitments		<u>16,102</u>	11,219
Commitments Receivable		<u>(1,464)</u>	(1,020)
Net Commitments by Type		<u>14,638</u>	10,199
BY MATURITY			
Capital Commitments			
One year or less		14,638	10,199
From one to five years		-	-
Over five years		-	-
Net Commitments by Maturity		<u>14,638</u>	10,199

NB : Commitments are GST inclusive where relevant.

Administered Contingencies

as at 30 June 2005

There were no contingencies or remote or unquantifiable contingencies at balance date.

Statement of Activities Administered on behalf of Government

The major administered activities of the Department of Parliamentary Services are directed towards achieving the outcome described in Note 1 to the Financial Statements. Details of planned activities can be found in the Agency Portfolio Budget Statements for 2004-05, which have been tabled in Parliament.

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

Financial statements

DEPARTMENT OF PARLIAMENTARY SERVICES
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2005

Note	Description	
Note 1	Summary of Significant Accounting Policies	2
Note 2	Adoption of AASB Equivalents to International Financial Reporting Standards from 2005-06	11
Note 3	Operating Revenues.....	15
Note 4	Operating Expenses.....	16
Note 5	Borrowing Cost Expense.....	17
Note 6	Financial Assets.....	17
Note 7	Non-Financial Assets.....	18
Note 8	Interest Bearing Liabilities	22
Note 9	Provisions.....	22
Note 10	Payables.....	23
Note 11	Equity	24
Note 12	Cash Flow Reconciliation	25
Note 13	Contingent Liabilities and Assets	26
Note 14	Executive Remuneration.....	26
Note 15	Remuneration of Auditors.....	26
Note 16	Average Staffing Levels.....	26
Note 17	Financial Instruments.....	27
Note 18	Revenues Administered on Behalf of Government.....	29
Note 19	Expenses Administered on Behalf of Government	29
Note 20	Assets Administered on Behalf of Government	29
Note 21	Liabilities Administered on Behalf of Government	33
Note 22	Administered Reconciliation Table.....	33
Note 23	Administered Financial Instruments	34
Note 24	Appropriations	35
Note 25	Specific Payment Disclosures	41
Note 26	Reporting of Outcomes.....	42

Notes to and forming part of the Financial Statements

Note 1 Summary of Significant Accounting Policies*1.1 Objectives of the Department of Parliamentary Services (DPS)*

The objective of DPS is to serve the Australian people by supporting the Parliament and caring for Parliament House.

DPS is structured to meet one outcome. This outcome is:

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

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

The department's outcome is measured by the following outputs:

OUTPUT 1 Information and Research Services

An effective knowledge centre for the Parliament through the provision of information, analysis and advice.

- 1.1 Information, analysis and advice services to meet clients' needs.
- 1.2 Access to collection sources for the use of Parliament.

OUTPUT 2 Client and Technical Services

Provision of client support, broadcasting, Hansard, and information and communication technology services.

- 2.1 Client support broadcasting and Hansard services.
- 2.2 Information and communication technology and broadcasting support.

OUTPUT 3 Building and Occupant Services

An efficiently functioning, safe and secure environment for Senators, Members, other building occupants and visitors.

- 3.1 Occupant services.
- 3.2 Visitor services.
- 3.3 Asset management services.

The Administered activity is identified as one item:

WORKS PROGRAM—Preservation of the heritage value of Parliament House and surrounds.

Financial statements

Notes to and forming part of the Financial Statements

1.2 Basis of Accounting

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

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 30 June 2005)*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets, which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements that are equally proportionately unperformed, are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 13).

Revenues and expenses are recognised in the Statement of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

Comparatives

DPS commenced operations on 1 February 2004. The comparatives are for the 5 months ended 30 June 2004.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for Agency items, except where otherwise stated at Note 1.18.

1.3 Revenue

Revenues from Government

Amounts appropriated for Departmental outputs appropriations for the year (adjusted for any formal additions or reductions) are recognised as revenue, 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.

Resources Received Free of Charge

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

Notes to and forming part of the Financial Statements

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements (refer to Note 1.4).

Other Revenue

Revenue from the sale of goods is recognised upon delivery of goods and services to customers.

Receivables for goods and services are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is judged to be less rather than more likely.

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

*1.4 Transactions with the Government as Owner***Equity injections**

Amounts appropriated which are designated as "equity injections" for a year (less any savings offered up on Portfolio Additional Estimates) are recognised directly in Contributed Equity in that year.

Restructuring of Administrative Arrangements

Net assets received or relinquished to another Commonwealth agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity. Effective from 1 July 2004 the funding and assets associated with the security function of Parliament House were formally transferred from the Department of the Senate and the Department of the House of Representatives to the Department of Parliamentary Services.

Other distributions to owners

The FMOs require that distributions to owners be debited to contributed equity unless in the nature of a dividend. On 23 March 2005, the Finance Minister issued a determination to reduce the Administered Output Appropriation by \$10,134. This amount was drawn from the Official Public Account (OPA) by the former Joint House Department (JHD) but remained unspent when JHD was amalgamated into DPS. A payment for this amount was subsequently processed by DPS and DPS will seek a return of these funds at 2005-06 Additional Estimates. The amount was returned to the OPA.

1.5 Employee Benefits

Liabilities for services rendered by employees are recognised at reporting date to the extent that they have not been settled.

Liabilities for wages and salaries (including non-monetary benefits), annual leave and sick leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also measured at their nominal amounts.

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

Financial statements

Notes to and forming part of the Financial Statements

1.5 Employee Benefits (continued)

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

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

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

The liability for long service leave was calculated using the shorthand method provided by the Australian Government Actuary. In determining the present value of the liability, the Department has taken into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy payments in circumstances where the department has made an offer of Voluntary Redundancy which has been accepted by a staff member and a reliable estimate of the total amount of the payment can be determined.

Superannuation

DPS staff are members of the Commonwealth Superannuation Scheme or the Public Sector Superannuation Scheme. The liability for their superannuation benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

DPS makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of DPS's employees.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final pay accrual of the reporting period, plus the anticipated superannuation contributions when staff take recreation and long service leave.

1.6 Leases

A distinction is made between:

- finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets; and
- operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the beginning of the lease term and a liability 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

Notes to and forming part of the Financial Statements

amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

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

1.7 Borrowing Costs

All borrowing costs are expensed as incurred except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in the reporting period does not exceed the amounts of costs incurred in the period. (Refer to Note 5)

1.8 Cash

Cash includes notes and coins held and the balances of DPSs bank accounts. Cash is recognised at its nominal amount.

1.9 Other Financial Instruments**Trade Creditors**

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods and services have been received (and irrespective of having been invoiced).

Contingent Liabilities and Contingent Assets

Contingent liabilities (assets) are not recognised in the Statement of Financial Position but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability (asset), or represent an existing liability (asset) in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability (asset) would be recognised. A liability (asset) is recognised when its existence is confirmed by a future event, settlement becomes probable or reliable measurement becomes possible.

1.10 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.

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

1.11 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, or add to system assets).

Financial statements

Notes to and forming part of the Financial Statements

1.11 Property, Plant and Equipment (PP&E) (continued)

Definition of Assets

In these statements, except for office equipment, technical equipment and furniture which are recorded as individual items, a reportable asset is a functional system in which component parts do not retain a separate identity and are not expected to be used by the department after the asset is disposed of.

All non-current depreciable assets are recognised in the financial statements if they belong to a class of assets which is represented by:

- complete functional systems valued at cost or independent valuation;
- work in progress valued at cost; or
- individual items at cost of acquisition or valuation of at least \$2,000.

The department identifies and records all assets individually for fraud control and management purposes.

All monographs added to the Library Collection are capitalised regardless of their individual value as they are regarded as part of a group of similar items significant in total.

Accounting for System Assets

System assets are carried in the financial statements at their valuation less accumulated depreciation. Except where expenditure on system assets replaces or improves the system, the expenditure will be regarded as maintenance, as there is no change in intrinsic value. Additions or extensions to a system asset which enhance the asset by increasing its functionality and become an integral part of that asset increase the reportable value of that system by the cost of the acquisition or extension and are depreciated over the remaining useful life of the asset. Where action is taken to decommission a materially whole system by replacement or by recognising obsolescence, the entire system is subject to disposal action.

Revaluations

Basis

Land, buildings, plant and equipment and heritage and cultural assets are carried at valuation, being revalued with sufficient frequency such that the carrying amount of each asset class is not materially different, at reporting date, from its fair value. Valuations undertaken in each year are as at 30 June.

Fair values for each class of asset were determined as shown below.

Asset class	Fair value measured at:
Land	Market selling price subject to restricted use clause.
Buildings	Current replacement cost.
System assets	Market selling price or depreciated replacement cost
Furniture and Equipment	Market selling price or depreciated replacement cost
Library Collection	Market selling price or depreciated replacement cost
Security	Depreciated replacement cost
Heritage and Cultural Assets	Current market selling price

Assets which are surplus to requirements are valued at their net realisable value.

Notes to and forming part of the Financial Statements**1.11 Property, Plant and Equipment (continued)****Conduct**

All formal valuations are conducted by an independent qualified valuer.

Assets capitalised under finance leases have not been revalued and are accounted for under Australian Accounting Standard AASB 17 Accounting for Leases.

Work-in-progress

If, at 30 June 2005, an asset is not fully constructed, 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 and Amortisation

An asset is depreciated from the time it is first put into or held ready for use. When an asset is a complex structure made up of interdependent substructures which require installation at successive stages, it is considered as being ready for use only after installation has been completed to a stage where it can provide a service to the department.

All depreciable non-current assets are written off to their estimated residual values over their estimated useful life to the department. Depreciation is calculated using the straight-line method that is consistent with the pattern of usage.

Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated when assets are revalued.

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

	2005	2004
Building	20 to 200 years	20 to 200 years
Heritage and Cultural	Not depreciated	Not depreciated
System assets	3 to 24 years	3 to 24 years
Furniture and equipment	2 to 50 years	2 to 50 years
Library collection	3 to 30 years	3 to 30 years
Security Infrastructure	3 to 25 years	NA

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Notes 4C and 19.

1.12 Impairment of Non-Current Assets

Non-current assets carried at up-to-date fair values at the reporting date are not subject to impairment testing.

The non-current assets carried at cost, which are not held to generate net cash inflows, have been assessed for indications of impairment. Where indications of impairment exist, the asset is written down to the higher of its net selling price and, if DPS would replace the asset's service potential, its depreciated replacement cost.

Financial statements

Notes to and forming part of the Financial Statements

1.13 Intangibles

Intangibles comprise internally developed software for internal use and capital works-in-progress. These assets are carried at cost, and are assessed for indications of impairment.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the department's software is between 3 to 10 years (2003-04: 3 to 10 years).

At balance date the CHRIS payroll system, used by the former Joint House Department, was written down to an expected useful life of 12 months. This action reflects that DPS has selected the Peoplesoft human resource system and is in the process of migrating all staff to that system.

Capital works-in-progress are not depreciated.

1.14 Inventories

The Parliament Shop inventories are held for resale and are valued at the lower of cost or net realisable value. Costs are assigned to stock on a first-in-first-out basis.

1.15 Taxation

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

Revenues, expenses and assets are recognised net of GST:

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

1.16 Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at reporting date. Associated currency gains and losses are not material.

1.17 Insurance

DPS has insured for risks through the Government's insurable risk managed fund *Comcover*. Workers compensation is insured through *Comcare Australia*.

1.18 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related Notes.

Except where otherwise stated below, administered items are reported on the same bases and using the same policies as for Departmental items, including the application of Accounting Standards, Accounting Interpretations and Urgent Issues Group Abstracts.

Administered appropriations received or receivable from the Official Public Account (OPA) are not reported as administered revenues and assets respectively. Similarly, administered receipts transferred or transferable to the OPA are not reported as administered expenses or payables. These transactions and balances are internal to the Administered entity.

Notes to and forming part of the Financial Statements

These transfers of cash are reported as administered (operating) cash flows and in the administered reconciliation table in Note 22.

Accounting policies that are relevant to the administered activities of DPS are disclosed below.

*1.18 Reporting of Administered Activities (continued)***Revenue**

DPS has negotiated an Administered Funding agreement with the Department of Finance and Administration. The agreement is supported by a Funding Proposal, which is reviewed every five years. The Funding Proposal contains a schedule of Projects based upon a 200-year life cycle planning model, prepared by an independent engineering consultant. It uses a "criticality" methodology to rank projects into a series of five-year plans for rolling upgrades, which are designed to keep Parliament House in a fully operational state, commensurate with its status as a "nationally significant building".

This funding is used for:

- ongoing administered asset replacement, modification and upgrade
- construction of minor new works; and
- purchases of artworks for the Historic Memorials Collection and Parliament House Art Collection.

Financial statements

Notes to and forming part of the Financial Statements

Note 2 Adoption of AASB Equivalents to International Financial Reporting Standards from 2005-06

The Australian Accounting Standards Board has issued replacement Australian Accounting Standards to apply from 2005-06. The new standards are the Australian Equivalents to International Financial Reporting Standards (AEIFRS). The International Financial Reporting Standards are issued by the International Accounting Standards Board. The new standards cannot be adopted early. The standards being replaced are to be withdrawn with effect from 2005-06, but continue to apply in the meantime, including reporting periods ending on 30 June 2005.

The purpose of issuing AEIFRS is to enable Australian entities reporting under the *Corporations Act 2001* to be able to more readily access overseas capital markets by preparing their financial reports according to accounting standards more widely used overseas.

AEIFRS contain certain additional provisions that will apply to not-for-profit entities, including Australian Government agencies. Some of these provisions are in conflict with IFRS, and therefore DPS will only be able to assert that the financial report has been prepared in accordance with Australian Accounting Standards.

AAS 29 *Financial Reporting by Government Departments* will continue to apply under AEIFRS.

Australian Accounting Standard AASB 1047 *Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards* requires that the financial statements for 2004-05 disclose:

- an explanation of how the transition to AEIFRS is being managed;
- narrative explanations of the key policy differences arising from the adoption of AEIFRS;
- any known or reliably estimable information about the impacts on the financial report had it been prepared using the AEIFRS; and
- if the impacts of the above are not known or reliably estimable, a statement to that effect.

Where an entity is not able to make a reliable estimate, or where quantitative information is not known, the entity should update the narrative disclosures of the key differences in accounting policies that are expected to arise from the adoption of AEIFRS.

The purpose of this Note is to make these disclosures.

Management of the transition to AEIFRS

DPS has taken the following steps in preparation for the implementation of AEIFRS:

- The DPS Audit Committee is overseeing the transition to and implementation of AEIFRS. The Chief Finance Officer is formally responsible for the project and reports regularly to the Audit Committee on progress against the formal plan approved by the Committee.
- The plan requires the following key steps to be undertaken and sets deadlines for their achievement:
 - All major accounting policy differences between current AASB standards and AEIFRS were identified by 30 June 2004.
 - No systems changes were necessary to be able to report under the AEIFRS, or to capture data under both sets of rules for 2004-05.

Notes to and forming part of the Financial Statements

Note 2 (continued)

- A transitional balance sheet as at 1 July 2004 under AEIFRS was completed and presented to the Audit Committee on 14 December 2004.
- An AEIFRS compliant balance sheet as at 30 June 2005 was also prepared during the preparation of the 2004-05 statutory financial reports.
- The 2004-05 Balance Sheet under AEIFRS will be reported to the Department of Finance and Administration in line with their reporting deadlines.
- The plan also addresses the risks to successful achievement of the above objectives and includes strategies to keep implementation on schedule to meet all deadlines.
- Consultants were engaged where necessary to assist with each of the above steps.

Major changes in accounting policy

DPS believes that the first financial report prepared under AEIFRS ie at 30 June 2006, will be prepared on the basis that DPS will be a first time adopter under AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. Changes in accounting policies under AEIFRS are applied retrospectively ie as if the new policy had always applied (except in relation to the exemptions available and the prohibitions under AASB 1). This means that an AEIFRS compliant balance sheet has to be prepared as at 1 July 2004. This will enable the 2005-06 financial statements to report comparatives under AEIFRS.

A first time adopter of AEIFRS may elect to use exemptions under paragraphs 13 to 25E. When developing the accounting policies applicable to the preparation of the 1 July opening balance sheet, no exemptions were identified by DPS.

Changes to major accounting policies are discussed in the following paragraphs.

Management's review of the quantitative impacts of AEIFRS represents the best estimates of the impacts of the changes as at reporting date. The actual effects of the impacts of AEIFRS may differ from these estimates due to:

- continuing review of the impacts of AEIFRS on DPS operations;
- potential amendments to the AEIFRS and AEIFRS Interpretations; and
- emerging interpretation as to the accepted practice in the application of AEIFRS and AEIFRS Interpretations.

Property, plant and equipment

It is expected that the 2005-06 *Finance Minister's Orders* will continue to require property, plant and equipment assets to be valued at fair value in 2005-06.

After comparing the book value of assets at the date declared for sale and then again at the date of sale, the effect on the value of assets sold and depreciation was found not to be material.

Intangible Assets

DPS currently recognises internally-developed software assets on the cost basis.

Financial statements

Notes to and forming part of the Financial Statements

Note 2 (continued)

Impairment of Intangibles and Property, Plant and Equipment

DPS's policy on impairment of non-current assets is at note 1.13.

Under AEIFRS these assets will be subject to assessment for impairment and, if there are indications of impairment, an assessment of the degree of impairment. (Impairment measurement must also be done, irrespective of any indications of impairment, for intangible assets not yet available for use). The impairment test is that the carrying amount of an asset must not exceed the greater of:

- (a) its fair value less costs to sell; and
- (b) its value in use.

"Value in use" is 'depreciated replacement cost' for assets which would be replaced if DPS were deprived of them. However, an impairment assessment of DPS assets indicated that no adjustment is required.

Inventory

DPS recognises inventory not held for sale at cost, except where it is no longer required, in which case net realisable value is applied.

The new Australian Equivalent standard will require inventory held for distribution at no consideration or at a nominal amount to be carried at the lower of cost or current replacement cost.

An assessment was made and it was found that in all instances the current replacement cost of inventory was equal or greater than the original cost. Therefore no adjustment is required.

Employee Benefits

The provision for long service leave is measured at the present value of estimated future cash outflows using market yields as at the reporting date on national government bonds.

The 2003-04 Financial reports noted that the AEIFRS standards may require the market yield on corporate bonds to be used. The AASB has decided that a deep market in high quality corporate bonds does not exist and therefore national government bonds will be referenced.

AEIFRS require that annual leave that is not expected to be taken within 12 months of balance date is to be discounted. After assessing the staff leave profile, an adjustment is required to discount the amount determined as non-current annual leave.

Administered Items

Assessment of the administered assets and liabilities of DPS indicate that there are no adjustments due to the transition to AEIFRS.

Financial statements**Notes to and forming part of the Financial Statements****Note 2 (continued)***Reconciliation of Impacts-AGAAP to AEIFRS*

	30 June 2005* \$'000	30 June 2004 \$'000
Reconciliation of Departmental Equity		
Total Departmental Equity under AGAAP	85,059	56,565
Adjustments to accumulated results	(40)	119
Adjustments to other reserves	-	-
Total Equity under AEIFRS	85,019	56,684
Reconciliation of Departmental Accumulated Results		
Total Departmental Accumulated Results under AGAAP	(1,005)	(1,774)
Adjustments:		
Employee	79	119
Total Accumulated Results under AEIFRS	(926)	(1,665)
Reconciliation of Departmental Reserves		
Total Departmental Reserves under AGAAP	1,003	-
Adjustment:		
Asset Revaluation Reserve	-	-
Total Departmental Reserves under AEIFRS	1,003	-
Reconciliation of Departmental Contributed Equity		
Total Departmental Contributed Equity under AGAAP	85,031	58,339
Adjustments	-	-
Total Contributed Equity under AEIFRS	85,031	58,339
	30 June 2005* \$'000	
Reconciliation of Net surplus / (deficit) from ordinary activities for year ending 30 June 2005		
Net surplus / deficit from ordinary activities under AGAAP	769	
Adjustments:		
Employee expenses	(40)	
Net surplus / deficit from ordinary activities under AEIFRS	729	

* 30 June 2005 total represents the accumulated impacts of AEIFRS from the date of transition.

Financial statements

Notes to and forming part of the Financial Statements

	2005	2004
	\$'000	\$'000
Note 3 Operating Revenues		
<u>Note 3A Revenues from Government</u>		
Appropriations for outputs	112,731	38,323
Resources received free of charge	145	581
Total revenues from government	112,876	38,904
<u>Note 3B Goods and Services</u>		
Goods	1,313	521
Services	5,421	6,225
Total sales of goods and services	6,734	6,746
Provision of goods to:		
Related entities	4	2
External entities	1,309	519
Total sales of goods	1,313	521
Rendering of services to:		
Related entities	4,635	5,212
External entities	785	1,013
Total rendering of services	5,421	6,225
Cost of sales of goods	670	291
<u>Note 3C Net Gains/(Losses) from Sale of Assets</u>		
Plant and equipment		
Proceeds from disposal	45	28
Net book value of assets disposed	(205)	(159)
<i>Net loss from disposal of plant and equipment</i>	(160)	(131)

Financial statements**Notes to and forming part of the Financial Statements**

	2005	2004
	\$'000	\$'000
Note 4 Operating Expenses		
<u>Note 4A Employee Expenses</u>		
Wages and salary	42,869	18,445
Superannuation	8,138	3,483
Leave and other entitlements	5,607	2,295
Separation and redundancies	38	279
Total employee benefits expense	56,652	24,502
Workers compensation premiums	896	530
Total employee expenses	57,548	25,032
<u>Note 4B Supplier Expenses</u>		
Goods from related entities	9	4
Goods from external entities	4,233	2,971
Services from related entities	17,102	1,753
Services from external entities	18,581	10,104
Operating lease rentals *	1,239	616
Total supplier expenses	41,164	15,448
* These comprise the minimum lease payments only.		
<u>Note 4C Depreciation and Amortisation</u>		
Depreciation of property, plant and equipment	14,584	4,402
Amortisation of intangibles-Computer software	4,525	1,869
Total depreciation and amortisation	19,109	6,271
The aggregate amounts of depreciation or amortisation expensed during the reporting period for each class of asset are as follows:		
System assets	7,159	3,013
Furniture and equipment	1,943	1,019
Library collection	907	370
Security infrastructure	4,575	-
Total depreciation	14,584	4,402
Intangibles-Computer software	4,525	1,869
Total amortisation	4,525	1,869
Total depreciation and amortisation	19,109	6,271
<u>Note 4D Write Down of non-financial Assets</u>		
Plant and equipment revaluation decrement	1,204	371
Plant and equipment write down	33	-
Intangibles-Computer software write down	86	340
Total write-down of assets	1,323	711

Financial statements

Notes to and forming part of the Financial Statements

	2005	2004
	\$'000	\$'000
Note 5 Borrowing Cost Expense		
Leases	37	22
Total borrowing expense	37	22
Note 6 Financial Assets		
<u>Note 6A Cash</u>		
Cash on hand	6	6
Cash at bank	312	3,695
Total cash	318	3,701
<u>Note 6B Receivables</u>		
Goods and services	916	2,384
Less: Provision for doubtful debts	(10)	(10)
	906	2,374
GST receivable from the Australian Taxation Office (net)	955	259
Appropriations receivable	35,711	18,570
Total receivables (net)	37,572	21,203
All receivables are current assets.		
Receivables (gross) are aged as follows:		
Current	36,878	20,760
Overdue by:		
less than 30 days	538	216
30 days to 60 days	166	208
60 days to 90 days	-	4
more than 90 days	-	25
Total receivables (gross)	37,582	21,213
Provision has been made for doubtful debts aged as follows:		
Current	-	-
Overdue by:		
30 days to 60 days	(10)	(10)
Total provision for doubtful debts	(10)	(10)

Financial statements**Notes to and forming part of the Financial Statements**

	2005	2004
	\$'000	\$'000
Note 7 Non-Financial Assets		
<u>Note 7A—Property, plant and equipment</u>		
System Assets		
Work in progress—at cost	3,206	2,745
At cost	-	4,521
At deprival value	-	10,401
At fair value	22,185	12,312
Total System Assets	25,391	29,979
Furniture and Equipment		
At cost	-	3,764
At deprival value	-	1,136
At fair value	4,666	1,018
Total Furniture and Equipment	4,666	5,918
Library Collection		
Work in progress—at cost	25	-
At cost	-	332
At fair value	5,019	5,239
Total Library Collection	5,044	5,571
Security Infrastructure		
Work in progress—at cost	1,351	-
At fair value	19,144	-
	20,495	-
Total Property, Plant and Equipment (non-current)	55,596	41,468

Plant and equipment under finance leases is subject to revaluation. The carrying amount is included in the valuation figures above and is separately disclosed in Table B below.

All formal revaluations are independent and are conducted in accordance with the revaluation policy stated at Note 1.11. In 2004-05, the formal revaluations were conducted by an independent valuer, S O'Leary AAPI, Certified Practising Valuer, Australian Valuation Office.

Revaluation increment of \$1,032,782 for security infrastructure (2004 increment: Nil) was made to the Asset Revaluation Reserve. Revaluation decrement of \$1,203,675 for System Assets and Furniture and Equipment (2004 decrement: Nil) was expensed.

Financial statements

Notes to and forming part of the Financial Statements

Note 7B Analysis of Property and Plant and Equipment

TABLE A—Reconciliation of the opening and closing balances of property, plant and equipment (including Library Collection)

Item	Property, Plant and Equipment \$'000
As at 1 July 2004	
Gross book value	109,816
Accumulated depreciation/amortisation	(68,348)
<i>Opening Net Book Value</i>	41,468
Additions	
By purchase	7,779
From restructuring	21,346
Net revaluation decrement	(171)
Write down	(33)
Depreciation	(14,584)
Value of assets sold	(205)
Other transfers	(4)
As at 30 June 2005	
Gross Book Value	177,394
Accumulated Depreciation	(121,798)
Net Book Value	55,596

TABLE B — Assets at valuation

Item	Property, Plant and Equipment \$'000
As at 30 June 2005	
Gross Value	172,812
Accumulated depreciation	(121,798)
Net Book Value	51,014
As at 30 June 2004	
Gross Value	92,438
Accumulated depreciation	(62,333)
Net Book Value	30,105

Financial statements**Notes to and forming part of the Financial Statements**Note 7B (continued) Analysis of Property, Plant and Equipment**TABLE C — Assets held under finance lease**

Item	Property, Plant and Equipment \$000
As at 30 June 2005	
Gross Value	860
Write down	(33)
Accumulated depreciation/amortisation	(483)
Net book value	344
As at 30 June 2004	
Gross Value	1,137
Accumulated depreciation/amortisation	(420)
Net book value	717

TABLE D — Assets under construction

Item	Property, Plant and Equipment \$'000
Gross Value as at 30 June 2005	4,582
Gross Value as at 30 June 2004	2,745

Financial statements**Notes to and forming part of the Financial Statements**Note 7C Intangibles

	2005	2004
	\$'000	\$'000
Computer software		
—Internally developed—in progress (non-current)	2,959	2,030
—Internally developed—in use (non-current)	21,842	22,266
Accumulated amortisation	(13,145)	(10,901)
Total intangibles	11,656	13,395

TABLE A - Reconciliation of the opening and closing balances of intangibles

Item	Computer Software \$'000
As at 1 July 2004	
Gross book value	24,296
Accumulated amortisation	(10,901)
Net book value	13,395
Additions	2,872
Amortisation expense	(4,525)
Write downs	(86)
Disposals	-
As at 30 June 2005	
Gross book value	24,801
Accumulated amortisation	(13,145)
Net book value	11,656

	2005	2004
	\$'000	\$'000
<u>Note 7D Inventories</u>		
Inventories held for sale—The Parliament Shop	204	190
Total inventories	204	190

All departmental inventories are current assets.

Note 7E Other Non-Financial Assets

Prepayments	1,100	731
Other	25	-
Total other non-financial assets	1,125	731

All other non-financial assets are current assets.

Financial statements**Notes to and forming part of the Financial Statements**

	2005	2004
	\$'000	\$'000
Note 8 Interest Bearing Liabilities		
Finance lease commitments payable:		
Within one year	320	393
In one to five years	58	402
In more than five years	-	-
Minimum lease payments	378	795
Deduct: future finance charges	15	53
Net lease liability	363	742
Lease liability is represented by:		
Current	306	356
Non-current	57	386
Net lease liability	363	742

Rental contracts for the hire of computer equipment, peripherals and other equipment have been treated as finance leases. The hire contracts are effectively non-cancellable. While ownership will never pass to DPS, all the risks and benefits of ownership do pass to DPS for the duration of the rental period. The agreement periods range from three to five years. There are no contingent rentals.

Note 9 ProvisionsEmployee provisions:

Salaries and wages	309	2,087
Leave	14,805	14,232
Superannuation	1,562	1,482
Separations and redundancies	-	494
Aggregate employee entitlement liability	16,676	18,295
Workers' compensation	170	118
Aggregate employee benefit liability and related on-costs	16,846	18,413

Provisions are represented by:

Current	5,127	7,013
Non-current	11,720	11,400

Financial statements

Notes to and forming part of the Financial Statements

	2005	2004
	\$'000	\$'000
Note 10 Payables		
<u>Note 10A Suppliers Payables</u>		
Trade creditors	<u>3,406</u>	<u>3,153</u>
Total Supplier Payables	<u>3,406</u>	<u>3,153</u>
Supplier Payables are all current liabilities.		
<u>Note 10B Other Payables</u>		
Revenue received in advance	<u>797</u>	<u>1,815</u>
Total Other Payables	<u>797</u>	<u>1,815</u>
Other payables are represented by:		
Current	618	1,018
Non-current	179	797

Notes to and forming part of the Financial Statements

Note 11 Equity**Note 11A – Analysis of Equity**

Item	Accumulated Results		Asset Revaluation Reserve		Contributed Equity		TOTAL EQUITY	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Balance as at 1 July	(1,774)	-	-	-	58,338	-	56,564	-
Net surplus / (deficit)	769	(1,774)	-	-	-	-	769	(1,774)
Net revaluation increment/(decrement)	-	-	1,033	-	-	-	1,033	-
Transactions with owner:								
Contributions by owner:	-	-	-	-	-	-	-	-
Restructuring	-	-	-	-	26,693	58,338	26,693	58,338
Transfers to/(from) between reserves	-	-	-	-	-	-	-	-
Closing balance as at 30 June	(1,005)	(1,774)	1,033	-	85,031	58,338	85,059	56,565

Financial statements

Notes to and forming part of the Financial Statements

Note 11B Restructuring

Effective from 1 July 2004 the funding and assets associated with the security function of Parliament House were formally transferred from the Department of the Senate and the Department of the House of Representatives to the Department of Parliamentary Services.

In respect of functions assumed, the net book values of assets and liabilities transferred to DPS and recognised as at 1 July 2004 were:

	\$'000
Total assets recognised	26,693
Total liabilities recognised	-
Net assets assumed	26,693
Net contribution by Government as owner during the period	26,693

Note 12 Cash Flow Reconciliation

	2005	2004
	\$'000	\$'000
Reconciliation of cash per Statement of Financial Position to Statement of Cash Flows		
Cash at year end per Statement of Cash Flows	318	3,701
Statement of Financial Position items comprising above cash: 'Financial Asset—Cash'	318	3,701
Reconciliation of net surplus to net cash from operating activities:		
Net surplus (deficit)	769	(1,774)
Depreciation/amortisation	19,109	6,271
Net write down of non-financial assets	1,323	711
Loss on disposal of assets	160	131
(Increase) / decrease in operating receivables	(10,332)	(1,991)
(Increase) / decrease in inventories	(14)	2
(Increase) / decrease in prepayments	(395)	305
(Increase) / decrease in GST receivable	(411)	(145)
Increase / (decrease) in employee provisions	(1,566)	2,374
Increase / (decrease) in other provisions and payables	(1,135)	384
Net cash from / (used by) operating activities	7,223	6,268

As a result of the transfer of Security assets to DPS from the two chamber departments on 1 July 2004, certain assets and liabilities were assumed. Note 11B refers.

At that date, DPS assumed Property, Plant and Equipment and Intangibles with a gross value of \$55.670m and accumulated depreciation of \$34.312m.

Financial statements**Notes to and forming part of the Financial Statements****Note 13 Contingent Liabilities and Assets***Quantifiable Contingencies*

As at 30 June 2005 the department had no quantifiable contingencies.

Unquantifiable Contingencies

As at 30 June 2005 the department had no unquantifiable contingencies.

Remote Contingencies

As at 30 June 2005 the department had no remote contingencies.

	2005	2004
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Note 14 Executive Remuneration

The number of executives who received or were due to receive total remuneration of \$100,000 or more:

\$100,000 to \$109,999	1	1
\$130,000 to \$139,999	1	-
\$140,000 to \$149,999	2	-
\$180,000 to \$189,999	3	-
\$260,000 to \$269,999	1	-

The aggregate amount of total remuneration of executives shown above:	\$1,314,339	\$103,440*
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The aggregate amount of separation and redundancy/termination benefit payments during the year to executives shown above.	Nil	Nil
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*The amount reported is for the 5 month period ended 30 June 2004 and only one executive met the threshold. If the reporting period was for the full year, the total number of executives would have been 8.

Note 15 Remuneration of Auditors

Financial statement audit services are provided free of charge to DPS.

The fair value of services provided was:	\$105,000	\$95,000
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No other services were provided by the Auditor-General.

Note 16 Average Staffing Levels

The average staffing levels for DPS during the year were	846	864
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Financial statements**Notes to and forming part of the Financial Statements****Note 17 Financial Instruments (continued)****Note 17B Net Fair Values of Financial Assets and Liabilities**

		2005		2004	
		Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000
Departmental					
Financial Assets					
Cash on hand	6A	6	6	6	6
Cash at bank	6A	312	312	3,695	3,695
Receivables for goods and services(net)	6B	1,861	1,861	2,633	2,633
Appropriations receivable	6B	35,711	35,711	18,570	18,570
Total Financial Assets		37,890	37,890	24,904	24,904
Financial Liabilities					
Lease creditor	8	363	363	742	742
Trade creditors	10A	3,405	3,405	3,153	3,153
Total Financial Liabilities		3,768	3,768	3,895	3,895

Financial Assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial Liabilities

The net fair values for trade creditors are approximated by their carrying amounts. The net fair values of the finance lease liabilities are approximated by their carrying amount as current market rates are as per fixed rates.

Note 17C Credit Risk Exposures

DPS's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statements of Financial Position.

DPS has no significant exposures to any concentrations of credit risk.

Financial statements

Notes to and forming part of the Financial Statements

	2005 \$'000	2004 \$'000
Note 18 Revenues Administered on Behalf of Government		
Heritage and cultural assets donated to the Parliament of Australia	372	12
Proceeds on sale of assets	1	4
Total Revenues Administered on Behalf of Government	373	16

Note 19 Expenses Administered on Behalf of Government

Depreciation		
Buildings	37,543	15,635
Other Property, Plant and Equipment	2,310	960
Total Depreciation	39,853	16,595
Value of Assets Written-down		
Artworks	22,746	-
Value of assets sold		
Other Property, Plant and Equipment	56	166
Total Expenses Administered on Behalf of Government	62,655	16,761

Note 20 Assets Administered on Behalf of Government

Financial Assets

Receivables

GST receivable from ATO	467	224
Total Financial Assets administered on behalf of Government	467	224

All receivables are not overdue.

Non-Financial Assets

Land and Buildings

Land

At fair value	22,500	22,500
Total Land	22,500	22,500

Buildings

At fair value	1,234,131	1,271,313
At cost	17,328	6,152
Work in Progress – at cost	19,558	14,179
Total Buildings	1,271,017	1,291,644

Total Land and Buildings	1,293,517	1,314,144
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Financial statements**Notes to and forming part of the Financial Statements**

	2005	2004
	\$'000	\$'000
Note 20 Assets Administered on Behalf of Government (<i>continued</i>)		
Property, Plant and Equipment		
<i>Furniture, Fittings and Equipment</i>		
At fair value	614	376
Work in progress—at cost	-	80
<i>Total Furniture, Fittings and Equipment</i>	614	456
<i>Plant and Equipment</i>		
At fair value	28,825	30,129
Work in progress—at cost	-	693
<i>Total Plant and Equipment</i>	28,825	30,822
<i>Total Property, Plant and Equipment</i>	29,439	31,278
Heritage and Cultural Assets		
At fair value	61,748	83,972
Work in progress—at cost	385	245
At cost	-	110
<i>Total heritage and cultural assets</i>	62,133	84,327
<i>Total Non-Financial Assets administered on behalf of Government</i>	1,385,089	1,429,749
<i>Total Assets Administered on Behalf of Government</i>	1,385,556	1,429,973

Financial statements

Notes to and forming part of the Financial Statements

Note 20 (continued).				
Analysis of Land and Buildings, Property, Plant and Equipment, and Heritage and Cultural Assets				
TABLE A Reconciliation of the opening and closing balances of land and buildings, property, plant and equipment and heritage and cultural assets (irrespective of basis of valuation)				
Item	Land and Buildings \$'000	Property, Plant and Equipment \$'000	Heritage and Cultural Assets \$'000	Total \$'000
As at 1 July 2004				
Gross book value	1,351,531	33,561	84,327	1,469,419
Accumulated depreciation/amortisation	(37,387)	(2,283)	-	(39,670)
Net Book Value	1,314,144	31,278	84,327	1,429,749
Additions				
By donation			372	372
By purchase	17,419	24	180	17,623
By transfer from WIP	(503)	503	-	-
Depreciation/amortisation expense	(37,543)	(2,310)	-	(39,853)
Net revaluation / (decrement)	-	-	(22,746)	(22,746)
Disposals				
By sale	-	(56)	-	(56)
As at 30 June 2005				
Gross book value	1,368,447	34,016	62,133	1,464,596
Accumulated depreciation/amortisation	(74,930)	(4,577)	n/a	(79,507)
Net Book Value	1,293,517	29,439	62,133	1,385,089

Notes to and forming part of the Financial Statements

Note 20 (continued)
Analysis of Land and Buildings, Property, Plant and Equipment, and Heritage and Cultural Assets

TABLE B Assets at valuation

Item	Land and Buildings \$'000	Property, Plant and Equipment \$'000	Heritage and Cultural Assets \$'000	Total \$'000
As at 30 June 2005				
Gross value	1,330,996	32,654	61,748	1,425,398
Accumulated depreciation/amortisation	(74,365)	(4,414)	n/a	(78,779)
Net book value	1,256,631	28,240	61,748	1,346,619
As at 1 July 2004				
Gross value	1,330,996	32,726	83,972	1,448,487
Accumulated depreciation/amortisation	(37,183)	(2,221)	-	(39,670)
Net book value	1,293,813	30,505	83,972	1,408,817

TABLE C Assets under construction

Item	Land and Buildings \$'000	Property, Plant and Equipment \$'000	Heritage and Cultural Assets \$'000	Total \$'000
Gross value at 30 June 2005	19,558	0	385	19,943
Gross value at 1 July 2004	14,179	-	245	14,424

Financial statements

Notes to and forming part of the Financial Statements

	2005	2004
	\$'000	\$'000
Note 21		
Liabilities Administered on Behalf of Government		
Payables		
Suppliers—trade creditors	520	336
Total Liabilities Administered on behalf of Government	520	336

All payables are current.

	2005	2004
	\$'000	\$'000
Note 22		
Administered Reconciliation Table		
Opening administered assets less administered liabilities at 1 July	1,429,637	1,441,208
Plus: Add Administered revenues	373	16
Less: Administered expenses	(62,655)	(16,761)
Administered transfers to/from Australian Government:		
Appropriation transfers from OPA:		
Annual Appropriations	9,770	5,179
Equity Injection	8,118	-
Transfers to OPA:		
Administered Receipts	(2)	(5)
Lapsing Appropriation	(205)	-
Closing administered assets less administered liabilities as at 30 June	1,385,036	1,429,637

Notes to and forming part of the Financial Statements

Note 23 Administered Financial Instruments

Administered Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate		
				1 Year or Less		1 to 5 Years		> 5 Years								
		2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Financial Assets		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	%
Cash	20	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	N/A
Total		-	-	-	-	-	-	-	-	-	-	-	-	-	N/A	N/A
Total Assets														1,385,555	1,429,973	
Financial Liabilities																
Trade creditors	21	-	-	-	-	-	-	-	-	-	-	-	-	520	336	N/A
Total		-	-	-	-	-	-	-	-	-	-	-	-	520	336	
Total Liabilities														520	336	

Financial statements

Notes to and forming part of the Financial Statements

Note 24 Appropriations

Note 24A Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations

Particulars	Administered Expenses Outcome 1	Departmental Outputs	Total
Year ended 30 June 2005	\$	\$	\$
Balance carried from previous year	10,253,314	22,649,220	32,902,534
Correction GST owing prior years	(26,750)	-	(26,750)
Reductions of appropriations (prior years) ¹	(195,320)	-	(195,320)
Adjusted Balance carried for previous period	10,031,244	22,649,220	32,680,464
Appropriation Parliamentary Departments Act (No.1) 2004-2005	10,600,000	93,224,000	103,824,000
Appropriation Parliamentary Departments Act (No.2) 2004-2005	-	-	-
Departmental Adjustments by the Finance Minister (Appropriation Acts)	-	-	-
Comcover receipts (Appropriation Act s13)	-	69,086	69,086
Advance to the Presiding Officers	-	-	-
Adjustment of appropriations on change of entity function (FMA Act s32)	-	24,933,000	24,933,000
Refunds credited (FMA s30)	-	1,295,612	1,295,612
Appropriation reduced by section 8 determinations (current year) ²	(10,134)	-	(10,134)
Sub-total 2004-05 Annual Appropriation	10,589,866	119,521,698	130,111,564
Appropriations to take account of recoverable GST (FMA Act s30A)	955,439	5,105,060	6,060,499
Annotations to 'net appropriations' (FMA Act s31)	-	8,577,710	8,577,710
Total appropriations available for payments	21,576,549	155,853,689	177,430,238
Cash payments made during the year (GST inclusive)	(10,519,993)	(118,999,960)	(129,519,953)
Appropriations credited to Special Accounts (excluding GST)	-	-	-
Balance of Authority to Draw Cash from the CRF for Ordinary Annual Services Appropriations	11,056,556	36,853,729	47,910,285

Financial statements**Notes to and forming part of the Financial Statements****Note 24A Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations (continued)**

Particulars	Administered Expenses	Departmental Outputs	Total
<i>Represented by:</i>			
Cash at bank and on hand	-	318,024	318,024
Receivable-departmental appropriations	-	35,711,000	35,711,000
Receivables-GST receivable from customers	-	73,030	73,030
Receivables-GST receivable from the ATO	-	955,475	955,475
Receivables-departmental appropriations – drawing rights withheld by the Finance Minister (FMA s 27(4))	-	-	-
Formal reductions of appropriations	-	91,000	91,000
Receivables-departmental appropriations (appropriation for additional outputs)	-	-	-
Payables-GST payable	-	(294,801)	(294,801)
Undrawn, unexpired administered appropriations	11,056,556	-	11,056,556
Total	11,056,556	36,853,729	47,910,285

¹ The Finance Minister may determine amounts of administered appropriations to be lapsed, having regard to expenses incurred. Under the administered funding agreement (Note 1.18), annual funding of \$0.66m is quarantined and any amount of these funds that remain uncommitted at 30 June, lapse. In 2004-05 DPS recognised \$195,320 in lapsed funding from 2002-03 and 2003-04.

² The Finance Minister issued a determination to reduce the administered appropriation by \$10,134 for an amount that had been drawn down but remained unspent at 31 January by the former Joint House Department. This amount was subsequently spent by DPS and DPS will seek reimbursement of this amount at 2005-06 Additional Estimates.

Financial statements

Notes to and forming part of the Financial Statements

Note 24A Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations (continued)

As a result of an ANAO performance audit of the management of Net Appropriation agreements (Section 31 agreements), it was determined that the former Department of the Parliamentary Library (DPL) and the former Joint House Department (JHD) did not have Section 31 agreements covering the period 1 July 1997 to 30 April 1998 and the period 1 July 1997 to 23 June 1998 respectively. However, each of the former departments operated and recorded monies as though a Section 31 agreement did exist for the period concerned.

Section 31 receipts for the period where there was no agreement amounted to \$33,964 for DPL and \$3,497,387 for JHD. The absence of Section 31 agreements meant that those departments did not have control over those monies, and therefore the amounts available for spending in the 1997-98 financial year were overstated in the financial statements for that year by \$33,964 for DPL and \$3,497,387 for JHD.

In 1997-98, total appropriations available were:

	DPL	JHD
Appropriation Parliamentary Departments Act (No.1) 1997-98	15,284,000	35,122,000
Receipts covered by a Section 31 agreement	3,620	20,976
Total appropriations available	15,287,620	35,142,976
Payments made	14,877,906	35,098,150
Difference	409,714	44,826

In accordance with the budgeting framework applying in that financial year, the "Section 31" receipts not covered by a Section 31 agreement, being \$33,964 for DPL and \$3,497,387 for JHD, lapsed and were therefore not available to those departments in future years.

Financial statements

Notes to and forming part of the Financial Statements

Note 24A Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Ordinary Annual Services Appropriations (continued)

Particulars	Administered Expenses	Departmental Outputs	Total
	Outcome 1		
	\$	\$	\$
Balance transferred from:			
Former Department of the Parliamentary Reporting Staff	-	12,103,075	12,103,075
Former Department of the Parliamentary Library	-	2,587,125	2,587,125
Former Joint House Department	10,134	3,526,643	3,536,777
Adjustment from prior periods for the former Joint House Department	10,333,256	-	10,333,256
Appropriation recognised in the Department of Parliamentary Services (section 54B of the <i>Parliamentary Service Act 1999</i>)	5,098,507	38,097,477	43,195,984
Appropriation (Parliamentary Departments) Act (No.2) 2003-2004	-	275,000	275,000
Appropriations re-credited to the Advance to the Presiding Officers	-	(50,000)	(50,000)
GST credits (FMA s30A)	516,571	1,891,024	2,407,595
Annotations to net appropriations (FMA s 31)	-	8,057,401	8,057,401
Total Appropriations available for payments	15,958,468	66,487,745	82,446,213
Payments made (GST inclusive)	(5,705,154)	(43,838,525)	(49,543,679)
Balance carried to next year	10,253,314	22,649,220	32,902,534
<i>Represented by:</i>			
Cash at bank and on hand	-	3,700,627	3,700,627
Add: Appropriations not drawn from OPA	10,253,314	18,569,882	28,823,196
Add: Receivables—Goods and Services—GST receivable from customers	-	215,726	215,726
Add: Receivables—Net GST receivable from the ATO	-	259,904	259,904
Less: Payable—Suppliers—GST portion	-	(96,919)	(96,919)
Total	10,253,314	22,649,220	32,902,534

Financial statements**Notes to and forming part of the Financial Statements****Note 24 Appropriations (continued)**

Note 24B: Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund (CRF) for Other than Ordinary Annual Services Appropriations

Particulars	Administered	
	2005	2004
Year ended 30 June		
Balance carried from previous year	Nil	Nil
Appropriation Parliamentary Departments Act (No.2) 2004-2005	11,700,000	Nil
Appropriations to take account of recoverable GST (FMAAs 30A)	811,815	Nil
Total appropriations available for payments	12,511,815	Nil
Cash payments made during the year (GST inclusive)	8,929,967	Nil
Balance of Authority to Draw Cash from the CRF for Other Than Ordinary Annual Services Appropriations	3,581,848	Nil
<i>Represented by:</i>		Nil
Undrawn, unexpired administered appropriations	3,581,848	Nil
Total	Nil	Nil

Financial statements**Notes to and forming part of the Financial Statements****Note 24 Appropriations (continued)**Note 24C: Special Accounts*Services for Other Governments and Non-Agency Bodies Special Account*

This account was established under section 20 of the *Financial Management and Accountability Act 1997* for expenditure in connection with services performed on behalf of other governments and bodies that are not agencies under the *Financial Management and Accountability Act 1997*. For the period ending 30 June 2005 this special account had a \$Nil balance and there were no transactions debited or credited for the purposes of the account.

However, this special account is considered to provide the legal basis for the monies advanced by COMCARE and held by DPS and the payments made against accrued sick leave entitlements. Pending determination of an employee's claim, permission is obtained in writing from each individual to allow DPS to recover the payments from the monies in the account.

	2005	2004
	\$	\$
Comcare Account		
<i>Legal Authority: Safety Rehabilitation and Compensation Act 1998</i>		
<i>Purpose: for the purpose of distributing compensation payments in accordance with this Act.</i>		
Balance carried from previous period	32,139	34,798
Receipts	334,700	114,134
Available for payments	366,839	148,932
Payments made	(349,747)	(116,793)
Balance carried to next year held by DPS	17,092	32,139
<i>Represented by:</i>		
Cash – held by DPS	17,092	32,139

Financial statements

Notes to and forming part of the Financial Statements

Note 25 Specific Payment Disclosures

	2005	2004
	\$	\$
No Act of Grace Payments were made during the reporting period, pursuant to subsection 33(1) of the <i>Financial Management and Accountability Act 1997</i> (2004: No payments).	<u>Nil</u>	<u>Nil</u>
No waivers of an amount owing to the Commonwealth were made pursuant to subsection 34(1) of the <i>Financial Management and Accountability Act 1997</i> . (2004: No waivers)	<u>Nil</u>	<u>Nil</u>
No payments were made under the "Scheme for Compensation for Detriment caused by Defective Administration" during the reporting period (2004: No payments).	<u>Nil</u>	<u>Nil</u>
No ex-gratia payments were provided for during the reporting period. (2004: No payments)	<u>Nil</u>	<u>Nil</u>
Three payments were made during the reporting period under section 66 of the <i>Parliamentary Service Act 1999</i> (2004: No payments).	<u>98,478</u>	<u>Nil</u>

Notes to and forming part of the Financial Statements**Note 26 Reporting of Outcomes**

The department uses activity-based costing principles to attribute its shared items. Personnel costs are allocated to output groups based on the number of staff, other corporate costs are allocated on an equal share. The model also attributes the costs of providing other internal services between output groups. These are computing services, telecommunication services and accommodation services. Costs are allocated to other output groups based on the number of computing connections, the number of phone connections and the floor space occupied respectively.

Note 26A Net cost of Outcome Delivery

	Outcome 1	
	2005	2004
	\$'000	\$'000
Administered expenses	62,655	16,761
Departmental expenses	119,386	47,643
Total expenses	182,041	64,404
<i>Costs recovered from provision of goods and services to the non-government sector</i>		
Departmental	2,094	1,532
Total costs recovered	2,094	1,532
<i>Other external revenues</i>		
Administered revenues	2	16
<i>Total Administered</i>	2	16
Departmental		
Revenue from disposal of assets	45	28
Other	500	191
Goods and Services from Related Entities	4,640	5,214
<i>Total Departmental</i>	5,185	5,433
Total other external revenues	5,187	5,449
Net cost of outcome	174,760	57,423

The outcome is described in Note 1.1. Net costs shown included intra-government costs that are eliminated in calculating the actual Budget outcome. Refer to the Outcome Resourcing Table in the Departmental Overview of this Annual Report.

Financial statements

Notes to and forming part of the Financial Statements

Note 26 Reporting of Outcomes (continued)

Note 26B Major Classes of Departmental Revenue and Expenses by Outputs

Outcome 1	Output 1				Output 2			
	Output Group 1.1		Output Group 1.2		Output Group 2.1		Output Group 2.2	
	2005	2004	2005	2004	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental Expenses								
Employees	9,216	4,072	4,173	1,074	13,111	6,440	6,884	2,287
Suppliers	1,290	1,590	1,932	847	2,774	2,618	6,024	3,321
Depreciation and amortisation	655	701	1,723	374	1,579	1,598	8,816	2,856
Other expenses	214	341	374	182	222	126	218	125
Borrowing costs	-	-	-	-	-	-	-	-
Total departmental expenses	11,375	6,704	8,202	2,477	17,686	10,782	21,942	8,589
Funded by:								
Revenues from government	11,778	6,458	8,046	2,553	16,974	9,910	20,505	6,558
Sale of goods and services	67	1	38	1	1,108	359	2,195	912
Other operating revenue	16	-	16	-	18	26	18	7
Total departmental revenues	11,861	6,459	8,100	2,554	18,100	10,295	22,718	7,477

Notes to and forming part of the Financial Statements

Note 26 Reporting of Outcomes (continued)

Note 26C Major Classes of Departmental Revenue and Expenses by Outputs (continued)

Outcome 1	Output 3						Total	
	Output Group 3.1		Output Group 3.2		Output Group 3.3		Outcome 1	
	2005	2004	2005	2004	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Departmental Expenses								
Employees	12,228	5,689	1,419	931	10,517	4,539	57,548	25,032
Suppliers	18,317	3,024	863	570	9,964	3,478	41,164	15,448
Depreciation and amortisation	5,269	310	6	52	1,061	380	19,109	6,271
Other expenses	249	48	20	9	231	39	1,528	870
Borrowing costs	7	11	-	2	30	9	37	22
Total departmental expenses	36,069	9,082	2,309	1,564	21,803	8,445	119,386	47,643
Funded by:								
Revenues from government	32,296	4,058	992	1,026	22,285	8,341	112,876	38,904
Sale of goods and services	1,920	4,924	1,297	519	109	30	6,734	6,746
Other operating revenue	381	97	31	18	65	71	545	219
Total departmental revenues	34,598	9,079	2,319	1,563	22,459	8,442	120,155	45,869

Financial statements

Notes to and forming part of the Financial Statements

Note 26 Reporting of Outcomes (continued)

Note 26D Major Classes of Administered Revenue and Expenses by Outcome

	Outcome 1	
	2005	2004
	\$'000	\$'000
Administered Revenues		
Revenue from sale of assets	2	4
Heritage and cultural assets donated to the Parliament of Australia	371	12
Total Administered Revenues	373	16
Administered expenses		
Depreciation and amortisation	39,853	16,595
Write down	22,746	-
Value of assets sold	56	166
Total Administered Expenses	62,655	16,761

DPS's Outcome is described in Note 1.1.

Net costs shown include intra-government costs that are eliminated in calculating the Budget outcome.