Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

Note 1: Summary of significant accounting policies

1.1 Objectives of the Department of the Senate

The Department of the Senate (the department) is structured to meet the following outcome:

- Advisory and administrative support services to enable the Senate and senators to fulfil their representative and legislative duties.

The department's not-for-profit activities contributing towards this outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the department in its own right. Further details of the department's activities are outlined at page 7.

1.2 Basis of preparation of the financial report

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

The financial statements and notes have been prepared in accordance with:

(a) the Finance Reporting Rule (FRR) for reporting periods ending on or after 1 July 2014, and

(b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that apply for the reporting period.

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

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

Unless alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the statement of financial position when, and only when, it is probable that future economic benefits will flow to the department or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executor contracts are not recognised unless required by an accounting standard. There are no unrecognised liabilities and assets.

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

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

1.3 Significant accounting judgements and estimates

No accounting judgements, assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts recorded in the financial statements.

1.4 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 annual reporting periods beginning on or after 1 July 2016. Early adoption impacts on disclosure in the Note 6 (*Fair value measurements*) with no effect on the face statements. No other accounting standard have been adopted earlier than the application date as specified 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 Clerk 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 1055 Budgetary Reporting	Major variance explanation disclosures within the department's control have been included in the notes to the accounts where a budgeted statement of financial position, comprehensive income, changes in equity or cash flows, has been presented to Parliament.

All other new standards, revised standards, amending standards and 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.

Future Australian Accounting Standard requirements

The following new standards, revised standards, amending standards and/or interpretations that were issued prior to the signing of the statement by the Clerk and Chief Finance Officer, and are applicable to future reporting periods, 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.
AASB 2015-6 Related Party Disclosures	Related party disclosures will need to be disclosed in the financial statements for the reporting period beginning on 1 July 2016.

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

1.5 Revenue

Revenue from government

Amounts appropriated for departmental appropriation for the financial year (adjusted for any formal additions and reductions) are recognised as revenue from government when the department gains control of the appropriation, except for certain amounts which relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. The department does not currently participate in any reciprocal activities.

Appropriations receivable are recognised at their nominal amounts.

Other types of revenue

Revenue from the sale of goods is recognised when:

(a) the risks and rewards of ownership have been transferred to the buyer

(b) the department retains no managerial involvement nor effective control over the goods

(c) the revenue and transaction costs incurred can be reliably measured, and

(d) it is probable that the economic benefits associated with the transaction will flow to the department.

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

(a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured, and

(b) the probable economic benefits from the transaction will flow to the department.

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

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

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Paid Parental Leave Scheme

Amounts received under the Paid Parental Leave Scheme by the department and not yet paid to employees would be presented gross as cash and a liability (payable).

1.6 Gains

Resources received free of charge

Services received free of charge are recognised as gain 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.

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

Other gains

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

1.7 Transactions with the government as owner

Equity injections

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

Restructuring of administrative arrangements

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

Other distributions to owners

The FRR requires that distributions to owners be debited to contributed equity unless in the nature of a dividend.

1.8 Employee benefits

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

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

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

Other long-term employee benefits are measured as the present value of the defined benefit obligation at the end of the reporting period.

Leave

The liability for employee benefits includes provision for annual/purchased leave and long service leave. No provision has been made for personal leave, as all personal leave is non-vesting and the average personal leave taken in future years by employees of the department is estimated to be less than the annual entitlement for personal 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 is recognised and measured at the estimated present value of future cash flows to be made in respect of all employees at 30 June 2015. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

In 2014–15, the department has made no provision for future separation and redundancy benefit payments.

Superannuation

Employees of the department are generally members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) and PSS accumulation plan (PSSap). Where an eligible employee chooses a superannuation fund other than the department's nominated default fund, the PSSap, the department makes employer's contributions equal to those payable to the default fund.

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

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance as an administered item.

The department makes employer contributions to the relevant employee superannuation scheme (the CSS and PSS) at rates determined by an actuary to be sufficient to meet the current cost to the government. The department accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June 2015 represents outstanding contributions for the final pay fortnight of the year.

1.9 Leases

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

No finance leases were in existence at any time during the year or at the reporting date.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets. The department's operating leases relate to vehicles.

1.10 Fair value measurement

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

1.11 Cash

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

(a) cash on hand

(b) demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value

(c) cash held by outsiders, and

(d) cash in special accounts.

1.12 Financial assets

Financial assets are classified in the following categories:

(a) at fair value through profit or loss

(b) held-to-maturity investments

(c) available-for-sale financial assets, and

(d) loans and receivables.

The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition. Financial assets are recognised and derecognised on 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 over the expected life of the financial asset, or, where appropriate, a shorter period.

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

Loans and receivables

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

Impairment of financial assets

Financial assets are assessed for impairment at each reporting date.

- *Financial assets held at amortised cost* – If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the statement of comprehensive income.
- *Available-for-sale financial assets* – If there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the statement of comprehensive income.
- *Financial assets held at cost* – If there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

1.13 Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

Supplier and other payables

Trade creditors and accruals are recognised at the amortised cost. Liabilities are recognised to the extent that the goods or services have been received and irrespective of having been invoiced.

1.14 Contingent liabilities and contingent assets

Contingent liabilities and 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 or asset, or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are reported when settlement is probable, but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.15 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 restructured 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 before the restructuring.

1.16 Property, plant and equipment

Asset recognition threshold

Property, plant and equipment assets are represented by two separate asset classes: infrastructure, plant and equipment; and intangibles. All purchases are initially recognised at cost in the statement of financial position, unless their cost is below the recognition threshold, in which case they are expensed in the year of acquisition other than where they form part of a group of similar items which are significant in total.

Asset class	Recognition threshold	Asset category
Infrastructure, plant and equipment	$1,000	– Furniture and fittings – Office machines
	$2,000	– Plant and equipment
Intangibles	$2,000	– Intangibles

Revaluations

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

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

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

Depreciation

Depreciable 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 in all cases. Heritage and cultural assets are not depreciated.

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.

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

Asset class	2015	2014
Plant and equipment	**5 to 15 years**	5 to 15 years
Computer equipment	**2 to 10 years**	2 to 10 years
Furniture and fittings	**5 to 100 years**	5 to 100 years
Office machines and equipment	**4 to 30 years**	4 to 30 years
Intangibles (software)	**3 to 7 years**	3 to 7 years

Impairment

All assets were assessed for impairment at 30 June 2015. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

No indicators of impairment were found for assets at fair value.

Heritage and cultural assets

The department has recognised one heritage and cultural asset, the Black Rod, with a fair value of $8,000. This is the first year that this asset has been recognised on the department's asset register.

This item has been classified as a heritage and cultural asset as it is used for purposes which relate to its heritage value and cultural significance.

1.17 Intangibles

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the department's software is 3 to 7 years (2014: 3 to 7 years).

All software assets were assessed for impairment as at 30 June 2015.

1.18 Inventories

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

Inventories not held for resale are valued at cost, unless they are no longer required, in which case they are valued at net realisable value.

1.19 Taxation

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

Revenues, expenses and assets are recognised net of GST except:

(a) where the amount of GST incurred is not recoverable from the Australian Taxation Office, and

(b) for receivables and payables.

The department pays FBT on benefits provided:

(a) to employees of the department, and

(b) to office-holders of the Senate.

The FBT for senators is paid by the Department of Finance.

1.20 Constitutional and other legal requirements

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth [2014] HCA 23*, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the department and government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

Note 2: Events occurring after the reporting period

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

	2015 $'000	2014 $'000

Note 3: Net cash appropriation arrangements

	2015 $'000	2014 $'000
Total comprehensive income less depreciation/amortisation expenses previously funded through revenue appropriations[1]	**(343)**	1,712
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	**(517)**	(311)
Total comprehensive income (loss) – as per the statement of comprehensive income	**(860)**	1,401

1 From 2010–11, the Government introduced net cash appropriation arrangements, where revenue appropriations for depreciation/amortisation expenses ceased. Entities now receive a separate capital budget provided through equity appropriations. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

Note 4: Expenses

Note 4A: Employee benefits

	2015 $'000	2014 $'000
Wages and salaries	**13,313**	11,983
Superannuation		
Defined benefit plans	**1,481**	1,580
Defined contribution plans	**1,012**	807
Leave and other entitlements	**2,480**	2,073
Total employee benefits	**18,286**	16,443

	2015 $'000	2014 $'000
Note 4B: Suppliers		
Goods and services		
Professional and financial fees	**532**	489
Facilities and infrastructure	**371**	1,038
Recruitment and staff development	**72**	106
Hire charges and hospitality	**168**	132
Travel	**699**	582
Media and communications	**271**	189
General office	**438**	431
Printing	**311**	236
Resources received free of charge	**1,974**	1,931
Total goods and services	**4,836**	5,134
Goods and services are made up of:		
Provision of goods from		
Related parties	**2**	24
External parties	**585**	832
Rendering of services from		
Related parties *	**2,461**	3,060
External parties	**1,788**	1,218
Total goods and services	**4,836**	5,134

* Services for related entities included $1.974m of resources received free of charge from other Commonwealth entities (2014: $1.931m)

Other supplier expenses		
Workers compensation	**270**	197
Total other supplier expenses	**270**	197
Total supplier expenses	**5,106**	5,331

Note 5: Income

Note 5A: Sale of goods and rendering of services

	2015 $'000	2014 $'000
Provision of goods – related entities	**104**	10
Provision of goods – external parties	**38**	47
Rendering of services – related entities	**295**	292
Rendering of services – external parties	**30**	23
Total sale of goods and rendering of services	**467**	372

Note 5B: Other gains

	2015 $'000	2014 $'000
Resources received free of charge		
Remuneration of auditors	**85**	83
Accommodation	**1,889**	1,848
Other		
Gain from sale of assets	**1**	-
Total other gains	**1,975**	1,931

Note 6: Fair value measurements

Note 6A: Fair value measurements

The following tables provide an analysis of assets that are measured at fair value. The different levels of the fair value hierarchy are defined below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets that the entity can access at measurement dated

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

Level 3: Unobservable inputs for the asset.

The department's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1. During the period no asset transferred between the above levels.

Fair value measurements at the end of the reporting period by hierarchy for assets in 2015.

	2015 $'000	2014 $'000	Level
Non-financial assets			
Property, plant and equipment	**470**	276	Level 2
Property, plant and equipment	**1,225**	975	Level 3
Total non-financial assets	**1,695**	975	
Total fair value measurements of assets in the statement of financial position	**1,695**	975	

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

The Department procured the services of Australian Valuation Services (AVS) to undertake a comprehensive valuation of all non-financial assets at 30 June 2015. AVS provided the valuation in accordance with accounting standard AASB 13.

Note 6B: Reconciliation for recurring Level 3 fair value measurements

Recurring Level 3 fair value measurements – reconciliation for assets

	Property, Plant and Equipment	
	2015 $'000	2014 $'000
Opening balance	**975**	1,113
Total gains/(losses) recognised in net cost of services and other comprehensive income[1]	**353**	-
Total gains/(losses) in net cost of services (depreciation)	**(44)**	(138)
Purchases	**-**	10
Disposals	**-**	(10)
Transfers into Level 3	**78**	-
Transfers out of Level 3	**(137)**	-
Closing balance	**1,225**	975

	2015 $'000	2014 $'000

Note 7: Financial assets

	2015 $'000	2014 $'000
Trade and other receivables		
Goods and services – related entities	**41**	10
Goods and services – external entities	**6**	1
Total receivables for goods and services	**47**	11
Appropriations receivable		
Departmental appropriation	**10,853**	12,113
Other receivables		
GST receivable from the Australian Taxation Office	**63**	22
Other	**-**	1
Total other receivables	**63**	23
Total trade and other receivables (net)	**10,963**	12,147
Receivables are aged as follows:		
Not overdue	**10,963**	12,144
Overdue by:		
0 to 30 days	**-**	1
31 to 60 days	**-**	1
61 to 90 days	**-**	1
More than 90 days	**-**	-
Total trade and other receivables (gross)	**10,963**	12,147

Other receivables have terms of 30 days (2014: 30 days).
No indicators of impairment were noted for receivables.

	2015 $'000	2014 $'000

Note 8: Non-financial assets

Note 8A: Property, plant and equipment

Property, plant and equipment		
Fair value	**1,695**	1,664
Accumulated depreciation	**-**	(413)
Total property, plant and equipment	**1,695**	1,251

At 30 June 2015, no indicators of impairment were found for property, plant and equipment.

Property, plant and equipment with a fair value of $0.007m is expected to be sold or disposed of within the next 12 months.

Revaluations of non-financial assets

All asset revaluations were conducted in accordance with the revaluation policy outlined in Note 1. On 30 June 2015, an independent valuer conducted the revaluation.

A revaluation increment of $0.350m for plant and equipment (2014: nil) was credited to the asset revaluation surplus by asset class and included in the equity section of the statement of financial position.

	2015 $'000	2014 $'000

Note 8B: Intangibles

Computer software		
Internally developed – in use	**4,227**	3,533
Accumulated amortisation	**(1,197)**	(767)
Total intangibles	**3,030**	2,766

At 30 June 2015, no indicators of impairment were found for the intangible assets. The intangibles are not expected to be sold or disposed of within the next 12 months.

Note 8C: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles (2014–15)

	PP&E $'000	Intangibles $'000	Total $'000
As at 1 July 2014			
Gross book value	1,665	3,533	5,198
Accumulated depreciation/amortisation	(414)	(767)	(1,181)
Net book value at 1 July 2014	1,251	2,766	4,017
Additions by purchase	181	694	875
Revaluation and impairments through equity	350	-	350
Reclassifications	-	-	-
Depreciation/amortisation expense	(87)	(430)	(517)
Impairments recognised in the operating result	-	-	-
Other movements – derecognition of assets	-	-	-
Disposals	-	-	-
Net book value at 30 June 2015	1,695	3,030	4,725
Net book value at 30 June 2015 represented by:			
Gross book value	1,695	4,227	5,922
Accumulated depreciation/amortisation	-	(1,197)	(1,197)
Net book value at 30 June 2015 represented by:	1,695	3,030	4,725

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Reconciliation of the opening and closing balances of property, plant and equipment and intangibles (2013–14)

	PP&E $'000	Intangibles $'000	Total $'000
As at 1 July 2013			
Gross book value	2,278	2,209	4,487
Accumulated depreciation and impairment	(607)	(691)	(1,298)
Net book value at 1 July 2013	1,671	1,518	3,189
Additions by purchase	102	1,419	1,521
Revaluation and impairments through equity	-	-	-
Reclassifications	-	-	-
Depreciation/amortisation expense	(174)	(137)	(311)
Impairments recognised in the operating result	(11)	-	(11)
Other movements – ICT transfer to DPS	(326)	(31)	(357)
Other movements – derecognition of assets	(11)	(3)	(14)
Disposals	-	-	-
Net book value at 30 June 2014	1,251	2,766	4,017
Net book value at 30 June 2014 represented by:			
Gross book value	1,665	3,533	5,198
Accumulated depreciation and impairment	(414)	(767)	(1,181)
Net book value at 30 June 2014 represented by:	1,251	2,766	4,017

	2015 $'000	2014 $'000

Note 9: Payables and provisions

Note 9A: Suppliers

Trade creditors and accruals	**185**	356
Total supplier payables	**185**	356
Suppliers in connection with:		
Related entities	**23**	189
External entities	**162**	167
Total supplier payables	**185**	356

All supplier payables are expected to be settled within 12 months

Note 9B: Other payables

Wages and salaries	**662**	608
Superannuation	**91**	77
Total other payables	**753**	685

All other payables are expected to be settled within 12 months

Note 9C: Employee provisions

Leave	**4,971**	4,754
Total employee provisions	**4,971**	4,754
Employee provisions are expected to be settled		
No more than 12 months	**1,231**	1,443
More than 12 months	**3,740**	3,311
Total employee provisions	**4,971**	4,754

Note 10: Restructuring

There has been no restructuring in 2014–15.

On 1 July 2013, responsibility for the provision of information and communications technology (ICT) services was transferred to the Department of Parliamentary Services. The restructuring followed agreement to recommendations of an independent review of ICT services to the Parliamentary departments (undertaken by Mr Michael Roche). The net book value of this restructuring was $0.238m in 2013–14.

	2015 $'000	2014 $'000
Note 11: Cash flow reconciliation		
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	**438**	303
Statement of financial position	**438**	303
Discrepancy	**-**	-
Reconciliation of net cost of services to net cash from operating activities		
Net cost of services	**(21,467)**	(19,793)
Add revenue from government	**20,257**	21,194
Adjustments for non-cash items		
Depreciation/amortisation	**517**	311
Net write down of non-financial assets	**-**	11
Loss/(gain) on disposal of non-current assets	**-**	-
Changes in assets/liabilities		
(Increase) / decrease in net receivables	**1,228**	(84)
(Increase) / decrease in inventories	**-**	(10)
(Increase) / decrease in other non financial assets	**38**	(92)
Increase / (decrease) in supplier payables	**(214)**	(345)
Increase / (decrease) in other payables	**68**	(391)
Increase / (decrease) in employee provisions	**217**	179
Net cash from operating activities	**644**	980

Note 12: Senior management personnel remuneration

	2015 $	2014 $
Short-term employee benefits		
Salary	**1,444,488**	1,399,388
Total short-term employee benefits	**1,444,488**	1,399,388
Post-employment benefits		
Superannuation	**214,443**	230,997
Total post-employment benefits	**214,443**	230,997
Other long-term employee benefits		
Annual leave	**99,034**	94,872
Long-service leave	**32,186**	30,833
Total other long-term benefits	**131,220**	125,705
Total senior executive remuneration expenses	**1,790,151**	1,756,090

The above table relates to six employees (2014: seven).

	2015 $'000	2014 $'000

Note 13: Financial instruments

Note 13A Categories of financial instruments

	2015 $'000	2014 $'000
Financial assets		
Loans and receivables		
Cash and cash equivalents	**438**	303
Other receivables	**47**	11
Total financial assets	**485**	314
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade creditors and accruals	**185**	356
Total financial liabilities	**185**	356

The net fair value of each class of assets and liabilities are at their carrying amounts. The department derived no interest income from financial assets in either the current or prior year.

Note 13B Credit Risk

The department has no significant exposure to credit risk. At the reporting date, the department's maximum credit risk exposure is in relation to the carrying amount of each class of financial assets as indicated in the statement of financial position $11,401 (2014: $12,450).

Note 13C Liquidity Risk

The department has sufficient available financial assets to meet all financial liabilities at 30 June 2015.

Note 14: Financial assets reconciliation

	Notes	2015 $'000	2014 $'000
Total financial assets per statement of financial position		**11,401**	12,450
less non-financial instrument components			
Appropriation receivable		**10,853**	12,113
Other receivable – GST receivable		**63**	22
Other receivable – accrued revenue		**-**	1
Total non-financial instrument components		**10,916**	12,136
Total financial assets as per financial instruments note	**13A**	**485**	314

Note 15: Appropriations

Note 15A: Annual appropriations ('recoverable GST exclusive')

Ordinary annual services	2015 $'000	2014 $'000
Annual appropriation	**20,627**	21,620
PGPA Act – section 74	**1,070**	1,583
Total appropriation	**21,697**	23,203
Appropriation applied (current and prior years)	**22,957**	22,913
Variance[1]	**(1,260)**	290

1 The variance for 2014–15 is attributed to the requirement for department to fund the increase in employee expenses from prior year appropriation. The variance for 2013–14 is attributed to the total appropriation net of the prior years appropriation.

Note 15B: Departmental capital budgets ('recoverable GST exclusive')

Departmental capital budget (DCB)	2015 $'000	2014 $'000
Ordinary annual services – DCB[1]	**370**	373
Payments for non-financial assets[2]	**323**	322
Variance	**47**	51

1 The DCB is appropriated through the *Appropriation (Parliamentary Departments) Act (No. 1)*. It is not separately identified in the Appropriation Act. See Note 15A: Annual appropriations.
2 Payments made on non-financial assets include purchases of assets, expenditure on assets which has been capitalised, costs incurred to make good an asset to its original condition, and the capital repayment component of finance leases.

Note 15C: Unspent annual appropriations ('recoverable GST exclusive')

Authority	2015 $'000	2014 $'000
Departmental		
Appropriation (Parliamentary Departments) Act (No. 1) 2012–13	**-**	7,582
Appropriation (Parliamentary Departments) Act (No. 1) 2013–14	**-**	4,834
Appropriation (Parliamentary Departments) Act (No. 1) 2014–15	**11,290**	-
Total	**11,290**	12,416

Note 15: Appropriations (continued)

Note 15D: Disclosure by agent in relation to annual and special appropriations (recoverable GST exclusive)

2015	Department of Finance – *Parliamentary Entitlements Act 1990* (s. 11) $'000	Department of Finance – *Parliamentary Superannuation Act 2004* (s. 18) $'000	Department of Finance – Commonwealth of Australia Constitution (s. 66) $'000	Australian Public Service Commission – *Remuneration Tribunal Act 1973* (s. 7) $'000
Total receipts	-	-	-	-
Total payments	**172**	**1,997**	**1,495**	**19,485**

2014	Department of Finance – *Parliamentary Entitlements Act 1990* (s. 11) $'000	Department of Finance – *Parliamentary Superannuation Act 2004* (s. 18) $'000	Department of Finance – Commonwealth of Australia Constitution (s. 66) $'000	Australian Public Service Commission – *Remuneration Tribunal Act 1973* (s. 7) $'000
Total receipts	-	-	-	-
Total payments	140	1,760	1,515	18,780

The legislation establishing these special appropriations is administered by the Department of Finance and the Australian Public Service Commission. Arrangements have been entered into with these entities to allow the department to draw upon these appropriations.

Note 16: Reporting on outcome

Note 16A: Net cost of outcome delivery

	Outcome 1		Total	
	2015	2014	**2015**	2014
	$'000	$'000	**$'000**	$'000
Departmental				
Expenses	**23,909**	22,096	**23,909**	22,096
Own-source income	**2,442**	2,303	**2,442**	2,303
Net cost of outcome delivery	**26,350**	24,399	**26,350**	24,399

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

Note 16B Major classes of departmental expense, income, assets and liabilities by outcome

All departmental expenses, income, assets and liabilities are attributable to the department's single outcome.

Note 17: Budgetary reporting

Statement of comprehensive income

for the period ended 30 June 2015

	Actual	Budget Estimate	
		Original[1]	Variance[2]
	2015 $'000	2015 $'000	$'000
EXPENSES			
Employee benefits	**18,286**	**17,514**	(772)
Suppliers	**5,106**	**3,343**	(1,763)
Depreciation and amortisation	**517**	**538**	21
Write-down and impairment of assets	**-**	**-**	-
Total expenses	**23,909**	**21,395**	(2,514)
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	**467**	**600**	133
Total own-source revenue	**467**	**600**	133
Gains			
Other	**1,975**	**-**	(1,975)
Total gains	**1,975**	**-**	(1,975)
Total own-source income	**2,442**	**600**	(1,842)
NET COST OF SERVICES	**21,467**	**20,795**	(672)
Revenue from government	**20,257**	**20,257**	-
Surplus/(Deficit)	**(1,210)**	**(538)**	672
OTHER COMPREHENSIVE INCOME			
Items not subject to subsequent reclassification to net cost of services			
Changes in asset revaluation reserves	**350**	**-**	(350)
Total other comprehensive income/(loss)	**350**	**-**	(350)
Total comprehensive income/(loss)	**(860)**	**(538)**	322

1 The department's original budgeted financial statement presented to the Parliament in the 2014–15 Portfolio Budget Statements.

2 The variance is the difference between actual expenditure and original budget for 2015. Explanations of major variances (greater than 2% of total expenses) within the control of the department are:
Employees: Additional employees were required to support the sustained elevated levels of committee and Senate activity.
Suppliers: The variance relates to the higher support required for committees and the Senate in 2014–15.

Note 17: Budgetary reporting (cont.)

Statement of financial position

for the period ended 30 June 2015

	Actual	Budget Estimate	
		Original[1]	Variance[2]
	2015	2015	
	$'000	$'000	$'000
ASSETS			
Financial assets			
Cash and cash equivalents	**438**	352	(86)
Other receivables	**10,963**	10,982	19
Total financial assets	**11,401**	11,334	(67)
Non-financial assets			
Property, plant and equipment	**1,695**	948	(747)
Intangibles	**3,030**	3,398	368
Inventories	**48**	35	(13)
Other non-financial assets	**191**	134	(57)
Total non-financial assets	**4,964**	4,515	(449)
Total assets	**16,365**	15,849	(516)
LIABILITIES			
Payables			
Suppliers	**185**	136	(49)
Other payables	**753**	453	(300)
Total payables	**938**	589	(349)
Provisions			
Employee provisions	**4,971**	5,605	634
Total provisions	**4,971**	5,605	634
Total liabilities	**5,909**	6,194	285
Net assets	**10,456**	9,655	(801)
EQUITY			
Contributed equity	**1,818**	2,636	818
Reserve	**11,388**	11,038	(350)
Retained surplus/(accumulated deficit)	**(2,750)**	(4,019)	(1,269)
Total Equity	**10,456**	**9,655**	(801)

1 The department's original budgeted financial statement presented to the Parliament in the 2014–15 Portfolio Budget Statements.

2 The variance is the difference between actual expenditure and original budget for 2015. Explanations of major variances (greater than 2% of total expenses) within the control of the department are:
Property, plant and equipment: Assets were revalued resulting in an increase to asset values.
There was no adjustment for accumlated depreciation in 2014–15.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2015

Note 17: Budgetary reporting (cont.)

Statement of changes in equity

for the period ended 30 June 2015

	Retained Earnings			Asset revaluation surplus			Contributed equity			Total Equity		
	Actual	Budget estimate		Actual	Budget estimate		Actual	Budget estimate		Actual	Budget estimate	
		Original[1]	Variance[2]		Original[1]	Variance[2]		Original[1]	Variance[2]		Original[1]	Variance[2]
	2015 $'000	2015 $'000	$'000	2015 $'000	2015 $'000	$'000	2015 $'000	2015 $'000	$'000	2015 $'000	2015 $'000	$'000
Opening balance												
Balance carried forward from previous period	**(1,540)**	**(3,481)**	(1,941)	**11,038**	**11,038**	-	**1,448**	2,266	818	**10,946**	9,823	(1,123)
Adjusted Opening Balance	**(1,540)**	**(3,481)**	(1,941)	**11,038**	**11,038**	-	**1,448**	2,266	818	**10,946**	9,823	(1,123)
Comprehensive income												
Surplus(Deficit) for the period	**(1,210)**	**(538)**	672							**(1,210)**	(538)	672
Other comprehensive income	**-**	**-**	-	**350**	**-**	(350)	**-**	-	-	**350**	-	(350)
Total comprehensive income	**(1,210)**	**(538)**	672	**350**	**-**	(350)	**-**	-	-	**(860)**	(538)	322
Transactions with owners												
Distribution to owners												
Restructuring	**-**	**-**	-	**-**	**-**	-	**-**	-	-	**-**	-	-
Contribution by owners												
Equity injections – appropriation	**-**	**-**	-	**-**	**-**	-	**370**	370	-	**370**	370	-
Total transaction with owners	**-**	**-**	-	**-**	**-**	-	**370**	370	-	**370**	370	-
Transfers between equity components												
Closing balance as at 30 June 2015	**(2,750)**	**(4,019)**	(1,269)	**11,388**	**11,038**	(350)	**1,818**	2,636	818	**10,456**	9,655	(801)
Closing balance attributable to the Commonwealth	**(2,750)**	**(4,019)**	(1,269)	**11,388**	**11,038**	(350)	**1,818**	2,636	818	**10,456**	9,655	(801)

1 The department's original budgeted financial statement presented to the Parliament in the 2014–15 Portfolio Budget Statements.
2 The variance is the difference between actual expenditure and original budget for 2015. No variances are within the control of the department.

Note 17: Budgetary reporting (cont.)

Cash flow statement

for the period ended 30 June 2015

	Actual	Budget Estimate	
		Original[1]	Variance[2]
	2015 $'000	2015 $'000	$'000
OPERATING ACTIVITIES			
Cash received			
Appropriations	22,634	20,627	(2,007)
Sale of goods and rendering of services	447	600	153
Net GST received	276	-	(276)
Total cash received	23,357	21,227	(2,130)
Cash used			
Employees	17,888	17,514	(374)
Suppliers	3,755	3,343	(412)
Section 74 receipts transferred to OPA	1,070	-	(1,070)
Total cash used	22,713	20,857	(1,856)
Net cash from/(used by) operating activities	644	370	(274)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of property, plant and equipment	1	-	(1)
Total cash received	1	-	(1)
Cash used			
Purchase of property, plant and equipment	163	(740)	(903)
Purchase of intangibles	670	-	(670)
Other cash used	-	-	-
Total cash used	833	(740)	(1,573)
Net cash used by investing activities	(832)	(740)	(1,574)
FINANCING ACTIVITIES			
Cash received			
Contributed Equity	323	370	47
Total cash received	323	370	47

Notes to and forming part of the Financial Statements
for the year ended 30 June 2015

Cash flow statement
for the period ended 30 June 2015 (cont.)

	Actual	Budget Estimate	
		Original[1]	Variance[2]
	2015 $'000	2015 $'000	$'000
Cash used			
Total cash used	**-**	**-**	-
Net cash from / (used by) financing activities	**323**	**370**	47
Net (decrease) / increase in cash held	**135**	**-**	(1,801)
Cash and cash equivalents at the beginning of the reporting period	**303**	**352**	352
Cash and cash equivalents at the end of the reporting period	**438**	**352**	(1,449)

1 The department's original budgeted financial statement presented to the Parliament in the 2014–15 Portfolio Budget Statements.

2 The variance is the difference between actual expenditure and original budget for 2015. Explanations of major variances (greater than 2% of total expenses) within the control of the department are:

3 *Appropriations*: The department funded additional employee expenses from prior year appropriation.
Property, plant and equipment: The variance relates to a reclassification between budgeted property, plant and equipment, and intangibles.
Intangibles: Relates to software development that has not yet been capitalised.