

# PART 4

## FINANCIAL STATEMENTS



*The Serjeant-at-Arms escorting the Prime Minister of the United Kingdom, the Rt Hon David Cameron, into the House of Representatives on 14 November 2014.*

*Photo: David Foote  
AUSPIC/DPS.*



## INDEPENDENT AUDITOR'S REPORT

### To the Speaker of the House of Representatives

I have audited the accompanying annual financial statements of the Department of the House of Representatives for the year ended 30 June 2015, which comprise:

- Statement by the Accountable Authority and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Schedule of Commitments;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

#### *Accountable Authority's Responsibility for the Financial Statements*

The Clerk of the House of the Department of the House of Representatives is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Clerk of the House is also responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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

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

GPO Box 707 CANBERRA ACT 2601  
19 National Circuit BARTON ACT  
Phone (02) 6203 7300 Fax (02) 6203 7777

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

***Independence***

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

***Opinion***

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

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Department of the House of Representatives as at 30 June 2015 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Ron Wah  
Audit Principal

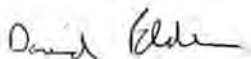
Delegate of the Auditor-General

Canberra  
25 September 2015

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

In our opinion, the attached financial statements for the year ended 30 June 2015 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of the House of Representatives will be able to pay its debts as and when they fall due.



D ELDER  
Clerk of the House  
24 September 2015



K SAUNDERS  
Chief Financial Officer  
24 September 2015

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**Statement of Comprehensive Income**  
*for the period ended 30 June 2015*

	Notes	2015 \$'000	2014 \$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	4A	18,039	18,103
Suppliers	4B	5,689	5,804
Depreciation and amortisation	4C	715	499
Write-down and impairment of assets	4D	7	1
Losses from asset sales	4E	-	2
<b>Total expenses</b>		<b>24,450</b>	<b>24,409</b>
<b>Own-Source Income</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	5A	81	508
Interest		-	2
Other revenue	5B	1,120	568
<b>Total own-source revenue</b>		<b>1,201</b>	<b>1,078</b>
<b>Gains</b>			
Other gains	5C	2,047	1,997
<b>Total gains</b>		<b>2,047</b>	<b>1,997</b>
<b>Total own-source income</b>		<b>3,248</b>	<b>3,075</b>
<b>Net (cost of)/contribution by services</b>		<b>21,202</b>	<b>21,334</b>
Revenue from Government	5D	20,672	21,486
<b>Surplus/(Deficit) attributable to the Australian Government</b>		<b>(530)</b>	<b>152</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>		<b>(530)</b>	<b>152</b>

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

**Statement of Financial Position**  
as at 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	7A	1,392	645
Trade and other receivables	7B	15,576	18,043
<b>Total financial assets</b>		<b>16,968</b>	<b>18,688</b>
<b>Non-financial assets</b>			
Property, plant and equipment	8A,B	5,262	4,562
Intangibles	8C,D	2,654	2,621
Inventories	8E	18	22
Other non-financial assets	8F	213	142
<b>Total non-financial assets</b>		<b>8,147</b>	<b>7,347</b>
<b>Total assets</b>		<b>25,115</b>	<b>26,035</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	9A	338	804
Other payables	9B	1,302	1,738
<b>Total payables</b>		<b>1,640</b>	<b>2,542</b>
<b>Provisions</b>			
Employee provisions	10A	5,527	5,664
<b>Total provisions</b>		<b>5,527</b>	<b>5,664</b>
<b>Total liabilities</b>		<b>7,167</b>	<b>8,206</b>
<b>Net assets</b>		<b>17,948</b>	<b>17,829</b>
<b>EQUITY</b>			
<b>Parent entity interest</b>			
Contributed equity		(11,677)	(12,326)
Reserves		13,437	13,437
Retained surplus/(Accumulated deficit)		16,188	16,718
<b>Total parent entity interest</b>		<b>17,948</b>	<b>17,829</b>

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

**Statement of Changes in Equity**  
for the period ended 30 June 2015

	Notes	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<b>Opening balance</b>		<b>16,718</b>	17,368	<b>13,437</b>	13,437	<b>(12,326)</b>	(12,378)	<b>17,828</b>	18,427
Balance carried forward from previous period		-	-	-	-	-	-	-	-
Adjustment for errors		-	-	-	-	-	-	-	-
Adjustment for changes in accounting policies		-	-	-	-	-	-	-	-
<b>Adjusted opening balance</b>		<b>16,718</b>	17,368	<b>13,437</b>	13,437	<b>(12,326)</b>	(12,378)	<b>17,829</b>	18,427
<b>Comprehensive income</b>									
Surplus/(Deficit) for the period		(530)	152					(530)	152
Other comprehensive income		-	-	-	-	-	-	-	-
<b>Total comprehensive income</b>		<b>(530)</b>	152	-	-	-	-	<b>(530)</b>	152
Total comprehensive income attributable to Australian Government		(530)	152	-	-	(12,326)	(12,378)	(530)	152
<b>Transactions with owners</b>									
<b>Distributions to owners</b>									
Returns of capital: Other		-	118	-	-	-	-	-	118
<b>Contributions by owners</b>									
Departmental capital budget		-	-	-	-	649	1,055	649	1,055
Transfer to DPS for ICT restructure		-	-	-	-	-	(1,327)	-	(1,327)
Transfer of ICT to DPS for ICT restructure	11A	-	-	-	-	-	(596)	-	(596)
<b>Total transactions with owners</b>		-	118	-	-	649	(868)	649	(751)
Reclassify prior year operating to capital budget		-	(920)	-	-	-	920	-	-
<b>Closing balance as at 30 June</b>		<b>16,188</b>	16,718	<b>13,437</b>	13,437	<b>(11,677)</b>	(12,326)	<b>17,948</b>	17,829

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



**Cash Flow Statement**  
for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		22,929	21,335
Sale of goods and rendering of services		398	761
Interest		-	2
Net GST received		225	270
Revenue from external sources		570	1,074
Other		2	1
<b>Total cash received</b>		<b>24,124</b>	<b>23,443</b>
<b>Cash used</b>			
Employees		18,057	17,977
Suppliers		4,520	3,838
<b>Total cash used</b>		<b>22,577</b>	<b>21,815</b>
<b>Net cash from/(used by) operating activities</b>	12	<b>1,547</b>	<b>1,628</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		-	8
<b>Total cash received</b>		<b>-</b>	<b>8</b>
<b>Cash used</b>			
Purchase of property, plant and equipment		1,043	1,281
Purchase of Intangibles		406	1,047
<b>Total cash used</b>		<b>1,449</b>	<b>2,328</b>
<b>Net cash from/(used by) investing activities</b>		<b>(1,449)</b>	<b>(2,320)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity (DCB)		649	830
Funds transferred to Departmental Account (IPU)		-	118
<b>Total cash received</b>		<b>649</b>	<b>948</b>
<b>Cash used</b>			
Funds returned to the OPA		-	-
<b>Total cash used</b>		<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>		<b>649</b>	<b>948</b>
<b>Net increase/(decrease) in cash held</b>		<b>747</b>	<b>255</b>
Cash and cash equivalents at the beginning of the reporting period		645	390
<b>Cash and cash equivalents at the end of the reporting period</b>	7A	<b>1,392</b>	<b>645</b>

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

**Schedule of Commitments**  
as at 30 June 2015

	2015	2014
<b>BY TYPE</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Commitments receivable</b>		
Net GST recoverable on commitments <sup>1</sup>	<u>(84)</u>	<u>(76)</u>
<b>Total commitments receivable</b>	<u>(84)</u>	<u>(76)</u>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
Property, plant and equipment <sup>2</sup>	80	158
Intangibles <sup>3</sup>	<u>23</u>	<u>510</u>
<b>Total capital commitments</b>	<u>103</u>	<u>668</u>
<b>Other commitments</b>		
Operating leases <sup>4</sup>	98	93
Other <sup>5</sup>	<u>804</u>	<u>239</u>
<b>Total other commitments</b>	<u>902</u>	<u>332</u>
<b>Total commitments payable</b>	<u>1,005</u>	<u>1,000</u>
<b>Net commitments by type</b>	<u>921</u>	<u>924</u>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Operating lease income</b>		
Within 1 year	(7)	(4)
Between 1 to 5 years	<u>(2)</u>	<u>(4)</u>
<b>Total operating lease income</b>	<u>(9)</u>	<u>(8)</u>
<b>Other commitments receivable</b>		
Within 1 year	(75)	(68)
Between 1 to 5 years	<u>-</u>	<u>-</u>
<b>Total other commitments receivable</b>	<u>(75)</u>	<u>(68)</u>
<b>Total commitments receivable</b>	<u>(84)</u>	<u>(76)</u>
<b>Commitments payable</b>		
<b>Capital commitments</b>		
Within 1 year	103	643
Between 1 to 5 years	<u>-</u>	<u>25</u>
<b>Total capital commitments</b>	<u>103</u>	<u>668</u>
<b>Operating lease commitments</b>		
Within 1 year	73	46
Between 1 to 5 years	<u>25</u>	<u>48</u>
<b>Total operating lease commitments</b>	<u>98</u>	<u>94</u>
<b>Other Commitments</b>		
Within 1 year	324	155
Between 1 to 5 years	<u>480</u>	<u>83</u>
<b>Total other commitments</b>	<u>804</u>	<u>238</u>
<b>Total commitments payable</b>	<u>1,005</u>	<u>1,000</u>
<b>Net commitments by maturity</b>	<u>921</u>	<u>924</u>

1. Commitments were GST inclusive where relevant.

2. Property, plant and equipment includes contracts for purchase of new office furniture for Departmental Staff.

3. Intangibles relate to development of intranet.

4. Operating leases 2014-15 included were effectively non-cancellable and comprise agreements for the provision of motor vehicles to senior executives and for departmental use.

5. Other commitments relate to contracts lodged with suppliers.

**Administered Schedule of Comprehensive Income**  
*for the period ended 30 June 2015*

	Notes	2015 \$'000	2014 \$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Suppliers	16A	<u>330</u>	<u>315</u>
<b>Total expenses</b>		<u><b>330</b></u>	<u><b>315</b></u>
<b>Net cost of services</b>		<u><b>330</b></u>	<u><b>315</b></u>
<b>Surplus/(Deficit) on continuing operations</b>		<u><b>(330)</b></u>	<u><b>(315)</b></u>
<b>Total comprehensive income/(loss)</b>		<u><b>(330)</b></u>	<u><b>(315)</b></u>

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

**Administered Schedule of Assets and Liabilities**  
*as at 30 June 2015*

	Notes	2015 \$'000	2014 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Trade and other receivables	17A	<u>2</u>	<u>5</u>
<b>Total financial assets</b>		<u><b>2</b></u>	<u><b>5</b></u>
<b>Total assets administered on behalf of Government</b>		<u><b>2</b></u>	<u><b>5</b></u>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	18A	<u>26</u>	<u>4</u>
Other payables	18B	<u>2</u>	<u>5</u>
<b>Total payables</b>		<u><b>28</b></u>	<u><b>9</b></u>
<b>Total liabilities administered on behalf of Government</b>		<u><b>28</b></u>	<u><b>9</b></u>
<b>Net assets/(liabilities)</b>		<u><b>(26)</b></u>	<u><b>(4)</b></u>

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

### Administered Reconciliation Schedule

	Notes	2015 \$'000	2014 \$'000
<b>Net (cost of)/contribution by services</b>			
Income		-	-
Expenses			
Payments to entities other than corporate Commonwealth entities		(330)	(315)
<b>Transfers (to)/from the Australian Government</b>			
Appropriation transfers from Official Public Account		<u>308</u>	<u>311</u>
<b>Closing assets less liabilities as at 30 June</b>		<u>(22)</u>	<u>(4)</u>

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

### Administered Cash Flow Statement

for the period ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Net GST received		<u>19</u>	<u>19</u>
<b>Total cash received</b>		<u>19</u>	<u>19</u>
<b>Cash used</b>			
Suppliers		<u>330</u>	<u>335</u>
<b>Total cash used</b>		<u>330</u>	<u>335</u>
<b>Net cash from/(used by) operating activities</b>	19	<u>(311)</u>	<u>(316)</u>
<b>Cash from Official Public Account</b>			
Appropriations		<u>308</u>	<u>311</u>
GST Appropriations		<u>19</u>	<u>24</u>
<b>Total cash from official public account</b>		<u>327</u>	<u>335</u>
<b>Cash to Official Public Account</b>			
GST Appropriations		<u>(16)</u>	<u>(19)</u>
<b>Total cash to official public account</b>		<u>(16)</u>	<u>(19)</u>
<b>Net cash from/(used by) operating activities</b>		<u>311</u>	<u>316</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	19	<u>-</u>	<u>-</u>

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

## Note 1: Summary of Significant Accounting Policies

### 1.1 Objectives of the Department of the House of Representatives

The Department is one of four parliamentary Departments supporting the Australian Parliament. It is a not-for-profit entity. The Department provides services to support the efficient conduct of the House of Representatives, its committees and certain joint committees as well as a range of services for Members in Parliament House.

The Department is structured to meet one outcome:

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

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

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

Departmental activities are identified under five outputs -

- Chamber and Federation Chamber;
- Community Relations and Awareness;
- Committee Services;
- Inter-parliamentary Relations and Capacity Building; and
- Members' Services and Corporate Support.

### 1.2 Basis of Preparation of the Financial Report

The financial statements are general purpose financial statements and are required by:

- Section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- Financial Reporting Rule (FRR) for reporting periods ending on or after 1 July 2014; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

Unless an alternative treatment is specifically required by an accounting standard or the 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 executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the contingencies note.

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.

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

### 1.3 Significant Accounting Judgements and Estimates

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

### 1.4 New Australian Accounting Standards

#### Adoption of New Australian Accounting Standard Requirements

Early adoption of the amendment to AASB13 Fair Value Disclosures of Not-for-Profit Public Sector Entities has been applied to note 6, Fair Value Measurements.

The following new standards, revised standards, interpretations and amending standards were issued prior to the signing of the statement by the accountable authority and chief finance officer, were applicable to the current reporting period and had a material effect on the entity's financial statements:

<b>Standard/Interpretation</b>	<b>Nature of change in accounting policy, transitional provisions, and adjustment to financial statements</b>
AASB 1055 Budgetary Reporting	Major variance explanation disclosures 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 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, interpretations and amending standards were issued prior to the signing of the statement by the accountable authority and chief finance officer, were applicable to the current reporting period and had a material effect on the entity's financial statements:

<b>Standard/Interpretation</b>	<b>Nature of change in accounting policy, transitional provisions, and adjustment to financial statements</b>
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 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.

## 1.5 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the Department retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- 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:

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

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

### Revenue from Government

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the Department gains control of the appropriation, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned. Appropriations receivable are recognised at their nominal amounts.

### Parental Leave Payments Scheme

Amounts received under the Parental Leave Payments Scheme by the Department not yet paid to employees were presented gross as cash and a liability (payable). The total amount received under this scheme was \$57,694.50 (2014: \$7,265.63).

## 1.6 Gains

### Resources Received Free of Charge

Resources received free of charge are recognised as gains when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

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

### Sale of Assets

Gains from disposal of 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 (DCBs) are recognised directly in contributed equity in that year.

### Restructuring of Administrative Arrangements

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

### Other Distributions to Owners

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

No distributions to owners were made in the 2015 financial year.

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



## 1.8 Employee Benefits

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

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

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

### Leave

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

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

The liability for long service leave has been determined by reference to the work of an actuary allowable short-hand method as 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

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

### Superannuation

Staff of the Department are entitled to be members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap). Staff are also allowed choice of fund and may have the same contributions as for PSSap directed to their nominated fund.

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

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

The Department makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Department accounts for the contributions as if they were contributions to defined contribution plans.

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

## **1.9 Leases**

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

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense. The Department does not currently have any finance leases.

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

## **1.10 Borrowing Costs**

All borrowing costs are expensed as incurred.

## **1.11 Fair Value Measurement**

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

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

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

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

## **1.12 Cash**

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

- a) cash on hand;
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value;
- c) cash held by outsiders; and
- d) cash in special accounts.

### 1.13 Financial Assets

The Department classifies its financial assets in the following categories:

- a) financial assets 'at fair value through profit or loss';
- b) 'held-to-maturity' investments;
- c) 'available-for-sale' financial assets; and
- d) 'loans and receivables'.

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

#### Effective interest method

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

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

#### Loans and receivables

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

#### Impairment of financial assets

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

*Financial assets held at amortised cost* - If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

### 1.14 Financial Liabilities

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

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

#### Financial liabilities at fair value through profit or loss

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

### Other financial liabilities

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

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

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

### **1.15 Financial Guarantee Contracts**

The Department is not party to any financial guarantee contracts.

### **1.16 Acquisition of Assets**

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

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

### **1.17 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).

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

#### Revaluations

Fair values for each class of asset are determined as shown below:

<b>Asset Class:</b>	<b>Fair Value Measured at:</b>
Property Plant and Equipment <sup>1</sup>	Market Selling Price
Heritage and Cultural Assets	Market Selling Price

<sup>1</sup> Within this class there are 231 items with a fair value measured at depreciated replacement cost. These items are located within the House of Representatives chamber and in offices in the House of Representatives wing.

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

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

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

An independent qualified valuer undertook a desktop review of the Department's property, plant and equipment as at 30 June 2015. The last independent revaluation was undertaken as at 30 June 2013.

#### Work-in-progress

If, at 30 June 2015, an asset is not fully constructed and/or ready for use, the expenditure will be disclosed separately as 'work-in-progress'. Depreciation will not be set until the project has been completed to a stage where it can provide a service to the Department.

#### Depreciation

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

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

	<b>2015</b>	2014
Plant and equipment	2 to 10 years	2 to 10 years
Computer equipment	2 to 5 years	2 to 5 years
Furniture and fittings	2 to 50 years	2 to 50 years
Office machines and equipment	2 to 20 years	2 to 20 years

The Department has items of property, plant and equipment that are heritage and cultural assets that are not depreciated.

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

### Impairment

All assets were assessed for impairment at 30 June 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.

### Derecognition

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

### Heritage and Cultural Assets

The Department has the following Heritage and Cultural Assets with an aggregated fair value of \$369,000 (2014: \$369,000).

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

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

## **1.18 Intangibles**

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

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

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

### 1.19 Inventories

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

Costs incurred in bringing each item of inventory to its present location and condition are assigned as follows:

- a) raw materials and stores – purchase cost on a first-in-first-out basis; and
- b) finished goods and work-in-progress – cost of direct materials and labour plus attributable costs that can be allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

### 1.20 Taxation / Competitive Neutrality

The Department is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

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

#### Competitive Neutrality

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

### 1.21 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes. Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for Departmental items, including the application of Australian Accounting Standards.

#### Administered Cash Transfers to and from the Official Public Account

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

#### Receivables

The Department only has administered GST receivable.

## Note 2: Events After the Reporting Period

### Departmental

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

### Administered

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

## Note 3: Net Cash Appropriation Arrangements

	2015	2014
	\$'000	\$'000
<b>Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations<sup>1</sup></b>	<b>185</b>	<b>651</b>
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<u>(715)</u>	<u>(499)</u>
<b>Total comprehensive income/(loss) - as per the Statement of Comprehensive Income</b>	<b><u>(530)</u></b>	<b><u>152</u></b>

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

	2015 \$'000	2014 \$'000
<b>Note 4A: Employee Benefits</b>		
Wages and salaries	14,108	13,096
Superannuation		
Defined contribution plans	787	684
Defined benefit plans	1,817	2,085
Leave and other entitlements	1,167	2,053
Separation and redundancies	160	185
<b>Total employee benefits</b>	<b>18,039</b>	<b>18,103</b>

### Note 4B: Suppliers

#### Goods and services supplied or rendered

Staff Related Services	536	326
Travel	1,422	814
Office Services	3,305	4,275
Communication	143	116
Corporate Expenses	102	52
Grants	2	-
<b>Total goods and services</b>	<b>5,510</b>	<b>5,583</b>

#### Goods and services are made up of:

Provision of goods - related entities	-	1
Provision of goods - external parties	402	920
Rendering of services - related entities	1,003	2,977
Rendering of services - external parties	4,105	1,685
<b>Total goods and services</b>	<b>5,510</b>	<b>5,583</b>

#### Other supplier expenses

##### Operating lease rentals - related entities:

Minimum lease payments	70	75
Workers compensation expenses	109	146
<b>Total other suppliers</b>	<b>179</b>	<b>221</b>
<b>Total suppliers</b>	<b>5,689</b>	<b>5,804</b>

### Note 4C: Depreciation and Amortisation

#### Depreciation

Property, plant and equipment	342	330
<b>Total depreciation</b>	<b>342</b>	<b>330</b>

#### Amortisation

Intangibles	373	169
<b>Total amortisation</b>	<b>373</b>	<b>169</b>
<b>Total depreciation and amortisation</b>	<b>715</b>	<b>499</b>

### Note 4D: Write-Down and Impairment of Assets

#### Asset write-downs and impairments from:

Impairment of property, plant and equipment	1	1
Write-down of inventory	1	-
Bad and doubtful debt	5	-
<b>Total write-down and impairment of assets</b>	<b>7</b>	<b>1</b>

### Note 4E: Losses from Asset Sales

#### Property, plant and equipment

Proceeds from sale	-	(16)
Carrying value of assets sold	-	9
Selling expense	-	8
<b>Total losses from asset sales</b>	<b>-</b>	<b>2</b>

## Note 5: Own-Source Income

	2015	2014
OWN-SOURCE REVENUE	\$'000	\$'000
<b><u>Note 5A: Sale of Goods and Rendering of Services</u></b>		
Provision of goods - related entities	6	13
Provision of goods - external parties	23	23
Rendering of services - related entities	51	464
Rendering of services - external parties	1	8
<b>Total sale of goods and rendering of services</b>	<b>81</b>	<b>508</b>
<b><u>Note 5B: Other Revenue</u></b>		
Bank Interest - Inter Parliamentary Union	-	2
<b>Total interest</b>	<b>-</b>	<b>2</b>
Funding from external sources	1,120	567
Royalties	-	1
<b>Total other revenue</b>	<b>1,120</b>	<b>568</b>
<b>GAINS</b>		
<b><u>Note 5C: Other Gains</u></b>		
Resources received free of charge		
Remuneration of auditors	85	80
Rent of premises	1,960	1,917
Other financial income	2	-
<b>Total other gains</b>	<b>2,047</b>	<b>1,997</b>
<b><u>Note 5D: Revenue from Government Appropriations</u></b>		
Departmental appropriations	20,672	21,486
<b>Total revenue from Government</b>	<b>20,672</b>	<b>21,486</b>

## Note 6: Fair Value Measurements

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

### Note 6A: Fair Value Measurements, Valuation Techniques and Inputs Used

Fair value measurements at the end of the reporting period <sup>1</sup>		For Levels 2 and 3 fair value measurements						
		2015 \$'000	2014 \$'000	Category (Level 1, 2 or 3) <sup>4</sup>	Valuation technique(s) <sup>2</sup>	Inputs used	Range (weighted average) <sup>5</sup>	Sensitivity of the fair value measurement to changes in unobservable inputs <sup>5</sup>
<b>Non-financial assets<sup>3</sup></b>								
Property, plant and equipment	3,712	2,949	Level 2	Market Approach	Adjusted market transactions			
Property, plant and equipment	1,550	1,613	Level 3	Depreciated Replacement Cost	Replacement Cost New			
<b>Total non-financial assets</b>	<b>5,262</b>	<b>4,562</b>						

1. The Department did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2015.

2. There has been no changes to valuation techniques.

3. Fair value measurements - highest and best use differs from current use for non-financial assets (NFAs)

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

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

The Department tests the procedures of the valuation model as an internal asset materiality review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. The Department engaged Australian Valuation Solutions (AVS) to undertake a full revaluation and confirm that the models developed comply with AASB 13.

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

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

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

5. The Department has chosen to early adopt AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities at 30 June 2015. The future economic benefits of the Department's non-financial assets are not primarily dependent on their ability to generate cash flows. The Department has not disclosed qualitative information about the significant unobservable inputs or a narrative description of the sensitivities of the fair value measurements to changes in the unobservable inputs.

**Note 6B: Reconciliation for Recurring Level 3 Fair Value Measurements**  
**Recurring Level 3 fair value measurements - reconciliation for assets**

	Non-financial assets		
	Property, plant and equipment	Total	
	2015	2014	2015
	\$'000	\$'000	\$'000
<b>As at 1 July</b>	<b>1,613</b>	<b>1,678</b>	<b>1,613</b>
Total gains/(losses) recognised in net cost of services and other comprehensive income <sup>1</sup>	(63)	(65)	(63)
Purchases	-	-	-
Disposals	-	-	-
Issues	-	-	-
Settlements	-	-	-
Transfers into Level 3 <sup>2</sup>	-	-	-
Transfers out of Level 3 <sup>3</sup>	-	-	-
<b>Total as at 30 June</b>	<b>1,550</b>	<b>1,613</b>	<b>1,550</b>

Changes in unrealised gains/(losses) recognised in net cost of services for assets held at the end of the reporting period<sup>4</sup>

1. These gains/(losses) are presented in the Statement of Comprehensive Income.
2. There have been no transfers of assets into level 3 due to a lack of observable market evidence.
3. There have been no transfers of assets out of level 3 during the year. Fair value measurements have been developed without the use of significant unobservable inputs.
4. The Department's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

## Note 7: Financial Assets

	2015 \$'000	2014 \$'000	
<b>Note 7A: Cash and Cash Equivalents</b>			
Cash held by salary sacrifice service provider	35	35	
Cash on hand or on deposit	<u>1,357</u>	<u>610</u>	
<b>Total cash and cash equivalents</b>	<u>1,392</u>	<u>645</u>	
<b>Note 7B: Trade and Other Receivables</b>			
Goods and services	<u>67</u>	<u>283</u>	
<b>Total goods and services receivables</b>	<u>67</u>	<u>283</u>	
<b>Appropriations receivables</b>			
Existing programs	12,459	15,213	
For departmental supplementation	500	-	
Special account	<u>2,501</u>	<u>2,504</u>	
<b>Total appropriations receivables</b>	<u>15,460</u>	<u>17,717</u>	
<b>Other receivables</b>			
GST receivable from the Australian Taxation Office	<u>54</u>	<u>43</u>	
<b>Total other receivables</b>	<u>54</u>	<u>43</u>	
<b>Total trade and other receivables (gross)</b>	<u>15,581</u>	<u>18,043</u>	
<b>Less impairment allowance</b>			
Goods and services	<u>(5)</u>	<u>-</u>	
<b>Total impairment allowance</b>	<u>(5)</u>	<u>-</u>	
<b>Total trade and other receivables (net)</b>	<u>15,576</u>	<u>18,043</u>	
<b>Trade and other receivables (net) expected to be recovered</b>			
No more than 12 months	<u>15,581</u>	<u>18,043</u>	
<b>Total trade and other receivables (net)</b>	<u>15,581</u>	<u>18,043</u>	
<b>Trade and other receivables (gross) aged as follows</b>			
Not overdue	15,563	18,038	
Overdue by			
0 to 30 days	-	-	
31 to 70 days	13	5	
71 to 90 days	-	-	
More than 90 days	<u>5</u>	<u>-</u>	
<b>Total trade and other receivables (gross)</b>	<u>15,581</u>	<u>18,043</u>	
<b>Reconciliation of the Impairment Allowance</b>			
<b>Movements in relation to 2015</b>			
	Goods and services	Other receivables	Total
	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>	-	-	-
Amounts written off	-	-	-
Amounts recovered and reversed	-	-	-
Increase/(Decrease) recognised in net cost of services	-	-	-
<b>Total as at 30 June 2015</b>	-	-	-
<b>Movements in relation to 2014</b>			
	Goods and services	Other receivables	Total
	\$'000	\$'000	\$'000
<b>As at 1 July 2013</b>	-	-	-
Amounts written off	1	-	-
Amounts recovered and reversed	-	-	-
Increase/(Decrease) recognised in net cost of services	(1)	-	-
<b>Total as at 30 June 2014</b>	-	-	-

## Note 8: Non-Financial Assets

	2015	2014
	\$'000	\$'000
<b>Note 8A: Property, Plant and Equipment</b>		
<b>Heritage and cultural</b>		
Fair value	369	369
<b>Total heritage and cultural</b>	<b>369</b>	<b>369</b>
<b>Other property, plant and equipment</b>		
Fair value	5,522	4,480
Accumulated depreciation	(629)	(287)
<b>Total other property, plant and equipment</b>	<b>4,893</b>	<b>4,193</b>
<b>Total property, plant and equipment</b>	<b>5,262</b>	<b>4,562</b>

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

### Note 8B: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment

#### Reconciliation of the opening and closing balances of property, plant and equipment for 2015

	Heritage and cultural <sup>1</sup>	Other property, plant & equipment	Total
	\$'000	\$'000	\$'000
<b>As at 1 July 2014</b>			
Gross book value	369	4,480	4,849
Accumulated depreciation and impairment	-	(287)	(287)
<b>Total as at 1 July 2014</b>	<b>369</b>	<b>4,193</b>	<b>4,562</b>
Additions			
Purchase	-	1,043	1,043
Depreciation	-	(342)	(342)
Disposals			
Other	-	(1)	(1)
<b>Total as at 30 June 2015</b>	<b>369</b>	<b>4,893</b>	<b>5,262</b>
<b>Total as at 30 June 2015 represented by</b>			
Gross book value	369	5,522	5,891
Accumulated depreciation and impairment	-	(629)	(629)
<b>Total as at 30 June 2015</b>	<b>369</b>	<b>4,893</b>	<b>5,262</b>

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

## Reconciliation of the opening and closing balances of property, plant and equipment for 2014

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

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

	2015	2014
<b>Note 8C: Intangibles</b>		
<b>Computer software</b>		
Internally developed – in progress	156	449
Internally developed – in use	3,109	2,423
Purchased	648	636
Accumulated amortisation	(1,260)	(887)
<b>Total computer software</b>	<b>2,654</b>	<b>2,621</b>
<b>Total intangibles</b>	<b>2,654</b>	<b>2,621</b>

No indicators of impairment were found for intangible assets.

**Note 8D: Reconciliation of the Opening and Closing Balances of Intangibles**

**Reconciliation of the opening and closing balances of intangibles for 2015**

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2014</b>			
Gross book value	2,872	636	3,508
Accumulated amortisation and impairment	(323)	(564)	(887)
<b>Total as at 1 July 2014</b>	<b>2,549</b>	<b>72</b>	<b>2,621</b>
Additions			
Purchase or internally developed	394	12	406
Amortisation	(335)	(38)	(373)
<b>Total as at 30 June 2015</b>	<b>2,608</b>	<b>46</b>	<b>2,654</b>

**Total as at 30 June 2015 represented by**

Gross book value	3,265	648	3,914
Accumulated amortisation and impairment	(658)	(602)	(1,260)
<b>Total as at 30 June 2015</b>	<b>2,608</b>	<b>46</b>	<b>2,654</b>

**Reconciliation of the opening and closing balances of intangibles for 2014**

	Computer software internally developed \$'000	Computer software purchased \$'000	Total \$'000
<b>As at 1 July 2013</b>			
Gross book value	1,903	1,924	3,827
Accumulated amortisation and impairment	(310)	(1,776)	(2,086)
<b>Total as at 1 July 2013</b>	<b>1,593</b>	<b>148</b>	<b>1,741</b>
Additions			
Purchase or internally developed	1,047	-	1,047
Amortisation	(94)	(75)	(169)
<b>Total as at 30 June 2014</b>	<b>2,546</b>	<b>73</b>	<b>2,619</b>

**Total as at 30 June 2014 represented by**

Gross book value	2,872	636	3,508
Accumulated amortisation and impairment	(323)	(564)	(887)
<b>Total as at 30 June 2014</b>	<b>2,549</b>	<b>72</b>	<b>2,621</b>



	2015 \$'000	2014 \$'000
<b>Note 8E: Inventories</b>		
<b>Inventories held for sale</b>		
Finished goods	18	22
<b>Total inventories held for sale</b>	<b>18</b>	<b>22</b>

During 2015, \$3,170.84 of inventory held for sale was recognised as an expense (2014: \$4,240).

No items of inventory were recognised at fair value less cost to sell.

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

During 2015, \$697.19 of inventory was written down as an expense due to losses (2014: \$0).

	2015 \$'000	2014 \$'000
<b>Note 8F: Other Non-Financial Assets</b>		
Prepayments	213	142
<b>Total other non-financial assets</b>	<b>213</b>	<b>142</b>
<b>Total other non-financial assets - are expected to be recovered in:</b>		
No more than 12 months	213	142
<b>Total other non-financial assets</b>	<b>213</b>	<b>142</b>

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

## Note 9: Payables

	2015 \$'000	2014 \$'000
<b>Note 9A: Suppliers</b>		
Trade creditors and accruals	338	804
<b>Total suppliers</b>	<b>338</b>	<b>804</b>
<b>Suppliers payables expected to be settled within 12 months:</b>		
Related parties	137	363
External parties	201	441
<b>Total suppliers</b>	<b>338</b>	<b>804</b>

Settlement was usually made within 30 days.

	2015 \$'000	2014 \$'000
<b>Note 9B: Other Payables</b>		
Wages and salaries	554	440
Superannuation	95	87
Salary Sacrifice Payables	35	35
GST Payable	1	6
Paid parental leave	1	4
Unearned income <sup>1</sup>	616	1,166
<b>Total other payables</b>	<b>1,302</b>	<b>1,738</b>
<b>Other payables expected to be settled</b>		
No more than 12 months	1,302	1,738
<b>Total other payables</b>	<b>1,302</b>	<b>1,738</b>

All other payables are payable within 12 months

1. Unearned income relates to payments for seminars to be undertaken in 2015-16 and Department of Foreign Affairs (DFAT) (AusAID) funding for Pacific Parliamentary Development programs. Payment is made in advance of work being performed, and unspent funds are acquitted and returned to DFAT.

## Note 10: Provisions

	2015	2014
	\$'000	\$'000
<b>Note 10A: Employee Provisions</b>		
Leave	5,527	5,664
<b>Total employee provisions</b>	<b>5,527</b>	<b>5,664</b>
<b>Employee provisions expected to be settled</b>		
No more than 12 months	632	1,118
More than 12 months	4,895	4,546
<b>Total employee provisions</b>	<b>5,527</b>	<b>5,664</b>

## Note 11: Restructuring

### Note 11A: Departmental Restructuring

	2015	2014
	\$'000	\$'000
		ICT Services - Department of Parliamentary Services <sup>1</sup>
<b>FUNCTIONS RELINQUISHED</b>		
<b>Assets relinquished</b>		
Information, Communication and Technology Assets	-	(596)
<b>Total assets relinquished</b>	<b>-</b>	<b>(596)</b>
<b>Liabilities relinquished</b>		
Provisions	-	102
<b>Total liabilities relinquished</b>	<b>-</b>	<b>102</b>
<b>Net (assets)/liabilities relinquished</b>	<b>-</b>	<b>(494)</b>

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

## Note 12: Cash Flow Reconciliation

	2015 \$'000	2014 \$'000
<b>Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement</b>		
<b>Cash and cash equivalents as per</b>		
Cash flow statement	1,392	645
Statement of financial position	<u>1,392</u>	<u>645</u>
<b>Discrepancy</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from/(used by) operating activities</b>		
Net (cost of)/contribution by services	(21,202)	(21,334)
Revenue from Government	<u>20,672</u>	<u>21,486</u>
<b>Surplus attributable to the Australian Government</b>	<u>(530)</u>	<u>152</u>
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	715	499
Net write down of non-financial assets	7	1
(Loss)/Gain on disposal of assets	<u>-</u>	<u>2</u>
	<u>722</u>	<u>502</u>
<b>Movements in assets and liabilities</b>		
<b>Assets</b>		
(Increase)/Decrease in net receivables	2,462	(45)
(Increase)/Decrease in prepayments	(70)	(22)
(Increase)/Decrease in inventories	4	4
<b>Liabilities</b>		
Increase/(Decrease) in employee provisions	(137)	71
Increase/(Decrease) in suppliers payables	(467)	408
Increase/(Decrease) in GST Payable	(5)	(2)
Increase/(Decrease) in prepayments	(551)	506
Increase/(Decrease) in other payables	<u>119</u>	<u>55</u>
<b>Net cash from/(used by) operating activities</b>	<u>1,547</u>	<u>1,628</u>

## Note 13: Senior Management Personnel Remuneration

	2015	2014
	\$	\$
<b>Short-term employee benefits</b>		
Salary	1,226,842	1,005,003
Motor Vehicle Allowances	57,674	24,299
<b>Total short-term employee benefits</b>	<u>1,284,516</u>	<u>1,029,302</u>
<b>Post-employment benefits</b>		
Retirement Benefits	-	271,677
Superannuation	217,145	214,679
<b>Total post-employment benefits</b>	<u>217,145</u>	<u>486,356</u>
<b>Other long-term employee benefits</b>		
Annual leave	96,378	85,137
Long-service leave	32,274	27,758
<b>Total other long-term employee benefits</b>	<u>128,652</u>	<u>112,895</u>
<b>Total senior executive remuneration expenses</b>	<u>1,630,313</u>	<u>1,628,553</u>

1. Note 13 is prepared on an accrual basis.
2. Note 13 excludes acting arrangements and part-year service where total remuneration expensed as a senior executive is under \$195,000.
3. The total number of senior management personnel that are included in the above note are 6 (2014:6)

## Note 14: Financial Instruments

	2015	2014
	\$'000	\$'000
<b>Note 14A: Categories of Financial Instruments</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	1,392	645
Trade and other receivables	62	283
<b>Total financial assets</b>	<b>1,454</b>	<b>928</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Suppliers	94	200
Accrued Expenses	244	604
Other Payables	1,302	1,738
<b>Total financial liabilities measured at amortised cost</b>	<b>1,640</b>	<b>2,542</b>
<b>Total financial liabilities</b>	<b>1,640</b>	<b>2,542</b>

### Note 14B: Fair Value of Financial Instruments

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

### Note 14C: Credit Risk

The department is exposed to minimal credit risk as receivables are cash and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2015: \$62,000 and 2014: \$283,000).

The Department has assessed the risk of the default on payment and has allocated \$4,756.81 in 2015 (2014: \$0) to an allowance for doubtful debts account.

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

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

### Credit quality of financial assets not past due or individually determined as impaired

	Not past due nor impaired	Not past due nor impaired	Past due or impaired	Past due or impaired
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
<b>Financial Assets</b>				
Cash and cash equivalents	1,392	645	-	-
Trade and other receivables	57	283	5	5
<b>Total</b>	<b>1,449</b>	<b>928</b>	<b>5</b>	<b>5</b>
<b>Financial Liabilities</b>				
Suppliers	94	200	-	-
Accrued Expenses	244	604	-	-
Other Payables	1,302	1,738	-	-
<b>Total</b>	<b>1,640</b>	<b>2,542</b>	<b>-</b>	<b>-</b>

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

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$'000		\$'000	\$'000	\$'000
Trade and other receivables	-	13	-	-	13
<b>Total</b>	-	13	-	-	13

**Ageing of financial assets that were past due but not impaired in 2014**

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

**Note 14D: Liquidity Risk**

The department's financial liabilities are payables. The exposure to liquidity risk is based on the notion that the department will encounter difficulty in meeting its obligations associated with financial liabilities.

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

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

**Maturities for financial liabilities in 2015**

	On demand	within 1 year	between 1 to 2 years	between 2 to 5 years	more than 5 years	Total
	\$'000		\$'000	\$'000	\$'000	\$'000
Suppliers	-	94	-	-	-	94
Accrued Expenses	-	244	-	-	-	244
Other Payables	-	1,302	-	-	-	1,302
<b>Total</b>	-	1,640	-	-	-	1,640

**Maturities for financial liabilities in 2014**

	On demand	within 1 year	between 1 to 2 years	between 2 to 5 years	more than 5 years	Total
	\$'000		\$'000	\$'000	\$'000	\$'000
Suppliers	-	200	-	-	-	200
Accrued Expenses	-	604	-	-	-	604
Other Payables	-	1,738	-	-	-	1,738
<b>Total</b>	-	2,542	-	-	-	2,542

## Note 15: Financial Assets Reconciliation

		2015	2014
	Notes	\$'000	\$'000
<b>Total financial assets as per statement of financial position</b>		<b>16,968</b>	18,687
<b>Less: Non-financial instrument components</b>			
Appropriations Receivable	7B	15,460	17,717
Other Receivables	7B	54	43
<b>Total non-financial instrument components</b>		<b>15,514</b>	17,760
<b>Total financial assets as per financial instruments note</b>	14A	<b>1,454</b>	928

## Note 16: Administered—Expenses

	2015	2014
	\$'000	\$'000
<b>Note 16A: Suppliers</b>		
<b>Goods and services supplied or rendered</b>		
Hospitality Services	330	315
<b>Total goods and services supplied or rendered</b>	<b>330</b>	315
<b>Services rendered in connection with</b>		
Related parties	72	72
External parties	258	243
<b>Total services rendered</b>	<b>330</b>	315
<b>Total goods and services supplied or rendered</b>	<b>330</b>	315

## Note 17: Administered—Financial Assets

	2015	2014
<b>Note 17A: Trade and Other Receivables</b>		
<b>Other receivables</b>		
GST Receivable from Australian Taxation Office	2	5
<b>Total other receivables</b>	<b>2</b>	5
<b>Total trade and other receivables (net)</b>	<b>2</b>	5
<b>Trade and other receivables (net) expected to be recovered</b>		
No more than 12 months	2	5
More than 12 months	-	-
<b>Total trade and other receivables (net)</b>	<b>2</b>	5
<b>Trade and other receivables aged as follows</b>		
Not overdue	2	5
<b>Total trade and other receivables (gross)</b>	<b>2</b>	5
The only receivable is GST receivable. There was no impairment allowance.		

## Note 18: Administered—Payables

	2015 \$'000	2014 \$'000
<b>Note 18A: Suppliers</b>		
Trade creditors and accruals	26	4
<b>Total suppliers</b>	<b>26</b>	<b>4</b>
<b>Suppliers expected to be settled</b>		
No more than 12 months	26	4
More than 12 months	-	-
<b>Total suppliers</b>	<b>26</b>	<b>4</b>
<b>Suppliers in connection with</b>		
Related parties	-	-
External parties	26	4
<b>Total suppliers</b>	<b>26</b>	<b>4</b>
Settlement was usually within 30 days.		
<b>Note 18B: Other Payables</b>		
GST Appropriation payable to OPA	2	5
<b>Total other payables</b>	<b>2</b>	<b>5</b>
<b>Other payables expected to be settled</b>		
No more than 12 months	2	5
More than 12 months	-	-
<b>Total other payables</b>	<b>2</b>	<b>5</b>

## Note 19: Administered—Cash Flow Reconciliation

	2015 \$'000	2014 \$'000
<b>Reconciliation of cash and cash equivalents as per administered schedule of assets and liabilities to administered cash flow statement</b>		
<b>Cash and cash equivalents as per</b>		
Schedule of administered cash flows	-	-
Schedule of administered assets and liabilities	-	-
<b>Difference</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of net cost of services to net cash from/(used by) operating activities</b>		
Net (cost of)/contribution by services	(330)	(315)
<b>Movements in assets and liabilities</b>		
<b>Assets</b>		
(Increase)/Decrease in net receivables	(3)	(5)
<b>Liabilities</b>		
Increase/(Decrease) in supplier payables	22	4
<b>Net cash from/(used by) operating activities</b>	<b>(311)</b>	<b>(316)</b>



## Note 20: Administered—Financial Instruments

	2015	2014
	\$'000	\$'000
<b><u>Note 20A: Categories of Financial Instruments</u></b>		
<b>Financial Assets</b>		
<b>Loans and receivables</b>		
Other receivables	2	5
<b>Total loans and receivables</b>	<u>2</u>	<u>5</u>
<b>Total financial assets</b>	<u>2</u>	<u>5</u>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade Creditors and accruals	26	4
<b>Total financial liabilities measured at amortised cost</b>	<u>26</u>	<u>4</u>
<b>Total financial liabilities</b>	<u>26</u>	<u>4</u>
<b><u>Note 20B: Net Gains or Losses on Financial Instruments</u></b>		
There is no gains or losses from Administered financial instruments.		

## Note 21: Administered—Financial Assets Reconciliation

	2015	2014
	\$'000	\$'000
<b>Total financial assets as per administered schedule of assets and liabilities</b>	2	5
<b>Less: Non-financial instrument components</b>		
GST Receivable from the ATO	2	5
<b>Total non-financial instrument components</b>	<u>2</u>	<u>5</u>
<b>Total financial assets as per administered financial instruments note</b>	<u>-</u>	<u>-</u>

## Note 22: Appropriations

Note 22A: Annual Appropriations ('Recoverable GST exclusive')

	Annual Appropriations for 2015					Variance <sup>2</sup> \$'000
	Appropriation Act		PGFA Act	Appropriation applied in 2015 (current and prior years)		
	Annual Appropriation <sup>1</sup> \$'000	Appropriations reduced \$'000	Section 74 \$'000	Total appropriation \$'000	\$'000	
<b>Departmental</b>						
Ordinary annual services	20,821	-	1,090	21,911	(24,666)	(2,755)
<b>Total departmental</b>	20,821	-	1,090	21,911	(24,666)	(2,755)
<b>Administered</b>						
Ordinary annual services	325	-	-	325	(304)	21
<b>Total administered</b>	325	-	-	325	(304)	21

1. In 2014-15, there were no appropriations subject to quarantine and no reductions. The Departmental and Administered Appropriation ceases to be in force on 1 July 2017.

2. The Departmental variance relates to capital expenditure funded from undrawn 2013-14 appropriation. The Department draws from the prior year unspent amounts to fund capital projects in excess of the Departmental Capital appropriation. The Administered variance relates to balance undrawn for accrued expenses payable in 2015-16.

	Annual Appropriations for 2014				Variance <sup>2</sup> \$'000	
	Appropriation Act		FMA Act	Appropriation applied in 2014 (current and prior years)		
	Annual Appropriation \$'000	Appropriations reduced <sup>1</sup> \$'000	Section 31 \$'000	Total appropriation \$'000		\$'000
<b>Departmental</b>						
Ordinary annual services	22,893	(407)	1,892	24,378	(24,088)	290
<b>Total departmental</b>	22,893	(407)	1,892	24,378	(24,088)	290
<b>Administered</b>						
Ordinary annual services <sup>3</sup>	325	(11)	-	314	(311)	3
<b>Total administered</b>	325	(11)	-	314	(311)	3

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

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

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

**Note 22B: Departmental Capital Budgets ('Recoverable GST exclusive')**

	2015 Capital Budget Appropriations			Capital Budget Appropriations applied in 2015 (current and prior years)		
	<i>Appropriation Act</i>	<i>PGPA Act</i>	Total Capital Budget Appropriations \$'000	Payments for other purposes \$'000	Total Payments <sup>2</sup> \$'000	Variance \$'000
	Annual Capital Budget \$'000	Section 75 \$'000				
<b>Departmental</b> Ordinary annual services - Departmental Capital Budget <sup>1</sup>	649	-	649	-	649	-

1. Departmental and Administered Capital Budgets are appropriated through Appropriation (Parliamentary Departments) Act (No. 1). They form part of ordinary annual services, and are not separately identified in the Appropriation Act. The above amounts are also included in Table A: Annual Appropriations. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

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

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

1. Departmental and Administered Capital Budgets are appropriated through Appropriation (Parliamentary Departments) Act (No. 1). They form part of ordinary annual services, and are not separately identified in the Appropriation Act. The above amounts are also included in Table A: Annual Appropriations. For more information on ordinary annual services appropriations, please see Table A: Annual appropriations.

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

3. The variance shown is due to spending current year and prior year capital on new capital projects.

**Note 22C: Unspent Annual Appropriations ('Recoverable GST exclusive')**

	2015 \$'000	2014 \$'000
<b>Departmental</b>		
Appropriation (Parliamentary Departments) Act (No. 1) 2013-14	80	15,293
Appropriation (Parliamentary Departments) Act (No. 1) 2014-15	12,459	-
<b>Total departmental</b>	<b>12,539</b>	<b>15,923</b>
<b>Administered</b>		
Appropriation (Parliamentary Departments) Act (No. 1) 2013-14	-	14
Appropriation (Parliamentary Departments) Act (No. 1) 2014-15	21	-
<b>Total administered</b>	<b>21</b>	<b>14</b>

**Note 22D: Disclosures by Agent in Relation to Annual and Special Appropriations ('Recoverable GST exclusive')**

	Department of Finance (third party drawing rights) \$'000	Australian Public Service Commission (third party drawing rights) \$'000
<b>2015</b>		
Total receipts	7,326	38,104
Total payments	7,326	38,104
<b>2014</b>		
	Department of Finance (third party drawing rights) \$'000	Australian Public Service Commission (third party drawing rights) \$'000
Total receipts	7,086	38,149
Total payments	7,086	38,149

## Note 23: Special Accounts

Inter-Parliamentary Relations Special Account (Departmental)	2015	2014
	\$'000	\$'000
Appropriation: <i>Public Governance, Performance and Accountability Act 2013</i> ; s80		
Establishing Instrument: 2004/08		
<i>Purpose</i> : For the receipt of all moneys and the payment of all expenditure related to the operation of the Commonwealth Parliamentary Association on behalf of the States, Territories and Commonwealth Branches of the Commonwealth Parliamentary Association, inter-parliamentary training, education and development services provided to support other governments and bodies that are not non-corporate Commonwealth entities within the meaning of the <i>Public Governance, Performance and Accountability Act 2013</i> .		
The Minister for Finance has approved the earning of interest for this account under section 20 of the Financial Management and Accountability Act 1997. Interest is appropriated under this section of the Act.		
Balance brought forward from previous period	2,503	2,473
<b>Increases</b>		
Appropriation for reporting period	62	78
GST recoverable (FMA Act section 30A)	1	2
<b>Total increases</b>	63	80
<b>Available for payments</b>	2,566	2,553
<b>Decreases</b>		
Payments made to suppliers	(16)	(50)
<b>Total decrease</b>	(16)	(50)
<b>Total Balance carried to next period</b>	2,550	2,503

## Note 24: Reporting of Outcomes

### Note 24A: Net Cost of Outcome Delivery

	Outcome 1	
	2015 \$'000	2014 \$'000
<b>Departmental</b>		
Expenses	24,450	24,409
Own-source income	3,248	3,075
<b>Administered</b>		
Expenses	330	315
<b>Net cost/(contribution) of outcome delivery</b>	<b>21,532</b>	<b>21,649</b>

### Note 24B: Major Classes of Departmental Expenses, Income, Assets and Liabilities by Outcome

	Outcome 1 <sup>1</sup>	
	2015 \$'000	2014 \$'000
<b>Expenses</b>		
Employee benefits	18,039	18,103
Suppliers	5,689	5,804
Depreciation and amortisation	715	499
Write-down and impairment of assets	7	1
Losses from asset sales	-	2
<b>Total expenses</b>	<b>24,450</b>	<b>24,409</b>
<b>Own-source income</b>		
Sale of goods and rendering of services	81	508
Interest	-	2
Other revenue	1,120	568
Other gains	2,047	1,997
<b>Total own-source income</b>	<b>3,248</b>	<b>3,075</b>
<b>Assets</b>		
Cash and cash equivalents	1,392	645
Trade and other receivables	15,576	18,043
Property, plant and equipment	5,262	4,562
Intangibles	2,654	2,621
Inventories	18	22
Other non-financial assets	213	142
<b>Total assets</b>	<b>25,115</b>	<b>26,035</b>
<b>Liabilities</b>		
Suppliers	338	804
Other payables	1,302	1,738
Employee provisions	5,527	5,664
<b>Total liabilities</b>	<b>7,167</b>	<b>8,206</b>

1. Outcome 1 is described in Note 1.1

### Note 24C: Major Classes of Administered Expenses, Income, Assets and Liabilities by Outcome

	Outcome 1 <sup>1</sup>	
	2015 \$'000	2014 \$'000
<b>Expenses</b>		
Hospitality Services	330	315
<b>Total expenses</b>	<b>330</b>	<b>315</b>
<b>Assets</b>		
GST Receivable from Australian Taxation Office	2	5
<b>Total assets</b>	<b>2</b>	<b>5</b>
<b>Liabilities</b>		
Trade creditors and accruals	26	4
GST Appropriation payable to OPA	2	5
<b>Total liabilities</b>	<b>28</b>	<b>9</b>

1. Outcome 1 is described in Note 1.1

## Note 25: Budgetary Reports and Explanations of Major Variances

The following tables provide a comparison of the original budget as presented in the 2014-15 Portfolio Budget Statements (PBS) to the 2014-15 final outcome as presented in accordance with Australian Accounting Standards for the entity. The Budget is not audited.

### Note 25A: Departmental Budgetary Reports

#### Statement of Comprehensive Income

for the period ended 30 June 2015

	Budget estimate		
	Actual	Original <sup>1</sup>	Variance <sup>2</sup>
	2015	2015	2015
	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	18,039	17,560	479
Suppliers	5,689	5,720	(31)
Depreciation and amortisation	715	622	93
Write-down and impairment of assets	7	-	7
<b>Total expenses</b>	<b>24,450</b>	<b>23,902</b>	<b>548</b>
<b>Own-Source Income</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	81	95	(14)
Other revenue	1,120	1,003	117
<b>Total own-source revenue</b>	<b>1,201</b>	<b>1,098</b>	<b>103</b>
<b>Gains</b>			
Gains from sale of assets	-	10	(10)
Other gains	2,047	2,000	47
<b>Total gains</b>	<b>2,047</b>	<b>2,010</b>	<b>37</b>
<b>Total own-source income</b>	<b>3,248</b>	<b>3,108</b>	<b>140</b>
<b>Net (cost of)/contribution by services</b>	<b>21,202</b>	<b>20,794</b>	<b>408</b>
Revenue from Government	20,672	20,172	500
<b>Surplus/(Deficit) attributable to the Australian Government</b>	<b>(530)</b>	<b>(622)</b>	<b>92</b>
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>(530)</b>	<b>(622)</b>	<b>92</b>

1. The Department's original budgeted financial statement that was first presented to Parliament in respect of the reporting period.

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided at Note 25B.

**Note 25A: Departmental Budgetary Reports**

**Statement of Financial Position**

as at 30 June 2015

	Budget estimate		
	Actual 2015 \$'000	Original <sup>1</sup> 2015 \$'000	Variance <sup>2</sup> 2015 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	1,392	650	742
Trade and other receivables	15,576	16,370	(794)
<b>Total financial assets</b>	<b>16,968</b>	<b>17,020</b>	<b>(52)</b>
<b>Non-financial assets</b>			
Property, plant and equipment	5,262	5,740	(478)
Intangibles	2,654	2,626	28
Inventories	18	16	2
Other non-financial assets	213	120	93
<b>Total non-financial assets</b>	<b>8,147</b>	<b>8,502</b>	<b>(355)</b>
<b>Total assets</b>	<b>25,115</b>	<b>25,522</b>	<b>(407)</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	338	400	(62)
Other payables	1,302	656	646
<b>Total payables</b>	<b>1,640</b>	<b>1,056</b>	<b>584</b>
<b>Provisions</b>			
Employee provisions	5,527	5,855	(328)
<b>Total provisions</b>	<b>5,527</b>	<b>5,855</b>	<b>(328)</b>
<b>Total liabilities</b>	<b>7,167</b>	<b>6,911</b>	<b>256</b>
<b>Net assets</b>	<b>17,948</b>	<b>18,611</b>	<b>(663)</b>
<b>EQUITY</b>			
<b>Parent entity interest</b>			
Contributed equity	(11,677)	(11,724)	47
Reserves	13,437	13,437	-
Retained surplus/(Accumulated deficit)	16,188	16,898	(710)
<b>Total parent entity interest</b>	<b>17,948</b>	<b>18,611</b>	<b>(663)</b>
<b>Total equity</b>	<b>17,948</b>	<b>18,611</b>	<b>(663)</b>

1. The Department's original budgeted financial statement that was first presented to Parliament in respect of the reporting period.

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided at Note 25B.



**Note 25A: Departmental Budgetary Reports**  
**Statement of Changes in Equity**  
*for the period ended 30 June 2015*

	Retained earnings		Asset revaluation surplus		Contributed equity/capital		Total equity	
	Budget estimate		Budget estimate		Budget estimate		Budget estimate	
	Actual	2015	Actual	2015	Actual	2015	Actual	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Opening balance</b>	16,718	17,520	13,437	13,437	(12,326)	(12,371)	17,829	18,586
Balance carried forward from previous period		(802)				45		(757)
<b>Adjusted opening balance</b>	16,718	17,520	13,437	13,437	(12,326)	(12,371)	17,829	18,586
<b>Comprehensive income</b>								
Surplus/(Deficit) for the period	(530)	(622)					(529)	(622)
<b>Total comprehensive income</b>	(530)	(622)					(529)	(622)
Total comprehensive income attributable to Australian Government	(530)	(622)					(530)	(622)
<b>Transactions with owners</b>								
Distributions to owners					649	649	649	649
Departmental capital budget								
Other movements					(2)	(2)		(2)
<b>Total transactions with owners</b>					649	647	649	647
<b>Closing balance as at 30 June</b>	16,188	16,898	13,437	13,437	(11,677)	(11,724)	17,949	18,611
<b>Closing balance attributable to Australian Government</b>	16,188	16,898	13,437	13,437	(11,677)	(11,724)	17,948	18,611

1. The Department's original budgeted financial statement that was first presented to Parliament in respect of the reporting period.

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are at Note 25B.

**Note 25A: Departmental Budgetary Reports**

**Cash Flow Statement**

for the period ended 30 June 2015

	Budget estimate		Variance <sup>2</sup>
	Actual	Original <sup>1</sup>	
	2015	2015	2015
	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations	22,929	23,217	(288)
Sale of goods and rendering of services	398	95	303
Net GST received	225	-	225
Revenue from external sources	570	-	570
Other	2	869	(867)
<b>Total cash received</b>	<b>24,124</b>	<b>24,181</b>	<b>(57)</b>
<b>Cash used</b>			
Employees	18,057	17,560	497
Suppliers	4,520	5,720	(1,200)
<b>Total cash used</b>	<b>22,577</b>	<b>23,280</b>	<b>(703)</b>
<b>Net cash from/(used by) operating activities</b>	<b>1,547</b>	<b>901</b>	<b>646</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment	-	100	(100)
<b>Total cash received</b>	<b>-</b>	<b>100</b>	<b>(100)</b>
<b>Cash used</b>			
Purchase of property, plant and equipment	1,043	1,598	(555)
Purchase of intangibles	406	-	406
<b>Total cash used</b>	<b>1,449</b>	<b>1,598</b>	<b>(149)</b>
<b>Net cash from/(used by) investing activities</b>	<b>(1,449)</b>	<b>(1,498)</b>	<b>49</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity (DCB)	649	647	2
<b>Total cash received</b>	<b>649</b>	<b>647</b>	<b>2</b>
<b>Cash used</b>			
Funds returned to the OPA	-	-	-
<b>Total cash used</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>649</b>	<b>647</b>	<b>2</b>
<b>Net increase/(decrease) in cash held</b>	<b>747</b>	<b>50</b>	<b>697</b>
Cash and cash equivalents at the beginning of the reporting period	645	600	45
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>1,392</b>	<b>650</b>	<b>742</b>

1. The Department's original budgeted financial statement that was first presented to Parliament in respect of the reporting period.

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided at Note 25B.

**Note 25B: Departmental Major Budget Variances for 2015**

<b>Explanations of major variances</b>	<b>Affected line items (and statement)</b>
<u>Employees</u>	
The variances were caused by a number of factors; a return to full compliment of staff; 3% pay increase from December 2014, differences in the discount rates used between budget and actual; staff movements at the Senior Executive level.	Employee benefits expense (Statement of Comprehensive Income), Employee Provisions (Statement of Financial Position), Operating cash used - employees (Cash Flow Statement)
<u>Own source revenue</u>	
The variances were caused by a number of factors; the cessation of payroll services provided to the PBO not known at the time of setting the budget; funds received from DFAT (AusAID) not fully utilised as the commencement of programs was delayed due to the need to allocate resources and provide training tailored to Pacific Island Parliamentarians.	Sales of Goods and Rendering of Services (Statement of Comprehensive Income), Other revenue (Statement of Comprehensive Income), Other Payables (Statement of Financial Position), Operating cash received - Sale of goods and rendering of services, Net GST received, Revenue from external sources, Other (Cash Flow Statement)
<u>Non-Financial Assets</u>	
The variances were caused by a number of factors; purchases relating to the upgrade of furniture in Departmental offices not proceeding as originally planned and an increase in prepayments relating to the purchase of new software licences.	Property, Plant and Equipment (Statement of Financial Position), Other non-financial assets (Statement of Financial Position), Purchase of Property, Plant and Equipment and Intangibles (Cash Flow Statement)

**Note 25C: Administered Budgetary Reports**

**Administered Schedule of Comprehensive Income**  
*for the period ended 30 June 2015*

	Budget estimate		
	Actual	Original <sup>1</sup>	Variance <sup>2</sup>
	2015	2015	2015
	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Suppliers	330	325	5
<b>Total expenses</b>	<b>330</b>	<b>325</b>	<b>5</b>
<b>Net (cost of)/contribution by services</b>	<b>330</b>	<b>325</b>	<b>5</b>
<b>Surplus/(Deficit) on continuing operations</b>	<b>(330)</b>	<b>(325)</b>	<b>(5)</b>

1. The Department's original budgeted financial statement that was first presented to Parliament in respect of the reporting period.
2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

**Administered Schedule of Assets and Liabilities**  
*as at 30 June 2015*

	Budget estimate		
	Actual	Original <sup>1</sup>	Variance <sup>2</sup>
	2015	2015	2015
	\$'000	\$'000	\$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Taxation receivables	2	-	2
<b>Total financial assets</b>	<b>2</b>	<b>-</b>	<b>2</b>
<b>Total assets administered on behalf of Government</b>	<b>2</b>	<b>-</b>	<b>2</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	26	-	26
Other payables	2	-	2
<b>Total payables</b>	<b>28</b>	<b>-</b>	<b>28</b>
<b>Total liabilities administered on behalf of Government</b>	<b>28</b>	<b>-</b>	<b>28</b>
<b>Net assets/(liabilities)</b>	<b>(26)</b>	<b>-</b>	<b>26</b>

1. The Department's original budgeted financial statement that was first presented to Parliament in respect of the reporting period.
2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further below.

**Note 25D: Administered Major Budget Variances for 2015**

<b>Explanations of major variances</b>	<b>Affected line items (and schedule)</b>
The variances were caused by no estimate being predicted for accrued expenses in setting the 2014-15 budget.	Supplier payables (Administered Schedule of Assets and Liabilities)