



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

PARLIAMENTARY SERVICES DEPARTMENT FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

I have audited the accounts, financial statements and controls of the Parliamentary Services Department.

The financial statements comprise the Balance Sheet as at 30 June 2007, and the Income Statement, Statement of Changes in Equity, Cash Flow Statement, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, a summary of significant accounting policies and other explanatory Notes.

Executive Manager's Responsibility for the Financial Statements

The Executive Manager is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements and controls based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Parliamentary Services Department at 30 June 2007 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions; and
- (ii) the controls exercised by the Department provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

JOHN DOYLE
ACTING AUDITOR GENERAL
21 September 2007

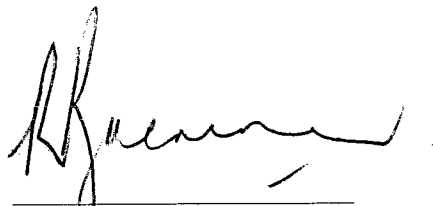
PARLIAMENTARY SERVICES DEPARTMENT
CERTIFICATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

The accompanying financial statements of the Parliamentary Services Department have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2007 and the financial position as at 30 June 2007.

At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



Michel Crouche
Chief Finance Officer
Date: 18-09-07



Russell Bremner
Accountable Authority
Date: 18 Sept. 2007.



PARLIAMENTARY SERVICES DEPARTMENT

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2007**



**PARLIAMENTARY SERVICES DEPARTMENT
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007	2006
		\$000	\$000
COST OF SERVICES			
Expenses			
Employee benefits expense	7	6,720	6,550
Supplies and services	8	2,616	2,282
Depreciation and amortisation expense	9	435	593
Accommodation expenses	10	629	825
Capital user charge	11	2,320	2,319
Other expenses	12	39	37
Total cost of services		12,759	12,606
Income			
Revenue			
Other Revenue	13	1	4
Gains			
Gain on disposal of non-current assets	14	-	1
Total income other than income from State of WA		1	5
NET COST OF SERVICES		12,758	12,601
INCOME FROM STATE OF WA			
Service appropriation	15	13,461	13 032
Liabilities assumed by the Treasurer		12	14
Total income from State of WA		13,473	13,046
SURPLUS FOR THE PERIOD		715	445

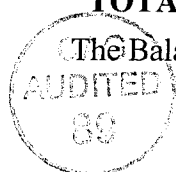
The Income Statement should be read in conjunction with the accompanying notes.



**PARLIAMENTARY SERVICES DEPARTMENT
BALANCE SHEET
AS AT 30 JUNE 2007**

	Note	2007	2006
		\$000	\$000
ASSETS			
Current Assets			
Cash and cash equivalents	27	1,778	846
Receivables	17	332	53
Amounts receivable for services	18	540	150
Other current assets	19	126	40
Total Current Assets		2,776	1,089
Non-Current Assets			
Restricted cash and cash equivalents	16, 27	39	19
Amounts receivable for services	18	804	694
Property, plant and equipment	20	36,201	30,826
Intangible assets	21	1	26
Total Non-Current Assets		37,045	31,565
TOTAL ASSETS		39,821	32,654
LIABILITIES			
Current Liabilities			
Payables	23	417	271
Provisions	24	955	868
Other current liabilities	25	220	108
Total Current Liabilities		1,592	1,247
Non-Current Liabilities			
Provisions	24	262	390
Total Non-Current Liabilities		262	390
Total Liabilities		1,854	1,637
Net Assets		37,967	31,017
EQUITY			
Contributed equity	26	9,047	6,007
Reserves		23,348	20,153
Accumulated surplus		5,572	4,857
Total Equity		37,967	31,017
TOTAL LIABILITIES AND EQUITY		39,821	32,654

The Balance Sheet should be read in conjunction with the accompanying notes.



**PARLIAMENTARY SERVICES DEPARTMENT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007	2006
		\$000	\$000
Balance of equity at start of period		31,017	29,528
CONTRIBUTED EQUITY	26		
Balance at start of period		6,007	7,027
Capital contribution		3,040	-
Distributions to owners		-	(1,020)
Balance at end of period		9,047	6,007
RESERVES	26		
Asset Revaluation Reserve			
Balance at start of period		20,153	18,234
Gains/(losses) from asset revaluation		3,195	1,919
Balance at end of period		23,348	20,153
ACCUMULATED SURPLUS	26		
Balance at start of period		4,857	4,267
Changes in accounting policy or correction of prior period errors		-	145
Restated balance at start of period		4,857	4,412
Surplus for the period		715	445
Balance at end of period		5,572	4,857
Balance of equity at end of period		37,967	31,017
Total income and expense for the period ^(a)		3,910	2,364

^(a) The aggregate net amount attributable to each category of equity is: surplus of \$715,000 plus gains from asset revaluation \$3,195,000 (2006: surplus \$445,000 plus gains from asset revaluation \$1,919,000).

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.



**PARLIAMENTARY SERVICES DEPARTMENT
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$000	2006 \$000
CASH FLOWS FROM STATE OF WA			
Service appropriation		12,811	12,402
Capital contribution		3,040	-
Holding account drawdowns		150	580
Net cash provided by State of WA		16,001	12,982
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(6,839)	(6,372)
Supplies and services		(2,754)	(2,212)
Capital user charge		(2,320)	(2,319)
Accommodation		(483)	(817)
GST payments on purchases		(632)	(520)
Other payments		(39)	(36)
Receipts			
GST receipts from taxation authority		606	533
Other receipts		1	4
Net Cash Provided by/ (used in) Operating Activities	27	(12,460)	(11,739)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of non-current physical assets		-	1
Purchase of non-current physical assets		(2,589)	(1,980)
Net cash provided by/(used in) investing activities		(2,589)	(1,979)
Net increase/(decrease) in cash and cash equivalents		952	(736)
Cash and cash equivalents at the beginning of period		865	1,601
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	27	1,817	865

The Cash Flow Statement should be read in conjunction with the accompanying notes.



**PARLIAMENTARY SERVICES DEPARTMENT
SUMMARY OF CONSOLIDATED ACCOUNT APPROPRIATIONS AND INCOME
ESTIMATES
FOR THE YEAR ENDED 30 JUNE 2007**

	2007 Estimate \$000's	2007 Actual \$000's	Variance \$000's	2007 Actual \$000's	2006 Actual \$000's	Variance \$000's
DELIVERY OF SERVICES						
Item 3 Net amount appropriated to deliver services	13,358	13,461	(103)	13,461	13,032	429
Total appropriations provided to deliver services	13,358	13,461	(103)	13,461	13,032	429
CAPITAL						
Item 123 Capital contribution	3,040	3,040	-	3,040	-	3,040
GRAND TOTAL	16,398	16,501	(103)	16,501	13,032	3,469
Details of Expenses by Service						
Parliamentary Administrative and Support Services	13,500	12,759	741	12,759	12,606	153
Less total income	(35)	(1)	(34)	(1)	(5)	4
Net Cost of Services	13,465	12,758	707	12,758	12,601	157
Adjustments (i)	(107)	703	(810)	703	431	272
Total appropriations provided to deliver services	13,358	13,461	(103)	13,461	13,032	429
Capital Expenditure						
Purchase of non-current physical assets	3,067	2,589	478	2,589	1,980	609
Adjustments for other funding sources	(27)	451	(478)	451	(1,980)	2,431
Capital Contribution (appropriation)	3,040	3,040	-	3,040	-	3,040

(i) Adjustments comprise movements in cash balances and other accrual items such as receivables, payables and superannuation

Note 32 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2007 and between the actual results for 2006 and 2007.



**PARLIAMENTARY SERVICES DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

1. Departmental mission and funding

Parliamentary Services Department's role is to ensure the provision of an appropriate environment and ancillary services to Members of Parliament, Chamber Departments, Parliamentary staff and other users.

The Department is funded by Parliamentary appropriations.

2. Australian equivalents to International Financial Reporting Standards

General

The Department's financial statements for the year ended 30 June 2007 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Department has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Department for the annual reporting period ended 30 June 2007.

3. Summary of significant accounting policies

(a) General Statement

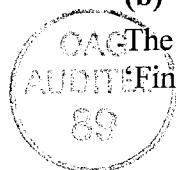
The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording.

The Financial Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of Preparation

The financial statements have been prepared in accordance with Accounting Standard AAS 29 'Financial Reporting by Government Departments' on the accrual basis of accounting using



**PARLIAMENTARY SERVICES DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

The judgements that have been made in the process of applying the Department's accounting policies that have the most significant effect on the amounts recognised in the financial statements are disclosed at note 4 'Judgements made by management in applying accounting policies'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed at note 5 'Key sources of estimation uncertainty'.

(c) Reporting Entity

The reporting entity comprises the Department.

(d) Contributed Equity

UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital contributions (appropriations) have been designated as contributions by Treasurer's instruction (TI) 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

Transfers of net assets to/from other agencies are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal. See note 26 'Equity'.

(e) Income

Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Rendering of services

Revenue is recognised upon delivery of the service to the client or by reference to the stage of completion of the transaction.

Service Appropriations

Service Appropriations are recognised as revenues in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Department's bank account or credited to the holding account



**PARLIAMENTARY SERVICES DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

held at the Department of Treasury and Finance. See note 15 'Income from State of WA' for further detail.

Net Appropriation Determination

The Treasurer may make a determination providing for prescribed receipts to be retained for services under the control of the Department. In accordance with the determination specified in the 2006-2007 Budget Statements, the Department retained \$1,000 in 2007 (\$5,000 in 2006) from one-off gains with a value of less than \$10,000 derived from the sale of property other than real property.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Department obtains control over the assets comprising the contributions which is usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the balance sheet date, the nature of, and amounts pertaining to, those undischarged conditions are disclosed in the notes.

Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Property, Plant and Equipment

Capitalisation/Expensing of assets

Items of property, plant and equipment costing over \$5,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Income Statement (other than when they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.

Subsequent measurement

After recognition as an asset, the Department uses the revaluation model for the measurement of land and buildings as well as works of art, and the cost model for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation on buildings and accumulated impairment losses. Works of art are carried at fair value less accumulated impairment losses. All other items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses.

Where market evidence is available, the fair value of land and buildings is determined on the basis of current market buying values determined by reference to recent market transactions.



**PARLIAMENTARY SERVICES DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

When buildings are re-valued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the re-valued amount.

Where market-based evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, ie. the depreciated replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgment by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Refer to note 20 'Property, plant and equipment' for further information on revaluations.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	100 years
Leasehold Improvements	Lower of asset life or lease term
Plant and Equipment	5 to 10 years
Office Equipment	5 to 10 years
Computer Equipment	3 years
Computer Software ^(a)	3 years

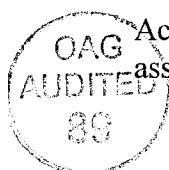
Works of art controlled by the Department are classified as property, plant and equipment. They are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period, and so no depreciation has been recognised.

(a) Software that is integral to the operation of related hardware.

(g) Intangible Assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets costing over \$5,000 or more and internally generated intangible assets costing over \$5,000 or more are capitalised. The cost of utilising the assets is expensed



**PARLIAMENTARY SERVICES DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

(amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Department have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Software ^(a)	3 years
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(a) Software that is not integral to the operation of any related hardware.

(h) Impairment of Assets

Property, plant and equipment, and intangible assets are tested for any indication of impairment at each balance sheet date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Department is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each balance sheet date irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each balance sheet date.

See note 22 'Impairment of assets' for the outcome of impairment reviews and testing.



**PARLIAMENTARY SERVICES DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

(i) Leases

The Department does not hold any finance lease.

The Department holds operating leases for the rent of an office building, motor vehicles and computer equipment. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(j) Financial Instruments

The Department has two categories of financial instrument:

- Loans and receivables (cash and cash equivalents, receivables); and
- Non-trading financial liabilities (payables).

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is in the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(k) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These are comprised of cash on hand.

(l) Accrued Salaries

The accrued salaries suspense account (see note 16 'Restricted cash and cash equivalents') consists of amounts paid annually into a suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries (refer note 25 'Other Liabilities') represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to its net fair value.

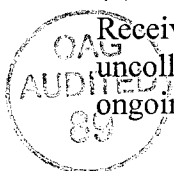
(m) Amounts Receivable for Services (Holding Account)

The Department receives appropriation funding on an accrual basis that recognises the full annual cash and non-cash cost of services. The appropriations are paid partly in cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

See also note 15 'Income from State of WA' and note 18 'Amounts receivable for services'.

(n) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts (*i.e. impairment*). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off. The allowance for



**PARLIAMENTARY SERVICES DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Department will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 3 (j) 'Financial Instruments' and note 17 'Receivables'.

(o) Payables

Payables are recognised when the Department becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 3 (j) 'Financial Instruments' and note 23 'Payables'.

(p) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the obligation. Provisions are reviewed at each balance sheet date. See note 24 'Provisions'

(i) Provisions - Employee Benefits

Annual Leave and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the end of the end of the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

A liability for long service leave is recognised after an employee has completed four years of service. An actuarial assessment of long service leave undertaken by PricewaterhouseCoopers Actuaries at 30 June 2005 determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Superannuation

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members. The Department has no liabilities for superannuation charges under the Pension or the GSS Schemes as the liability has been assumed by Treasurer.

Employees commencing employment prior to 16 April 2007 who are not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are



**PARLIAMENTARY SERVICES DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

accumulation schemes. The Department makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes.

The GESB makes all benefit payments in respect of the pension and the GSS Schemes, and is recouped by the Treasurer for the employer's share.

See also note 3(q) 'Superannuation expense'.

(ii) Provisions -Other

Employment On-Costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of the 'Other Expenses' and are not included as part of the Department's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'. See notes 12 'Other Expenses' and note 24 'Provisions'.

(q) Superannuation Expense

The following elements are included in calculating the superannuation expense in the Income Statement:

- (a) Defined benefit plans - Change in the unfunded employer's liability (i.e. current service cost and, actuarial gains and losses) assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme (GSS); and
- (b) Defined contribution plans - Employer contributions paid to the West State Superannuation Scheme (WSS), and the equivalent of employer contributions to the GSS.

Defined benefit plans - in order to reflect the true cost of services, the movements (i.e. current service cost and, actuarial gains and losses) in the liabilities in respect of the Pension Scheme and the GSS Scheme transfer benefits are recognised as expenses directly in the Income Statement. As these liabilities are assumed by the Treasurer (refer note 3(p)(i)) a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State of WA in the Income Statement. See note 15 'Income from State of WA'.

Defined contribution plans - in order to reflect the Department's true cost of services, the Department is funded for the equivalent of employer contributions in respect of the GSS Scheme (excluding transfer benefits). These contributions were paid to the GESB during the year and placed in a trust account administered by the GESB on behalf of the Treasurer. The GESB subsequently paid these employer contributions in respect of the GSS Scheme to the Consolidated Account.

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, apart from the transfer benefit, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.



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(r) Resources Received Free of Charge or For Nominal Consideration

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income and as assets or expenses as appropriate, at fair value.

(s) Resources Provided Free of Charge

A small, agreed component of the net cost of services of the Department is allocated to the Administration of the Governor's Establishment for accounting and payroll services provided during the year. The remaining, majority of the net cost of services of the Department is apportioned based on the number of Members of Parliament in the Legislative Council and Legislative Assembly. These amounts are recorded in the financial statements of the Administration of the Governor's Establishment, Legislative Council and Legislative Assembly respectively, as resources received free of charge.

(t) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures in the current financial year.

4. Judgements made by management in applying accounting policies

The judgements that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements include:

Operating Lease Commitment

The Department has entered into a commercial lease and has determined that it retains all the significant risks and rewards of ownership of the property. Accordingly the lease has been classified as an operating lease.

5. Key sources of estimation uncertainty

There were no key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. Disclosure of changes in accounting policy and estimates

Initial application of an Australian Accounting Standard

There was no initial application of an Australian Accounting Standard.

Voluntary changes in Accounting Policy

There was no voluntary change in accounting policy.

Future impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Department has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. These will be applied from their application date:



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101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]). This Standard requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Department's exposure to risks, enhanced disclosure regarding components of the Department's financial position and performance, and possible changes to the way of presenting certain items in the financial statements. The Department does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.

2. AASB 2005-10 'Amendments to Australian Accounting Standards (AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023, & AASB 1038)'. The amendments are as a result of the issue of AASB 7 'Financial Instruments: Disclosures', which amends the financial instrument disclosure requirements in these standards. The Department does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.
3. AASB 101 'Presentation of Financial Statements'. This Standard was revised and issued in October 2006 so that AASB 101 has the same requirements as IAS 1 'Presentation of Financial Statements' (as issued by the IASB) in respect of for-profit entities. The Department is a not-for-profit entity and consequently does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 January 2007.
4. AASB 2007-4 'Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments (AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 & 1038)'. This Standard introduces policy options and modifies disclosures. These amendments arise as a result of the AASB decision that, in principle, all options that currently exist under IFRSs should be included in the Australian equivalents to IFRSs and additional Australian disclosures should be eliminated, other than those now considered particularly relevant in the Australian reporting environment. The Department of Treasury and Finance has indicated that it will mandate to remove the policy options added by this amending Standard. This will result in no impact as a consequence of application of the Standard. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.
5. AASB 2007-5 'Amendment to Australian Accounting Standard – Inventories Held for Distribution by Not-for-Profit Entities (AASB 102)'. This amendment changes AASB 102 'Inventories' so that inventories held for distribution by not-for-profit entities are measured at cost, adjusted when applicable for any loss of service potential. The Department does not have any inventories held for distribution so does not expect any financial impact when the Standard is first applied. The Standard is required to be applied to annual reporting periods beginning on or after 1 July 2007.
6. AASB Interpretation 4 'Determining whether an Arrangement Contains a Lease [revised]'. This Interpretation was revised and issued in February 2007 to specify that if a public-to-private service concession arrangement meets the scope requirements of AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007, it would not be within the scope of Interpretation 4. At balance sheet date, the Department has not entered into any arrangements as specified in the Interpretation or within the scope of



**PARLIAMENTARY SERVICES DEPARTMENT
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Interpretation 12, resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

7. AASB Interpretation 12 'Service Concession Arrangements'. This Interpretation was issued in February 2007 and gives guidance on the accounting by operators (usually a private sector entity) for public-to-private service concession arrangements. It does not address the accounting by grantors (usually a public sector entity). It is currently unclear as to the application of the Interpretation to the Department if and when public-to-private service concession arrangements are entered into in the future. At balance sheet date, the Department has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.
8. AASB Interpretation 129 'Service Concession Arrangements: Disclosures [revised]'. This Interpretation was revised and issued in February 2007 to be consistent with the requirements in AASB Interpretation 12 'Service Concession Arrangements' as issued in February 2007. Specific disclosures about service concession arrangements entered into are required in the notes accompanying the financial statements, whether as a grantor or an operator. At balance sheet date, the Department has not entered into any public-to-private service concession arrangements resulting in no impact when the Interpretation is first applied. The Interpretation is required to be applied to annual reporting periods beginning on or after 1 January 2008.

The following Australian Accounting Standards and Interpretations are not applicable to the Department as they will have no impact or do not apply to not-for-profit entities:

AASB Standards and Interpretations

AASB 8	'Operating Segments'
AASB 1049	'Financial Reporting of General Government Sectors by Governments'
AASB 2007-1	'Amendments to Australian Accounting Standards arising from AASB Interpretation 11 [AASB 2]'
AASB 2007-2	'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]' – paragraphs 1 to 8
AASB 2007-3	'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]'
AASB 2007-6	'Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]'
AASB 2007-7	'Amendments to Australian Accounting Standards [AASB 1, AASB 2, AASB 4, AASB 5, AASB 107 & AASB 128]'
Interpretation 10	'Interim Financial Reporting and Impairment'
Interpretation 11	'AASB 2 – Group and Treasury Share Transactions'

Changes in Accounting Estimates

There was no change in accounting estimates.



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	2007	2006
	\$000	\$000
7. Employee benefits expense		
Wages and salaries ^(a)	5,222	5,082
Superannuation - defined contribution plans ^(b)	266	334
Superannuation - defined benefit plans ^{(c) (d)}	201	199
Long service leave ^(e)	160	278
Annual leave ^(e)	871	657
	6,720	6,550

^(a) Includes the value of fringe benefit to the employee plus the fringe benefits tax component.

^(b) Defined contribution plans include West State, Gold State and GESBS (contributions paid).

^(c) Defined benefit plans include Pension scheme and Gold State (pre-transfer benefit).

^(d) An equivalent notional income is also recognized (see note 15 'Income from State of WA').

^(e) Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance are included at note 12 Other Expenses. The employment on-costs liability is included at note 24 Provisions.

8. Supplies and services

Communications	157	187
Consultants and contractors	147	184
Consumables	653	291
Travel	56	48
IT equipment leasing & maintenance	474	460
Security services	210	236
Hansard printing	223	233
Insurances	67	180
Utility charges	169	160
Contract staff	178	106
Staff training	65	53
Other	217	144
	2,616	2,282

9. Depreciation and amortisation expense

Depreciation

Plant and equipment	112	91
Building	298	262
Leasehold improvements	-	208
Total Depreciation	410	561

Amortisation

Intangible assets	25	32
Total Amortisation	25	32
Total Depreciation and Amortisation	435	593



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	2007	2006
	\$000	\$000
10. Accommodation expenses		
Lease rentals	140	129
Rates	55	55
Repairs and maintenance	269	467
Cleaning	165	174
	629	825

11. Capital User Charge	2,320	2,319
	2,320	2,319

The charge was a levy applied by Government for the use of its capital. In 2006-07, the final year in which the charge was levied, a single payment was made equal to the appropriation for 2006-07 less any adjustment relating to 2005-06.

12. Other expenses		
Employment on-costs ^(a)	12	15
Other ^(b)	27	22
	39	37

^(a) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 24 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

^(b) Audit fee, see also note 35 'Remuneration of auditor'.

13. Other Revenue

Proceeds from disposal of property not classified as non-current assets

	1	4
	1	4

14. Net gain/(loss) on disposal of non-current assets

Costs of Disposal of Non-Current Assets

Plant and equipment

	-	-
--	---	---

Proceeds from Disposal of Non-Current Assets

Plant and equipment

	-	1
--	---	---

Net gain / (loss)

	-	1
	-	1



**PARLIAMENTARY SERVICES DEPARTMENT
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	2007	2006
	\$000	\$000
15. Income from State of WA		
Appropriation received during the year:		
Service appropriations ^(a)	13,461	13,032
	13,461	13,032
The following liabilities have been assumed by the Treasurer during the financial year:		
- Superannuation ^(b)	12	14
	13,473	13,046

- (a) Service appropriations are accrual amounts reflecting the full cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.
- (b) The assumption of the superannuation liability by the Treasurer is a notional income to match the notional superannuation expense reported in respect of current employees who are members of the Pension Scheme and current employees who have a transfer benefit entitlement under the Gold State Superannuation Scheme. (The notional superannuation expense is disclosed at note 7 'Employee Benefits Expense').

16. Restricted cash and cash equivalents

Non-current		
Accrued salaries suspense account ^(a)	39	19
	39	19

^(a) Amount held in the suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

17. Receivables

Current		
Receivables	280	27
GST Receivable	52	26
	332	53

18. Amounts receivable for services

Current	540	150
Non-Current	804	694
	1,344	844

Represents the non-cash component of service appropriations. See note 3(n) 'Amounts receivable for services (Holding Account)'. It is restricted in that it can only be used for asset replacement or payment of leave liability.

19. Other assets

Current		
Prepayments	126	40
	126	40



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NOTES TO THE FINANCIAL STATEMENTS
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	2007	2006
	\$000	\$000
20. Property, plant and equipment		
<u>Land</u>		
At Fair Value ^(a)	1,447	1,227
<u>Buildings</u>		
At Fair Value ^(a)	35,408	28,312
Accumulated depreciation	(1,730)	(1,432)
	33, 678	26, 880
<u>Leasehold Improvements</u>		
At Cost	1,238	1,238
Accumulated Amortisation	(1,238)	(1,238)
	0	0
<u>Office Equipment</u>		
At Cost	2,886	2,753
Accumulated Depreciation	(2,568)	(2,462)
	318	291
<u>Works of Art</u>		
At Valuation	705	685
The valuation of works of art is in accordance with an independent valuation which was undertaken by Joy Legge of the Joy Legge Art Consultancy, on the basis of current market value in 2005.		
<u>Works in Progress</u>		
At Cost	53	1,743
Represents projects currently being undertaken but not yet finished and liable to depreciation.		
	36,201	30,826

^(a) Freehold land and buildings were revalued as at 1 July 2006 by the Western Australian Land and Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2007 and recognised at 30 June 2007. In undertaking the revaluation, fair value was determined by reference to market values for land: \$1,447,000 and buildings: \$29,556,700. For the remaining balance, fair value of land and buildings was determined on the basis of depreciated replacement cost. See note 2(f) 'Property, Plant and Equipment'.





**PARLIAMENTARY SERVICES DEPARTMENT
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Reconciliation of the carrying amounts of Property, plant and equipment at the beginning and end of the reporting period are set out below.

	Land \$000	Building \$000	Leasehold Improvements \$000	Furniture & Equipment \$000	Works of Art \$000	Works in Progress \$000	Total \$000
2007							
Carrying amount at start of year	1,227	26,880	-	291	685	1,743	30,826
Additions				10		3,131	3,141
Transfers ^(a)		4,121		135	20	(4,821)	(545)
Other Disposals				(6)			(6)
Revaluation Increments	220	2,975					3,195
Impairment losses ^(b)							-
Impairment losses reversed ^(b)							-
Depreciation		(298)		(112)			(410)
Carrying amount at end of year	1,447	33,678	-	318	705	53	36,201

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	Land	Building	Leasehold Improvements	Furniture & Equipment	Works of Art	Works in Progress	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2006							
Carrying amount at start of year	2,227	24,843	208	314	685	86	26,363
Additions		64		67		1,848	1,979
Transfers ^(a)	(1,020)	191				(191)	(1,020)
Other Disposals							-
Revaluation Increments	20	2,044					2,064
Impairment losses ^(b)							-
Impairment losses reversed ^(b)							-
Depreciation		(262)	(208)	(90)			(560)
Carrying amount at end of year	1,227	26,880	-	291	685	1,743	30,826

^(a) The Department of Planning and Infrastructure (DPI) is the only agency with the power to sell Crown land. The land is transferred to DPI for sale and the department accounts for the transfer as a distribution to owner (DTO).

^(b) Recognised in the Income Statement



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	2007	2006
	\$000	\$000
21. Intangible Assets		
Computer Software		
At Cost	356	356
Accumulated amortisation	(355)	(330)
	<u>1</u>	<u>26</u>
Reconciliations:		
Carrying amount at start of year	26	59
Additions	-	-
Classified as held for sale	-	-
Revaluation increments	-	-
Impairment losses recognised in income statement	-	-
Impairment losses reversed in income statement	-	-
Amortisation expense	(25)	(33)
Carrying amount at end of year	<u>1</u>	<u>26</u>
22. Impairment of assets		
There were no indications of impairment to property, plant and equipment, and intangible assets at 30 June 2007.		
The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period and at balance sheet date there were no intangible assets not yet available for use.		
The Department held no surplus assets at 30 June 2007.		
23. Payables		
Current		
Trade payables	136	50
Accrued expenses	281	221
	<u>417</u>	<u>271</u>
24. Provisions		
Current		
Employee benefits provision		
Annual Leave ^(a)	462	420
Long Service Leave ^(b)	481	438
	<u>943</u>	<u>858</u>
Other provisions		
Employment on-costs ^(c)	12	10
	<u>955</u>	<u>868</u>



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24. Provisions (...cont)	2007 \$000	2006 \$000
Non-current		
Employee benefits provision		
Long Service Leave ^(b)	259	386
Other provisions		
Employment on-costs ^(c)	3	4
	262	390

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date	462	420
More than 12 months after balance sheet date	-	-
	462	420

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date	300	438
More than 12 months after balance sheet date	440	386
	740	824

(c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included at note 12 'Other expenses'.

Movements in Other Provisions

Movements in each class of provisions during the financial year, other than employee benefits, are set out below.

Employment on-cost provision

Carrying amount at start of year	14	17
Additional provisions recognised	14	13
Payment/other sacrifices of economic benefits	(13)	(16)
Carrying amount at end of year	15	14

25. Other Liabilities

Current

Deferred Revenue	200	-
Accrued salaries	20	108
	220	108



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	2007	2006
	\$000	\$000
26. Equity		
Equity represents the residual interest in the net assets of the Department. The State of WA holds the equity interest in the Department on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.		
Contributed equity		
Balance at the start of the year	6,007	7,027
Contributions by owners		
Capital contribution ^(a)	3,040	-
Total contributions by owners	9,047	7,027
Distributions to owners		
Transfer of net assets to other agencies ^(b)		
Land for sale transferred to the Department for Planning and Infrastructure	-	(1,020)
Total distributions to owners	-	(1,020)
Balance at the end of the year	9,047	6,007
^(a) Capital Contributions (appropriations) have been designated as contributions by owners in Treasurer's Instruction TI 955 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' and are credited directly to equity.		
^(b) UIG Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires that where the transferee accounts for a transfer as a contribution by owner, the transferor must account for the transfer as a distribution to owners. Consequently, non-discretionary transfers of net assets to State government agencies are distribution to owners and are debited directly to equity.		
Reserves		
Asset Revaluation Reserve		
Balance at the start of the year	20,153	18,234
Net revaluation increments / (decrements):		
- Land	220	(125)
- Buildings	2,975	2,044
Balance at the end of the year	23,348	20,153
Accumulated surplus		
Balance at the start of the year	4,857	4,267
Result for the period	715	445
Income and expense recognised directly to equity	-	145
Balance at the end of the year	5,572	4,857



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27. Notes to the Cash Flow Statement	2007 \$000	2006 \$000
<u>Reconciliation of Cash</u>		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents	1,778	846
Restricted cash and cash equivalents (refer note 16)	39	19
	1,817	865
 <u>Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities</u>		
Net cost of services	(12,758)	(12,601)
Non-cash items:		
Depreciation and amortisation expense	435	593
Superannuation expense	12	14
Resources received free of charge	-	-
Net (gain)/loss on sale of property, plant and equipment	-	(1)
(Increase)/decrease in assets:		
Current receivables ^(c)	(253)	59
Prepayments	(86)	47
Increase/(decrease) in liabilities:		
Current payables ^(c)	146	(28)
Current provisions	87	(13)
Accrued salaries	(88)	108
Non-current provisions	(129)	70
Deferred Revenue	200	
Net GST receipts/(payments) ^(a)	(26)	13
Change in GST in receivables/payables ^(b)	-	-
Net cash provided by/(used in) operating activities	(12,460)	(11,739)

^(a) This is the GST paid/received. i.e. cash transactions.

^(b) This reverses out the GST in receivables and payables.

^(c) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.



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2007 **2006**
\$000 **\$000**

28. Resources Provided Free of Charge

During the year the following resources were provided free of charge and calculated on the basis of the net cost of services of the Department. The net cost of services of this Department amounted to \$12,758,166 in 2006/07 and was apportioned based on 57 Members of the Legislative Assembly and 34 Members of the Legislative Council, after a small, agreed component of the net cost of services of the Department is allocated to the Administration of the Governor's Establishment for accounting and payroll services provided during the year.

Administration of Governor's Establishment	31	
Administration of the Legislative Assembly	7,972	7,893
Administration of the Legislative Council	4,755	4,708
	12,758	12,601

29. Commitments

Capital expenditure commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

- Within 1 year	172	204
- Later than 1 year and not later than 5 years	-	-
- Later than 5 years	-	-
	172	204

The capital commitments include amounts for:

- Building upgrades	172	33
- Plant and Equipment	-	171
	172	204

Lease commitments

Commitments in relation to leases contracted for at the balance sheet date but not recognised in the financial statements are payable as follows:

- Within 1 year	421	390
- Later than 1 year but not later than 5 years	275	476
- Later than 5 years	-	-
	696	866

Representing:

Cancellable operating leases	7	31
Non-cancellable operating leases	689	835
	696	866

Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

- Within 1 year	414	365
- Later than 1 year but not later than 5 years	275	470
- Later than 5 years	-	-
	689	835

These commitments are all inclusive of GST.



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2007 2006
\$000 \$000

30. Contingent Liabilities and contingent assets

The Department has no contingent liabilities or contingent assets.

31. Events occurring after the balance sheet date

There were no events occurring after reporting date which would materially impact on the financial statements.

32. Explanatory Statement

Significant variances between estimates and actual results for income and expenses as presented in the financial statement titled 'Summary of Consolidated Fund Appropriations and Income Estimates' are shown below. Significant variations are considered to be those greater than 10% or \$100,000.

(i) Significant Significant variances between estimated and actual result for 2007 - Total appropriation to deliver services:

	2007 Estimate \$000	2007 Actual \$000	Variance \$000
Total appropriation provided to deliver services for the year.	13,358	13,461	103
The variance is due primarily to the impact of wage increases for employees covered by the Parliament's General Agreement.			

(ii) Significant variances between actual results for 2006 and 2007 - Total appropriation to deliver services:

	2007 Actual \$000	2006 Actual \$000	Variance \$000
Total appropriation provided to deliver services for the year.	13,461	13,032	429
The variance is due primarily to the impact of wage increases for employees covered by the Parliament's General Agreement.			

(iii) Significant variances between actual results for 2006 and 2007 - Total income:

	2007 Actual \$000	2006 Actual \$000	Variance \$000
Total income	(1)	(5)	4
The variance is due to lower disposal of property not classified as non-current assets.			

(iv) Significant variances between actual results for 2006 and 2007 - Expenses by Service:

	2007 Actual \$000	2006 Actual \$000	Variance \$000
Expenses by Service - Parliamentary and Support Services	12,759	12,606	153
The variance is due primarily to the impact of wage increases for employees covered by the Parliament's General Agreement.			



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(v) **Significant variances between estimate and actual for 2007 - Capital Contribution:** No significant variances.

(vi) **Significant variances between actuals for 2006 and 2007 - Capital Contribution:**

	2007	2006	Variance
	Actual	Actual	Variance
	\$000	\$000	\$000
Capital contribution	3,040	-	3,040

Approved capital program in 2006/07 included the air-conditioning of the Legislative Council and Legislative Assembly chambers, refurbishment of the Legislative Assembly seating and other capital upgrades and maintenance.

33. Financial Instruments

(a) **Financial Risk Management Objectives and Policies**

Financial instruments held by the Department are cash and cash equivalents and receivables and payables. The Department has limited exposure to financial risks. The Department's overall risk management program focuses on managing the risks identified below.

Credit risk

The Department is not actively involved in any trading activities. Any receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Liquidity risk

The Department has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Cash flow interest rate risk

The Department is not exposed to interest rate risk because cash and cash equivalents and restricted cash are non-interest bearing and have no borrowings other than the Treasurer's advance (non-interest bearing).

(b) **Financial Instrument disclosures**

Interest Rate Risk Exposure

The Department had no interest rate exposure at the balance sheet date as its financial instruments are all non-interest bearing, as shown below:

	2007	2006
	\$000	\$000
Financial Assets		
Cash and cash equivalents	1,778	846
Restricted Cash and cash equivalents	39	19
Receivables	332	53
Amounts receivable for services	1,344	844
	<u>3,493</u>	<u>1,762</u>
Financial Liabilities		
Payables	417	271
Other borrowings	-	-
	<u>417</u>	<u>271</u>



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	2007	2006
	\$000	\$000
34. Remuneration of Senior Officers		
<p>The number of senior officers whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:</p>		
\$80,001-\$90,000	2	2
\$90,001-\$100,000	1	2
\$100,001-\$110,000	3	1
\$110,001-\$120,000	-	1
\$120,001-\$130,000	-	-
\$130,001-\$140,000	1	1
\$140,001-\$150,000	1	-
\$160,001-\$170,000	-	1
\$170,001-\$180,000	-	1
\$200,001-\$210,000	1	-
 The total remuneration of senior officers is:	 1,166	 1,043

The total remuneration includes the superannuation expense incurred by the Department in respect of senior officers.

No senior officers are members of the Pension Scheme.

35. Remuneration of Auditor

Remuneration payable to the Auditor General for the financial year is as follows:

Auditing the accounts and financial statements	27	22
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The expense is included at note 12 'Other expenses'



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36. Supplementary financial information

Write-Offs

There were no items written off during the year.

Losses Through Thefts, Defaults And Other Causes

There were no items lost by the Department through thefts, defaults or other causes.

Gifts of Public Property

There were no gifts of public property made by the Department during the financial year.

37. Related bodies

The Department had no related bodies during the financial year.

38. Affiliated bodies

The Department had no affiliated bodies during the financial year.

