

## FINANCIAL STATEMENTS



### INDEPENDENT AUDIT REPORT

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

#### Scope

I have audited the financial statements of Joint House Department for the period ended 31 January 2004. The financial statements comprise:

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

The Department's Chief Executive is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Department's financial position, its financial performance and its cash flows.

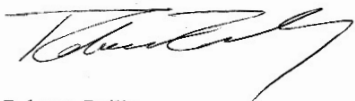
The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of Joint House Department as at 31 January 2004, and its financial performance and cash flows for the period then ended.

Australian National Audit Office



Rebecca Reilly  
Acting Executive Director

Delegate of the Auditor-General

Canberra  
07 July 2004

Parliament of Australia  
Joint House Department



Parliament House  
Canberra ACT 2600

ABN 54 589 947 681

### Statement by the Chief Executive

In our opinion, the attached financial statements for the seven months ended 31 January 2004 give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*.

H Penfold QC  
Secretary

7 / 7 / 2004

Michael Laugesen  
Chief Finance Officer

7 / 7 / 2004

## FINANCIAL STATEMENTS

**JOINT HOUSE DEPARTMENT**  
**STATEMENT OF FINANCIAL PERFORMANCE**
*for the Seven months ended 31 January 2004*

	Notes	Seven months ended 31 January 2004 \$'000	Twelve months ended 30 June 2003 \$'000
<b>Revenues from ordinary activities</b>			
Revenues from Government	3A	22 519	36 807
Sales of goods and services	3B	5 132	2 819
Interest	3C	0	125
Revenue from sale of assets	3D	12	67
Other	3E	29	1 390
<b>Revenues from ordinary activities</b>		<b>27 692</b>	<b>41 208</b>
<b>Expenses from ordinary activities (excluding borrowing cost expense)</b>			
Employees	4A	12 809	15 926
Suppliers	4B	14 092	22 922
Depreciation and amortisation	4C	705	1 448
Value of assets sold	3D	7	363
Other	4D	50	133
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>		<b>27 663</b>	<b>40 792</b>
<b>Borrowing costs expense</b>	4E	<b>29</b>	<b>30</b>
<b>Net surplus / (deficit)</b>		<b>0</b>	<b>386</b>
Net credit to asset revaluation reserve		0	(136)
Decrease in accumulated results on initial adoption of accounting standard AASB1028 Employee Benefits		0	(68)
<b>Total revenues, expenses and valuation adjustments attributable to the Commonwealth Government and recognised directly in equity</b>		<b>0</b>	<b>(204)</b>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>0</b>	<b>182</b>

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

## FINANCIAL STATEMENTS

**JOINT HOUSE DEPARTMENT**  
**STATEMENT OF FINANCIAL POSITION**

as at 31 January 2004

	Notes	Seven months ended 31 January 2004 S'000	Twelve months ended 30 June 2003 S'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash	5A	1 114	1 590
Receivables	5B	5 085	4 322
<b>Total financial assets</b>		<b>6 199</b>	<b>5 912</b>
<b>Non-financial assets</b>			
Infrastructure, Plant & Equipment	6A,C	2 726	2 257
Intangibles	6B,C	390	436
Inventories	6D	193	191
Other	6E	220	107
<b>Total non-financial assets</b>		<b>3 529</b>	<b>2 991</b>
<b>TOTAL ASSETS</b>		<b>9 728</b>	<b>8 903</b>
<b>LIABILITIES</b>			
<b>Interest bearing liabilities</b>			
Leases	7	886	255
<b>Total interest bearing liabilities</b>		<b>886</b>	<b>255</b>
<b>Provisions</b>			
Employees	8B	5 058	4 565
<b>Total provisions</b>		<b>5 058</b>	<b>4 565</b>
<b>Payables</b>			
Suppliers	9	662	961
<b>Total payables</b>		<b>662</b>	<b>961</b>
<b>TOTAL LIABILITIES</b>		<b>6 606</b>	<b>5 781</b>
<b>NET ASSETS</b>		<b>3 122</b>	<b>3 122</b>
<b>EQUITY</b>			
Contributed equity	10	1 609	1 609
Reserves	10	347	347
Retained surpluses or accumulated deficits	10	1 166	1 166
<b>TOTAL EQUITY</b>	10	<b>3 122</b>	<b>3 122</b>
<b>Current assets</b>		<b>6 612</b>	<b>6 210</b>
<b>Non-current assets</b>		<b>3 116</b>	<b>2 693</b>
<b>Current liabilities</b>		<b>2 507</b>	<b>2 647</b>
<b>Non-current liabilities</b>		<b>4 099</b>	<b>3 134</b>

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

## FINANCIAL STATEMENTS

**JOINT HOUSE DEPARTMENT  
STATEMENT OF CASH FLOWS**
*for the Seven months ended 31 January 2004*

	Notes	Seven months ended 31 January 2004 \$'000	Twelve months ended 30 June 2003 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Goods and services		2 989	3 979
Appropriations		22 350	33 520
Interest		0	125
GST received from ATO		798	1 704
<b>Total cash received</b>		<b>26 137</b>	<b>39 328</b>
<b>Cash used</b>			
Employees		(12 315)	(15 782)
Suppliers		(13 776)	(22 430)
Return of Cash Balances		0	(4 000)
Borrowing costs		(29)	(30)
<b>Total cash used</b>		<b>(26 120)</b>	<b>(42 242)</b>
<b>Net cash from / (used by) operating activities</b>	11	<b>17</b>	<b>(2 914)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		12	67
<b>Total cash received</b>		<b>12</b>	<b>67</b>
<b>Cash used</b>			
Purchase of property, plant and equipment		(505)	(306)
<b>Total cash used</b>		<b>(505)</b>	<b>(306)</b>
<b>Net cash from / (used by) investing activities</b>		<b>(493)</b>	<b>(239)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
		0	0
<b>Cash used</b>			
Capital use charge paid		0	(1 211)
<b>Total cash used</b>		<b>0</b>	<b>(1 211)</b>
<b>Net cash from / (used by) financing activities</b>		<b>0</b>	<b>(1 211)</b>
<b>Net increase (decrease) in cash held</b>		<b>(476)</b>	<b>(4 364)</b>
Cash at beginning of the reporting period		1 590	5 954
<b>Cash at the end of the reporting period</b>	5A	<b>1 114</b>	<b>1 590</b>

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

## FINANCIAL STATEMENTS

**JOINT HOUSE DEPARTMENT  
SCHEDULE OF COMMITMENTS**

as at 31 January 2004

	Notes	Seven months ended 31 January 2004 \$'000	Twelve months ended 30 June 2003 \$'000
<b>BY TYPE</b>			
Other commitments			
Operating leases <sup>1</sup>		4 971	4 768
Other commitments		27 492	28 469
<b>Total other commitments</b>		<b>32 463</b>	<b>33 237</b>
<b>Commitments receivable</b>		<b>(2 951)</b>	<b>(3 022)</b>
<b>Net commitments</b>		<b>29 512</b>	<b>30 215</b>
<b>BY MATURITY</b>			
<b>All net commitments</b>			
One year or less		7 913	6 935
From one to five years		21 599	23 229
Over five years		0	51
<b>Net commitments by maturity</b>		<b>29 512</b>	<b>30 215</b>
<b>Gross Operating lease commitments</b>			
One year or less		1 542	1 188
From one to five years		3 429	3 580
Over five years		0	0
<b>Total operating leases</b>		<b>4 971</b>	<b>4 768</b>

NB : Commitments are GST inclusive where relevant.

: All commitments have been assumed by Department of Parliamentary Services.

<sup>1</sup> Operating leases included are effectively non-cancellable and comprise:

<i>Nature of lease</i>	<i>General description of leasing arrangement</i>
Leases for office accommodation.	Lease payments to the Commonwealth, are subject to annual increases in accordance with movements in the Consumer Price Index. The current lease agreement is for a period of ten years.
Leases for storage facilities.	Lease payments are subject to annual increases in accordance with movement in the Consumer Price Index. The current sub-lease agreement is for a period of five years.
Agreements for the provision of motor vehicles to executive officers.	Lease periods vary from 18 to 60 months, depending on the type of vehicle leased. Ownership never passes to JHD. There are no renewal or purchase options at the end of the agreement.

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

## FINANCIAL STATEMENTS

**JOINT HOUSE DEPARTMENT  
SCHEDULE OF CONTINGENCIES**
*as at 31 January 2004*

	Notes	Seven months ended 31 January 2004 \$'000	Twelve months ended 30 June 2003 \$'000
<b>CONTINGENT LOSSES</b>			
Claims for damages/costs		17	50
<b>CONTINGENT ASSETS</b>			
Claims for damages/costs		0	0
<b>Net Contingent Liabilities</b>		<u>17</u>	<u>50</u>

**Quantifiable Contingencies**

The amount represents an estimate of JHD's liability based on precedent cases. JHD has determined a position in each matter in accordance with, and consistent with, the Legal Service Directions promulgated by the Attorney-General. In order to reduce exposure, costs and damages to the Commonwealth, JHD uses the services of three legal service providers under contractual arrangements.

Any Contingent Liabilities will be assumed by Department of Parliamentary Services.

**REMOTE OR UNQUANTIFIABLE CONTINGENCIES**

At 31 January, 2004, JHD has no remote or unquantifiable contingencies.

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



## FINANCIAL STATEMENTS

**JOINT HOUSE DEPARTMENT**  
**SCHEDULE OF ADMINISTERED ITEMS**

	Notes	Seven months ended 31 January 2004 \$'000	Twelve months ended 30 June 2003 \$'000
<b>Revenues Administered on Behalf of Government</b> <i>for the Seven months ended 31 January 2004</i>			
<b>Non-Taxation Revenue</b>			
Resources received—free of charge	17A	76	202
<b>Total revenues administered on behalf of Government</b>		<u>76</u>	<u>202</u>
<b>Expenses Administered on Behalf of Government</b> <i>for the Seven months ended 31 January 2004</i>			
Depreciation and amortisation	17B	23 134	28 028
Value of assets sold	17B	141	360
<b>Total expense administered on behalf of Government</b>		<u>23 275</u>	<u>28 388</u>
<b>Assets Administered on Behalf of Government</b> <i>as at 31 January 2004</i>			
<b>Financial assets</b>			
Cash	17C	10	0
Receivables	17C	219	48
<b>Total financial assets</b>		<u>229</u>	<u>48</u>
<b>Non-financial assets</b>			
Land & Buildings	17C, 18A	1324 912	1341 786
Infrastructure, Plant & Equipment	17C, 18B	32 147	33 093
Artworks	17C, 18C	84 188	84 041
<b>Total non-financial assets</b>		<u>1441 247</u>	<u>1458 920</u>
<b>Total Assets Administered on Behalf of Government</b>		<u>1441 476</u>	<u>1458 968</u>
<b>Liabilities Administered on Behalf of Government</b> <i>as at 31 January 2004</i>			
<b>Payables</b>			
Suppliers	17D	268	115
<b>Total payables</b>		<u>268</u>	<u>115</u>
<b>Total Liabilities Administered on Behalf of Government</b>		<u>268</u>	<u>115</u>
<b>Net Assets Administered on Behalf of Government</b>	19	<u>1441 208</u>	<u>1458 853</u>
<b>Current assets</b>		229	48
<b>Non-current assets</b>		1441 247	1458 920
<b>Current liabilities</b>		268	115
<b>Non-current liabilities</b>		0	0

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

## FINANCIAL STATEMENTS

**JOINT HOUSE DEPARTMENT**  
**SCHEDULE OF ADMINISTERED ITEMS**

Notes	Seven months ended 31 January 2004 \$'000	Twelve months ended 30 June 2003 \$'000
<b>Administered Cash Flows</b>		
<i>for the Seven months ended 31 January 2004</i>		
<b>Operating Activities</b>		
<b>Cash received</b>		
Cash from Official Public Account for :		
—Appropriations	5 555	6 888
—GST Annotations	555	688
GST received from ATO	377	713
<b>Total cash received</b>	<b>6 487</b>	<b>8 289</b>
<b>Cash used</b>		
Cash to Official Public Account for :		
—GST Returned	( 377)	( 713)
—Other	( 2)	0
GST paid to Suppliers	( 549)	( 671)
<b>Total cash used</b>	<b>( 928)</b>	<b>(1 384)</b>
<b>Net cash from / (used by) operating activities</b>	<b>5 559</b>	<b>6 905</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash received</b>		
Proceeds from sales of property, plant and equipment	2	0
<b>Total cash received</b>	<b>2</b>	<b>0</b>
<b>Cash used</b>		
Purchase of property, plant and equipment	(5 551)	(6 905)
<b>Total cash used</b>	<b>(5 551)</b>	<b>(6 905)</b>
<b>Net cash from / (used by) investing activities</b>	<b>(5 549)</b>	<b>(6 905)</b>
<b>Net increase (decrease) in cash held</b>	<b>10</b>	<b>0</b>
Cash at beginning of the reporting period	0	0
<b>Cash at the end of the reporting period</b>	<b>10</b>	<b>0</b>

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

## FINANCIAL STATEMENTS

## JOINT HOUSE DEPARTMENT

## SCHEDULE OF ADMINISTERED ITEMS

	Seven months ended 31 January 2004 Notes \$'000	Twelve months ended 30 June 2003 \$'000
<b>Administered Commitments</b> <i>as at 31 January 2004</i>		
<b>BY TYPE</b>		
<b>Capital Commitments</b>		
Infrastructure, plant and equipment	12 726	17 137
<b>Total capital commitments</b>	<u>12 726</u>	<u>17 137</u>
<b>Commitments Receivable</b>		
GST Component	(1 157)	(1 558)
<b>Total other commitments</b>	<u>(1 157)</u>	<u>(1 558)</u>
<b>Net commitments</b>	<u>11 569</u>	<u>15 579</u>
<b>BY MATURITY</b>		
<b>All net commitments</b>		
One year or less	11 569	14 229
From one to five years	0	1 350
Over five years	0	0
<b>Net Administered Commitments</b>	<u>11 569</u>	<u>15 579</u>

NB : Commitments are GST inclusive where relevant.  
: All commitments have been assumed by Department of Parliamentary Services.

**Administered Contingencies**  
*as at 31 January 2004*

JHD has no contingent, remote nor unquantifiable contingencies at balance date.

Any Contingent Liabilities will be assumed by Department of Parliamentary Services.

**Statement of Activities Administered on behalf of Government**

The major administered activity of Joint House Department is directed towards achieving the outcome described in Note 1 to the Financial Statements. That outcome being "An effectively functioning legislative building for the Parliament of Australia which preserves its value as a heritage complex and raises public awareness of the Australian Federal Parliamentary system and the Parliament House building".

Details of planned activities can be found in the Department's Portfolio Budget Statements for 2003—04 which have been tabled in Parliament.

These administered activities have been assumed by the Department of Parliamentary Services.

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

## FINANCIAL STATEMENTS

**JOINT HOUSE DEPARTMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the seven months ended 31 January 2004*

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<b>Note</b>	<b>Description</b>
1	Summary of Significant Accounting Policies
2	Events Occurring after Balance Date
3	Operating Revenues
4	Operating Expenses
5	Financial Assets
6	Non-financial Assets
7	Interest Bearing Liabilities
8	Provisions
9	Supplier Payables
10	Equity
11	Cash Flow Reconciliation
12	Executive Remuneration
13	Remuneration of Auditors
14	Average Staffing Levels
15	Act of Grace Payments, Waivers and Defective Administration Scheme
16	Financial Instruments
17	Administered Items <ul style="list-style-type: none"> <li>A - Revenues Administered on behalf of Government</li> <li>B - Expenses Administered on behalf of Government</li> <li>C - Assets Administered on behalf of Government</li> <li>D - Liabilities Administered on behalf of Government</li> </ul>
18	Administered Non-financial Assets
19	Administered Reconciliation Table
20	Administered Financial Instruments
21	Appropriations
22	Trust Monies
23	Reporting of Outcome and Outputs

## FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
*for the seven months ended 31 January 2004*

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### Note 1 Summary of Significant Accounting Policies

#### 1.1 Objectives of Joint House Department (JHD)

##### OUR VISION

*Our vision is that Parliament House continues into the next century and beyond as one of the finest legislative buildings in the world and that the services provided by JHD are commensurate with that ideal.*

##### OUR MISSION

*We will continue to earn the privilege of maintaining Australia's Parliament House and managing its facilities because we best understand and capably satisfy its unique servicing requirements.*

JHD is structured to meet one outcome.

*An effectively functioning legislative building for the Parliament of Australia which preserves its value as a heritage complex and raises public awareness of the Australian Federal Parliamentary system and the Parliament House building.*

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

The departmental outcome is measured by the following outputs:

- Output 1—Total Asset Management Services
- Output 2—Building Occupant & Visitor Services.

The administered outcome has only one output:

- Output 1—Total Asset Management Services.

## FINANCIAL STATEMENTS

**JOINT HOUSE DEPARTMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the seven months ended 31 January 2004*

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## 1.2 Basis of Accounting

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

The financial statements have been prepared in accordance with:

- Finance Minister's Orders (being the *Financial Management and Accountability (Financial Statements for reporting periods ending on or after 30 June 2003) Orders*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board;
- other authoritative pronouncements of the Board; and
- Consensus Views of the Urgent Issues Group.

The statements have also been prepared having regard to the Explanatory Notes to Schedule 1, and Finance Briefs issued by the Department of Finance and Administration.

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

Assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefit will flow and the amounts of the assets or liabilities can be reliably measured. Assets and liabilities arising under agreements equally proportionally unperformed are, however, not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised are reported in the schedule of Commitments and the Schedule of Contingencies. JHD has no remote and unquantifiable contingencies at reporting date.

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

Administered revenues, expenses, assets, liabilities and cash flows are presented in the Schedule of Administered Items and related Notes. Except where otherwise stated, administered items are reported on the same bases and using the same policies as for departmental items. Refer to Note 1.20 for administered items.

## FINANCIAL STATEMENTS

### JOINT HOUSE DEPARTMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *for the seven months ended 31 January 2004*

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#### 1.3 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2002-03.

#### 1.4 Revenue

The revenues described in this note are revenues relating to JHD's core operating activities.

##### *Revenues from Government*

In a normal year, the full amount of the appropriation for the departmental output for the year is recognised as revenue. For this seven month period ended 31 January 2004, only that portion of the annual appropriation necessary to offset expenses for the period has been recognized as revenue. The remainder of the appropriation has been transferred to the Department of Parliamentary Services under section 54B of the *Parliamentary Service Act 1999*.

JHD draws appropriations down from the OPA on a "just-in-time" basis, to meet its payment demands.

##### *Resources Received Free of Charge*

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition, unless received from another government agency as a consequence of a restructuring of administrative arrangements (refer to Note 1.5).

**JOINT HOUSE DEPARTMENT**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the seven months ended 31 January 2004*

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*Other Revenue*

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

These revenues are mainly comprised of:

- rental income received from Parliament House (PH) occupants
- catering revenue received under contracts in place between JHD and the PH catering service provider.
- recovery of security costs from both Departments of the Senate and House of Representatives.

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

**1.5 Transactions by the Government as Owner**

*Equity Injections*

Amounts appropriated which are designated as 'equity injections', are recognised directly in Contributed Equity for that year.

*Restructuring of Administrative Arrangements*

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

*Capital Use Charges*

Capital Use Charge was discontinued from 30 June 2003.



## FINANCIAL STATEMENTS

### JOINT HOUSE DEPARTMENT NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS *for the seven months ended 31 January 2004*

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#### 1.6 Employee Entitlements

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

Liabilities for employee entitlements include provisions for annual leave, long service leave and superannuation on-costs associated with the anticipated usage of leave entitlements prior to retirement or separation.

These liabilities are recorded at their nominal amount, being the rate at which the liability is expected to be paid on settlement. This is in accordance with Accounting Standard AASB 1028 *Employee Benefits*.

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

#### *Leave*

Leave liabilities at 31 January 2004 are calculated on the basis of employee remuneration, including the department's employer superannuation contributions to the extent that the leave is likely to be taken during service rather than paid out on termination.

Long Service Leave liabilities are determined by reference to the present value of the estimated future cash flows to be made in respect of all employees as at 31 January 2004. The estimation of the present value of the liability has taken into account attrition rates and pay increases through promotion and inflation.

Sick Leave is not provided for as sick leave is non-vesting, and the average sick leave taken in future years by JHD employees is estimated to be less than the annual entitlement for sick leave.

#### *Separation and redundancy*

Provision would be made for separation and redundancy payments in circumstances where JHD has formally identified positions as excess to requirements and a reliable estimate of the total amounts of the payments can be determined.

No redundancies have been identified at reporting date.

## FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
*for the seven months ended 31 January 2004*

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### *Superannuation*

JHD staff are members of the Commonwealth Superannuation or the Public Sector Superannuation Schemes. Liability for their superannuation benefits is recognised in the financial statements of the Commonwealth and is settled by the Commonwealth in due course.

JHD makes employer contributions to the Commonwealth at rates determined by an actuary to be sufficient to meet the cost to the Commonwealth of the superannuation entitlements of JHD's employees. For the seven months to January 2004, employer contributions of \$1 367 123 (2002–03 year: \$1 606 090) have been expensed in these financial statements.

The liability for superannuation recognised at both reporting dates represents the outstanding contributions in relation to salaries accrued at those dates.

Employer Superannuation Productivity Benefit contributions of \$258 081 (2002–03 year: \$343 430) have also been expensed in these financial statements.

### 1.7 Leases

A distinction is made between:

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

Non-current assets that have been acquired under finance leases are capitalised at the present value of the minimum lease payments at the inception of the lease, with a corresponding liability being recognised for the same amount. The leased assets are amortised over the term of the lease. Lease payments are allocated between the principal component and the interest expense.

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

## FINANCIAL STATEMENTS

**JOINT HOUSE DEPARTMENT**  
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### **1.8 Borrowing Costs**

All borrowing costs are expensed as incurred except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in the reporting period does not exceed the amounts of costs incurred in the period. Refer to Note 4E.

### **1.9 Cash**

Cash includes notes and coins held and the balances of JHD's bank accounts.

### **1.10 Financial Instruments**

Accounting policies for financial instruments are stated in Note 16.

### **1.11 Acquisition of Assets**

Assets are recorded at cost on acquisition except as stated below.

The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring administrative arrangements as outlined in Note 1.5: Restructuring of Administrative Arrangements.

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### 1.12 Property, plant and equipment

#### *Asset recognition threshold*

Purchases of property, plant and equipment in excess of \$2 000 are recognised at cost in the Statement of Financial Position. Purchases costing less than \$2 000 are expensed in the year of acquisition in the Statement of Financial Performance (other than where they form part of a group of similar items that are in excess of \$2 000).

#### *Revaluations*

Land, buildings, infrastructure, plant and equipment were revalued at 30 June 2003 at fair value in accordance with Accounting Standard AASB 1041 *Revaluation of Non-current Assets*. Artworks were last revalued in 2002 using the deprival method of valuation.

Fair and deprival values for each class of asset are determined as shown below.

Asset class	Fair value measured at:	Deprival value measured at:
Land	Market selling price subject to restricted use clause.	Not Applicable.
Buildings	Current replacement cost.	Not Applicable.
Plant & Equipment	Current market value, or Current replacement cost.	Not Applicable.
Furniture & Fittings	Current market value, or Current replacement cost, or Current reproduction cost.	Not Applicable.
Artworks	Current market value, or Current replacement cost.	Current market value, or Current replacement cost.

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### *Frequency*

Assets classes are subject to a formal valuation by independent valuers every three years.

Artworks which were last revalued in 2002 are scheduled for valuation in 2005, using the fair value method in accordance with AASB 1041 *Revaluation of Non-current Asset*.

As the fair value and deprival value bases are the same, no material differences are expected.

Assets capitalised under finance leases have not been revalued and are accounted for under AAS 17 *Leases*.

### *Conduct*

All valuations of property, plant and equipment were conducted by independent qualified valuers—Australian Valuation Office.

The artworks were valued in June 2002 by independent valuers—Sotheby's Australia. McWilliam and Associates, registered art valuers, undertook the revaluation project as specialist subcontractors to Sotheby's and are accredited with the National Cultural Heritage Committee (established under the *Protection of Movable Cultural Heritage Act 1986*).

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*Depreciation and Amortisation*

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

Depreciation/amortisation rates (useful lives) and method are reviewed at each balance date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation rates applicable to each class of depreciable asset are based on the following useful lives.

	Seven Months 2003-04	Twelve Months 2002-03
Building—Superstructure	200 years	200 years
Building—External Services	50 years	50 years
Building—Internal Services	30 years	30 years
Building—Finishes, Fittings and Improvements	20 years	20 years
Computer Equipment	3 to 5 years	10 years
Plant & Equipment	3 to 50 years	5 to 50 years
Office Furniture	3 to 10 years	10 years
Artworks Furniture	10 years	10 years

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

**1.13 Inventories**

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

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**1.14 Intangibles**

JHD's intangibles comprise internally developed software for own use and capital works-in-progress. These assets are carried at cost, and are assessed for indications of impairment. The carrying amount of the impaired asset is written down to reflect its remaining service potential.

No software assets were assessed as impaired at 31 January 2004.

Intangible assets are amortised on a straight-line basis over their anticipated useful lives.

	Seven Months 2003-04	Twelve Months 2002-03
Software	5 years	5 years

Capital works-in-progress are not depreciated.

**1.15 Taxation**

JHD's activities are exempt from all forms of taxation, except the Goods and Services Tax (GST) and Fringe Benefits Tax (FBT).

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Receivables and payables are recognised including the GST components receivable or payable.

**1.16 Foreign Currency**

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

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**1.17 Insurance**

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

**1.18 Comparative figures**

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

**1.19 Rounding**

Amounts have been rounded to the nearest \$1 000 except in relation to the following:

- act of grace payments and waivers
- remuneration of executives
- remuneration of auditors, and
- appropriations.



**JOINT HOUSE DEPARTMENT  
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**1.20 Reporting of Administered Activities**

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

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

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

These transfers of cash are reported as administered (operating) cash flows and in the administered reconciliation table in Note 19.

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

*Revenue*

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

This funding will be used for:

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

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**Note 2 Events Occurring after Balance Date**

These are the final financial statements for Joint House Department.

Joint House Department, the Department of the Parliamentary Library and the Department of the Parliamentary Reporting Staff were abolished in accordance with section 54 of the *Parliamentary Service Act 1999*, with effect from 31 January 2004. A new joint services department, the "Department of Parliamentary Services" (DPS), was established from 1 February 2004 to fulfil all the functions of the former departments.

The House of Representatives passed the resolution on 14 August, 2003 and the Senate on the 18 August 2003.

The balance of the annual departmental appropriation for 2003-04 not required to offset expenses for the seven months ended 31 January 2004, amounting to \$13,628,399 has been transferred to DPS under section 54B of the *Parliamentary Service Act 1999*. Refer to Note 21A.

All departmental assets, liabilities, commitments and contingencies have been transferred to DPS with effect from 1 February 2004.

The administered appropriation for 2003-04 not drawn down at 31 January 2004, amounting to \$5,098,507 has been transferred to DPS under section 54B of the *Parliamentary Service Act 1999*. Refer to Note 21A.

All administered assets, liabilities, commitments and contingencies have been transferred to DPS with effect from 1 February 2004.

There have been no material events after reporting date affecting the performance of DPS.

JOINT HOUSE DEPARTMENT  
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	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000
<b>Note 3 Operating Revenues</b>		
<u>Note 3A Revenues from Government</u>		
Appropriations for outputs	20 570	33 387
Advance from Presiding Officers	50	133
Resources received free of charge	1 899	3 287
<b><i>Total revenues from Government</i></b>	<b>22 519</b>	<b>36 807</b>
 <u>Note 3B Sales of Goods and Services</u>		
The Parliament Shop retail sales	902	1 429
Press Gallery and Caterers	744	1 210
Security Recovery from Chamber Departments	3 025	0
User Charges	461	180
<b><i>Total sales of goods and services</i></b>	<b>5 132</b>	<b>2 819</b>
 Provision of goods to:		
–Related entities	0	0
–External entities	902	1 429
<b><i>Total sales of goods</i></b>	<b>902</b>	<b>1 429</b>
 Cost of goods sold	 489	 750
 Rendering of services to:		
–Related entities	3 952	514
–External entities	278	876
<b><i>Total sales of goods</i></b>	<b>4 230</b>	<b>1 390</b>

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Note 3 Operating Revenues (continued)	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000
<u>Note 3C Interest</u>		
Interest on deposits	0	125
	<hr/>	<hr/>
<u>Note 3D Net Profits / (Losses) from Sales of Assets</u>		
Infrastructure, Plant and Equipment:		
–Proceeds from disposal	12	67
–Net book value of assets disposed	(7)	(363)
<i>Total net profits / (losses) from disposal of assets</i>	<hr/> 5 <hr/>	<hr/> (296) <hr/>
<u>Note 3E Other Operating Revenues</u>		
Other	29	1 390
<i>Total other operating revenues</i>	<hr/> 29 <hr/>	<hr/> 1 390 <hr/>

JOINT HOUSE DEPARTMENT  
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	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000
<b>Note 4 Operating Expenses</b>		
<u>Note 4A Employee Expenses</u>		
Wages and salaries	9 230	12 171
Superannuation	1 625	1 950
Leave and other entitlements	1 274	1 380
Separation and redundancies	492	141
Other employee expenses	27	39
<b><i>Total employee remuneration</i></b>	<b>12 648</b>	<b>15 681</b>
Worker compensation premiums	161	245
<b><i>Total employee expenses</i></b>	<b>12 809</b>	<b>15 926</b>
<u>Note 4B Suppliers' Expenses</u>		
Goods from related entities	5	15
Goods from external entities	1 589	3 080
Services from related entities	626	469
Services from external entities	11 216	18 450
Operating lease rentals *	656	908
<b><i>Total supplier expenses</i></b>	<b>14 092</b>	<b>22 922</b>

\* These comprise the minimum lease payments only.

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Note 4 Operating Expenses (continued)	Seven Months	Twelve Months
	2003-04	2002-03
	\$'000	\$'000
<u>Note 4C Depreciation and Amortisation</u>		
Depreciation of infrastructure, plant and equipment	544	980
Amortisation of intangibles	161	468
<b>Total depreciation and amortisation</b>	<b>705</b>	<b>1 448</b>

The aggregate amounts of depreciation/amortisation expensed during the reporting period for each class of asset are as follows:

–Furniture and fittings	59	154
–Plant and equipment	250	404
–Computers	235	422
–Software	161	468
<b>Total depreciation and amortisation</b>	<b>705</b>	<b>1 448</b>

Note 4D Other Operating Expenses

Legal and Compensation	50	133
<b>Total other operating expenses</b>	<b>50</b>	<b>133</b>

Note 4E Borrowing Cost Expenses

Leases	29	30
<b>Total borrowing expenses</b>	<b>29</b>	<b>30</b>

## FINANCIAL STATEMENTS

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	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000
<b>Note 5 Financial Assets</b>		
<u>Note 5A Cash</u>		
Cash on hand	9	9
Cash at bank	1 105	1 581
<b>Total cash</b>	<b>1 114</b>	<b>1 590</b>

All cash is recognised as a current asset.

<b>Note 5B Receivables</b>		
Appropriations receivable	2 270	4 000
Goods & services	2 746	236
Less: Provision for doubtful debts	(10)	(10)
	5 006	4 226
GST receivable from the ATO	79	96
<b>Total net receivables</b>	<b>5 085</b>	<b>4 322</b>

All receivables are current assets.

Gross receivables are aged as follows:

Not overdue	4 208	4 169
Overdue by:		
less than 30 days	840	145
30 days to 60 days	0	18
60 days to 90 days	23	0
more than 90 days	24	0
<b>Total gross receivables</b>	<b>5 095</b>	<b>4 332</b>

The provision for doubtful debts is overdue by 30-60 days.

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Note 6 Non-financial Assets	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000
<u>Note 6A Infrastructure, Plant and Equipment</u>		
Furniture and Fittings		
Furniture and Fittings—under finance lease		88
Accumulated depreciation		(88)
Furniture and Fittings—at cost	47	
Accumulated depreciation	(1)	
Furniture and Fittings— at fair value	383	373
Accumulated depreciation	(68)	
<b><i>Total Furniture and Fittings</i></b>	<b>361</b>	<b>373</b>
<u>Plant and Equipment</u>		
Plant and Equipment—under finance lease	226	163
Accumulated depreciation	(82)	(60)
Plant and Equipment—at cost	91	
Accumulated depreciation	(5)	
Plant and Equipment— at fair value	1 282	1 278
Accumulated depreciation	(218)	
<b><i>Total Plant and Equipment</i></b>	<b>1 294</b>	<b>1 381</b>



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Note 6 Non-financial Assets (continued)	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000
<u>Note 6A Infrastructure, Plant and Equipment (Continued)</u>		
<u>Computers</u>		
Computers—under finance lease	911	942
Accumulated depreciation	(188)	(804)
Computers—at cost	37	
Accumulated depreciation	(3)	
Computers—at fair value	378	365
Accumulated depreciation	(64)	
<b>Total Computers</b>	<b>1 071</b>	<b>503</b>
<b>Total Infrastructure, Plant and Equipment</b>	<b>2 726</b>	<b>2 257</b>
<u>Note 6B Intangibles</u>		
<u>Computer software</u>		
Internally developed-Work in Progress at cost	236	121
Computer Software—at cost	2 341	2 341
Accumulated amortisation	(2 187)	(2 026)
<b>Total Computer Software</b>	<b>390</b>	<b>436</b>

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## Note 6 Non-financial Assets (continued)

## Note 6C Analysis of Infrastructure, Plant and Equipment, and Intangibles

Table A Reconciliation of the opening and closing balances of infrastructure, plant and equipment, and intangibles

Item	Infrastructure, Plant and Equipment	Computer Software	Total
	\$'000	\$'000	\$'000
<b>As at 1 July 2003</b>			
Acquisition cost or valuation	2 257	2 462	4 719
Accumulated depreciation/amortisation	-	(2 026)	(2 026)
Net book value	2 257	436	2 693
Acquisition of new assets	1 020	115	1 135
Depreciation/amortisation expense	(544)	(161)	(706)
Disposals	(7)	-	(7)
<b>As at 31 January 2004</b>			
Gross value	3 356	2 577	5 933
Accumulated Depreciation/amortisation	(630)	(2 187)	2 817
<b>Net book value</b>	<b>2 726</b>	<b>390</b>	<b>3 116</b>

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## Note 6 Non-financial Assets (continued)

## Note 6C Analysis of Infrastructure, Plant and Equipment, and Intangibles (continued)

Table B Assets at valuation

Item	Infrastructure, Plant and Equipment \$'000
<b>As at 31 January 2004</b>	
Gross Value	2 044
Accumulated depreciation/amortisation	(351)
<b>Net book value</b>	<b>1 693</b>
<b>As at 30 June 2003</b>	
Gross Value	2 016
Accumulated depreciation/amortisation	-
Net book value	2 016

Table C Assets under finance lease

Item	Infrastructure, Plant and Equipment \$'000
<b>As at 31 January 2004</b>	
Gross Value	1 137
Accumulated depreciation/amortisation	(270)
<b>Net book value</b>	<b>867</b>
<b>As at 30 June 2003</b>	
Gross Value	1 194
Accumulated depreciation/amortisation	(952)
Net book value	242

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## Note 6 Non-financial Assets (continued)

Note 6C Analysis of Infrastructure, Plant and Equipment, and Intangibles (continued)

Table D Assets under construction

Item	Infrastructure, Plant and Equipment	Computer Software	Total
	\$'000	\$'000	\$'000
Gross Value as at 31 January 2004	-	236	236
Gross Value as at 30 June 2003	-	121	121

	Seven Months 2003–04 \$'000	Twelve Months 2002–03 \$'000
<u>Note 6D Inventories</u>		
Inventories held for sale—The Parliament Shop	193	191
<b><i>Total Inventories</i></b>	<b>193</b>	<b>191</b>

All Departmental inventories are current assets.

Note 6E Other Non-financial Assets

Prepayments	220	107
<b><i>Total other non-financial assets</i></b>	<b>220</b>	<b>107</b>

All other non-financial assets are current assets.

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Note 7 Interest Bearing Liabilities	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000
Finance lease commitments:		
Payable:		
within one year	398	141
in one to five years	563	133
greater than five years	0	0
Minimum lease payments	961	274
Deduct: future finance charges	(75)	(19)
<b><i>Net lease liability</i></b>	<b>886</b>	<b>255</b>
Lease Liability is represented by:		
Current	351	130
Non-current	535	125
<b><i>Net lease liability</i></b>	<b>886</b>	<b>255</b>

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

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Note 8 Provisions	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000
<u>Note 8A Capital Use Charge</u>		
Capital use charge	0	0
Balance owing 01 July	0	848
Capital use charge provided for during the period	0	363
Capital use charge paid	0	(1 211)
Balance owing 31 January	0	0

The capital use charge has been abolished.

Note 8B Employee Provisions

Salaries and wages	121	347
Leave	4 653	3 929
Superannuation	284	289
<b>Total Employee Provisions</b>	<b>5 058</b>	<b>4 565</b>
Current	1 494	1 556
Non-current	3 564	3 009

**Note 9 Supplier Payables**

Trade creditors	662	961
<b>Total Supplier Payables</b>	<b>662</b>	<b>961</b>

Payables are all current liabilities.

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## Note 10 Equity

Item	Capital		Asset revaluation reserve		Accumulated results		TOTAL EQUITY	
	Seven Months 2003-04	Twelve Months 2002-03	Seven Months 2003-04	Twelve Months 2002-03	Seven Months 2003-04	Twelve Months 2002-03	Seven Months 2003-04	Twelve Months 2002-03
Opening balance as at 01 July	1 609	1 609	347	483	1 166	1 211	3 122	3 303
Net surplus / (deficit)	-	-	-	-	0	386	0	386
Net revaluation increments/decrements	-	-	-	(136)	-	-	-	(136)
Decrease in retained earnings on application of accounting standard AASB 1028 <i>Employee Benefits</i>	-	-	-	-	-	(68)	-	(68)
Capital Use Charge	-	-	-	-	-	(363)	-	(363)
Closing balance as at 31 January	1 609	1 609	347	347	1 166	1 166	3 122	3 122

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	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000
<b>Note 11 Cash Flow Reconciliation</b>		
<b>Reconciliation of Cash per Statement of Financial Position to Statement of Cash Flows</b>		
Cash at year end per Statement of Cash Flows	1 114	1 590
Statement of Financial Position items comprising above cash: 'Financial Asset-Cash'	1 114	1 590
<b>Reconciliation of net surplus to net cash provided by operating activities:</b>		
Net surplus (deficit)	0	386
Depreciation/amortisation	705	1 448
Write down of non-financial assets	0	(281)
(Profit)/Loss on disposal of assets	(5)	297
(Increase)/decrease in net receivables	(763)	(3 830)
(Increase)/decrease in inventories	(2)	57
(Increase)/decrease in prepayments	(113)	34
Increase/(decrease) in employee provisions	493	136
Increase/(decrease) in supplier payables	(298)	(1 161)
<b>Net cash from / (used by) operating activities</b>	<b>17</b>	<b>(2 914)</b>



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	Seven Months 2003-04	Twelve Months 2002-03
<b>Note 12 Executive Remuneration</b>		
The number of Executive officers who received or were due to receive fixed remuneration of \$100 000 or more are as follows: Note: that the remuneration paid is for seven months and only two Executive officers met these criteria for the period.		
\$100 000 to \$139 999	-	-
\$140 000 to \$149 999	-	1
\$150 000 to \$159 999	-	1
\$160 000 to \$189 999	-	-
\$190 000 to \$199 999	1	-
\$200 000 to \$219 999	-	-
\$220 000 to \$229 999	-	1
\$230 000 to \$249 999	-	-
\$250 000 to \$259 999	1	-
The aggregate amount of total remuneration of Executive officers shown above :	<b>\$450 463</b>	\$526 536
The aggregate amount of separation and redundancy/termination payments to Executive officers included in above:	<b>\$217 089</b>	-
Two Executive officers have left JHD at the end of the reporting period as a result of the amalgamation and have not been replaced.		
<b>Note 13 Remuneration of Auditors</b>		
Financial statement audit services are provided free of charge to JHD.		
The fair value of services provided was:	<b>\$99 000</b>	\$99 000

No other services were provided by the Auditor-General.

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**Note 14 Average Staffing Levels**

	Seven Months 2003-04	Twelve Months 2002-03
The average staffing levels for JHD during the year were	417	254

**Note 15 Act of Grace Payments, Waivers and Defective Administration Scheme**

No Act of Grace Payments were made during the reporting period pursuant to subsection 33(1) of the *Financial Management and Accountability Act 1997*.

No waivers were made during the reporting period pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*.

No payments were made under the 'Defective Administration Scheme' during the reporting period.

## FINANCIAL STATEMENTS

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**Note 16 Financial Instruments**Note 16A Terms, Conditions and Accounting Policies

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instruments and conditions affecting certainty of cash flows)
<b>FINANCIAL ASSETS</b>		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	5A	Cash is recognised at its nominal amounts.	Cash includes notes and coins held in departmental bank accounts.
Receivables for goods and services	5B	Receivables are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely.	A majority of receivables are from the Commonwealth. Credit terms are net 30 days.
Appropriations receivable	5B	Appropriation receivables are recognised at their nominal amounts.	Amounts appropriated by the Department in previous years which are still outstanding. Also includes amounts to be received in a future year for services pre-arranged but not yet purchased, workload or similar.

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JOINT HOUSE DEPARTMENT  
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Note 16 Financial Instruments (continued)

Note 16A Terms, Conditions and Accounting Policies (continued)

Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of Underlying Instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
<b>FINANCIAL LIABILITIES</b>		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured	
Finance lease liabilities	7	Liabilities are recognised at the present value of the minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rates implicit in the leases.	At the reporting date, JHD had finance leases with terms averaging three years and a maximum term of five years. The interest rate implicit in the leases averaged 6.57% (2003: 6.57%). The lease asset secures the lease liabilities.
Capital Use Charge Payable	8A	CUC was abolished with effect from 01 July 2003.	
Trade creditors	9	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	A majority of creditors are entities that are not part of the Commonwealth legal entity. Settlement is usually made net 30 days.

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Note 16 Financial Instruments (continued)

Note 16B Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
				1 year or less		1 to 5 years		> 5 years							
		Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000	Seven Months 2003-04 %	Twelve Months 2002-03 %		
<b>Financial Assets</b>															
Cash on hand	5A								9	9	9	9	n/a	n/a	
Cash at bank	5A	1 105	1 581								1 105	1 581	n/a	n/a	
Receivables for goods and services (gross)	5B								2 746	322	2 746	322	n/a	n/a	
Appropriations receivable	5B								2 270	4 000	2 270	4 000	n/a	n/a	
<b>Total</b>		1 105	1 581	-	-	-	-	-	5 025	4 331	6 130	5 912	n/a	n/a	
<i>Total assets</i>											9 728	8 903			
<b>Financial Liabilities</b>															
Finance lease liabilities	7			351	130	535	125				886	255	6.57	6.57	
Trade creditors	9								662	961	662	961	n/a	n/a	
<b>Total</b>		-	-	351	130	535	125	-	-	662	961	1 548	1 216		
<i>Total liabilities</i>											6 606	5 781			

## FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT  
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Note 16 Financial Instruments (continued)

Note 16C Net Fair Values of Financial Assets and Liabilities

Departmental	Notes	Seven Months 2003-04		Twelve Months 2002-03	
		Total carrying amount \$'000	Aggregate net fair value \$'000	Total carrying amount \$'000	Aggregate net fair value \$'000
<b>Financial Assets</b>					
Cash on hand	5A	9	9	9	9
Cash at bank	5A	1 105	1 105	1 581	1 581
Receivables for goods and services					
	5B	2 746	2 746	322	322
Appropriations receivable	5B	2 270	2 270	4 000	4 000
<b>Total Financial Assets</b>		<b>6 130</b>	<b>6 130</b>	<b>5 912</b>	<b>5 912</b>
<b>Financial Liabilities (Recognised)</b>					
Lease creditor	7	886	886	255	255
Trade creditors	9	662	662	961	961
<b>Total Financial Liabilities (Recognised)</b>		<b>1 548</b>	<b>1 548</b>	<b>1 216</b>	<b>1 216</b>

*Financial Assets*

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

*Financial Liabilities*

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

The net fair values for trade creditors are approximated by their carrying amounts.

Note 16D Credit Risk Exposures

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

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

## FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
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Note 17 Administered Items	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000
<u>Note 17A Revenues administered on behalf of Government</u>		
<b>Resources received free of charge</b>		
Artworks and collectables received on behalf of the Parliament of Australia	76	202
<i>Total Revenues administered on behalf of Government</i>	<u>76</u>	<u>202</u>
<u>Note 17B Expenses administered on behalf of Government</u>		
<b>Depreciation</b>		
Buildings	21 752	25 751
Other Infrastructure, Plant and Equipment	1 382	2 277
<i>Total Depreciation</i>	<u>23 134</u>	<u>28 028</u>
<b>Value of assets sold</b>		
Other Infrastructure, Plant and Equipment	141	360
<i>Total Expenses administered on behalf of Government</i>	<u>23 275</u>	<u>28 388</u>

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Note 17 Administered Items (continued)	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000
<u>Note 17C Assets administered on behalf of Government</u>		
<b>Financial Assets</b>		
<b>Cash</b>		
Administered bank account	10	0
<b>Receivables</b>		
Current GST receivable from ATO	219	48
<b>Total Financial Assets administered on behalf of Government</b>	<b>229</b>	<b>48</b>
All receivables are considered to be not overdue.		
<b>Non-financial Assets</b>		
<b>Land and Buildings</b>	1 324 912	1 341 786
<b>Infrastructure, Plant &amp; Equipment</b>	32 147	33 093
<b>Artworks</b>	84 188	84 041
<b>Total Non-financial Assets administered on behalf of Government</b>	<b>1 441 247</b>	<b>1 458 920</b>
<b>Total Assets Administered on behalf of Government</b>	<b>1 441 476</b>	<b>1 458 968</b>

Note 17D Liabilities administered on behalf of Government

<b>Payables</b>		
Suppliers—trade creditors	268	115
<b>Total Liabilities Administered on behalf of Government</b>	<b>268</b>	<b>115</b>

All payables are current.



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Note 18 Administered Non-financial Assets	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000
Note 18A Land and Buildings		
<b>Land</b>		
Land—at fair value	22 500	22 500
<b>Total Land</b>	22 500	22 500
<b>Buildings</b>		
Buildings—at fair value	1 308 496	1 308 496
Accumulated depreciation	(21 690)	0
Buildings—at cost	3 669	
Accumulated depreciation	(62)	
Work in progress—at cost	11 999	10 790
<b>Total Buildings</b>	1 302 412	1 319 286
<b>Total Land and Buildings</b>	1 324 912	1 341 786

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Note 18 Administered Non-financial Assets (continued)	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000
Note 18B Infrastructure, Plant and Equipment		
<b>Furniture, Fittings and Equipment</b>		
Furniture, Fittings and Equipment—at fair value	448	448
Accumulated depreciation	(41)	
Furniture, Fittings and Equipment—at cost		
Accumulated depreciation		
<b>Total Furniture, Fittings and Equipment</b>	407	448
<b>Plant and Equipment</b>		
Plant and Equipment—at fair value	32 494	32 645
Accumulated depreciation	(1 298)	
Plant and Equipment—at cost	577	
Accumulated depreciation	(33)	
<b>Total Plant and Equipment</b>	31 740	32 645
<b><i>Total Infrastructure, Plant and Equipment</i></b>	32 147	33 093
Note 18C Artworks		
<b>Artworks</b>		
Work in progress—at cost	143	89
Artworks—at 2002 deprival value	83 946	83 745
Artworks—at cost	99	207
<b><i>Total Artworks</i></b>	84 188	84 041

## FINANCIAL STATEMENTS

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Note 18D Analysis of Infrastructure, Plant and Equipment and Intangibles

Table A Reconciliation of the opening and closing balances of infrastructure, plant and equipment, and intangibles

Item	Land and Buildings	Infrastructure, Plant and Equipment	Artworks	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2003</b>				
Gross book value	1 341 786	33 093	84 041	1 458 920
Accumulated depreciation/amortisation	-	-	-	-
Net book value	1 341 786	33 093	84 041	1 458 920
<b>Additions</b>				
By purchase	5 455	-	147	5 602
Depreciation/amortisation expense	(21 752)	(1 382)		(23 134)
Transfer of Work-in-progress (Buildings) to I,P & E.	(577)	577		-
<b>Disposals</b>				
Other disposals	-	(141)		(141)
<b>As at 31 January 2004</b>				
Gross book value	1 346 664	33 519	84 188	1 464 371
Accumulated depreciation/amortisation	(21 752)	(1 372)		(23 124)
<i>Net book value</i>	1 324 912	32 147	84 188	1 441 247

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Note 18D Analysis of Infrastructure, Plant and Equipment, and Intangibles

Table B Assets at valuation

Item	Land and Buildings	Infrastructure, Plant and Equipment	Artworks	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 31 January 2004</b>				
Gross value	1 331 077	32 942	84 000	1 448 019
Accumulated depreciation/amortisation	(21 690)	(1 340)	-	(23 030)
<b>Net book value</b>	<b>1 309 387</b>	<b>31 602</b>	<b>84 000</b>	<b>1 424 989</b>
<b>As at 30 June 2003</b>				
Gross value	1 341 786	33 093	83 745	1 458 624
Accumulated depreciation/amortisation	-	-	-	-
<b>Net book value</b>	<b>1 341 786</b>	<b>33 093</b>	<b>83 745</b>	<b>1 458 624</b>

Note 18D Analysis of Infrastructure, Plant and Equipment, and Intangibles

Table C Assets under construction

Item	Land and Buildings	Infrastructure, Plant and Equipment	Artworks	Total
	\$'000	\$'000	\$'000	\$'000
<b>Gross value at 31 January 2004</b>	<b>11 999</b>		<b>143</b>	<b>12 142</b>
<b>Gross value at 30 June 2003</b>	<b>10 790</b>		<b>89</b>	<b>10 879</b>

## FINANCIAL STATEMENTS

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Note 19 Administered Reconciliation Table	Seven Months	Twelve Months
	2003-04	2002-03
	\$'000	\$'000
<i>Administered assets less administered liabilities as at 1 July</i>	1 458 853	1 233 692
Plus Administered revenues	76	202
Less Administered expenses	(23 275)	(28 388)
Administered transfers to/from Government		
Appropriation transfers from Official Public Account	5 555	6 861
Transfers to Official Public Account	(1)	0
Administered revaluations taken to/from reserves	0	246 486
<b>Administered assets less administered liabilities as at 31 January 2004</b>	<b>1 441 208</b>	<b>1 458 853</b>

## FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT  
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Note 20 Administered Financial Instruments			
Note 20A Terms, Conditions and Accounting Policies			
Financial Instrument	Notes	Accounting Policies and Methods (including recognition criteria and measurement basis)	Nature of underlying instrument (including significant terms and conditions affecting the amount, timing and certainty of cash flows)
<b>FINANCIAL ASSETS</b>		Financial assets are recognised when control over future economic benefits and the amount of the benefit can be reliably measured.	
Cash	17C	Cash is recognised at its nominal amounts.	Cash includes notes and coins held and the balances of JHD's administered bank accounts.
<b>FINANCIAL LIABILITIES</b>		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Trade creditors	17D	Creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	The majority of the creditors is the net GST annotation due to DoFA at reporting date.

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Note 20 Administered Financial Instruments (continued)															
Note 20B Interest Rate Risk															
Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate						Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
				1 year or less		1 to 5 years		> 5 years							
		Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000	Seven Months 2003-04 %	Twelve Months 2002-03 %
<b>Financial Assets</b>															
Cash	17C									10	0	10	0	n/a	n/a
<b>Total</b>		-	-	-	-	-	-	-	-	10	0	10	0	n/a	n/a
<b>Total assets</b>												1 441 476	1 458 968		
<b>Financial Liabilities</b>															
Trade creditors	17D									268	115	268	115	n/a	n/a
<b>Total</b>		-	-	-	-	-	-	-	-	268	115	268	115		
<b>Total liabilities</b>												268	115		

## FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT  
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Note 20 Administered Financial Instruments (continued)

Note 20C Net Fair Values of Financial Assets and Liabilities

Note	Seven Months 2003-04		Twelve Months 2002-03	
	Total carrying amount \$'000	Aggregate net fair value \$'000	Total carrying amount \$'000	Aggregate net fair value \$'000
<b>Financial Assets</b>				
Cash	10	10	0	0
<b>Total Financial Assets</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>
<b>Financial Liabilities</b>				
Trade creditors	268	268	115	115
<b>Total Financial Liabilities</b>	<b>268</b>	<b>268</b>	<b>115</b>	<b>115</b>

*Financial Assets*

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

*Financial Liabilities*

The net fair values for trade creditors are short-term in nature and are approximated by their carrying amounts.



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## Note 21 Appropriations

Note 21A Cash Basis Acquittal of Appropriation (Parliamentary Departments) Acts (No.1/3)

Particulars	Administered Expenses Outcome 1	Departmental Outputs	Total
<b>Seven months ended 31 January 2004</b>	\$	\$	\$
Balance carried forward from previous year	-	5 700 549	5 700 549
Appropriation (Parliamentary Departments) Act	10 654 000	34 198 000	44 852 000
<b>Less :</b> Appropriation revenue to be recognised in the Department of Parliamentary Service (section 54B of the Parliamentary Service Act 1999)	(5 098 507)	(13 628 399)	(18 726 906)
Amounts from Advance to Presiding Officers	-	50 000	50 000
GST credits (FMA s30A)	555 259	1 286 820	1 842 079
Annotations to “net appropriations” (FMA s 31)	-	2 662 713	2 662 713
Available for payments	6 110 752	30 269 683	36 380 435
Payments made	5 882 374	26 743 040	32 625 414
<b>Balance to be transferred to Department of Parliamentary Services</b>	228 378	3 526 643	3 755 021
<i>Represented by:</i>			
Cash	10 134	1 114 138	1 124 272
Add: Appropriations receivable		2 269 601	2 269 601
Add: Receivables—Goods and Services—GST receivable from customers		65 798	65 798
Add: Receivables—Net GST receivable from the ATO	219 165	79 165	298 330
Add: Payable—Suppliers—GST portion	(921)	(2 059)	(2 980)
<b>Total</b>	228 378	3 526 643	3 755 021

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Note 21 Appropriations (continued)

Note 21A Cash Basis Acquittal of Appropriation (Parliamentary Departments) Acts (No.1/3)

Particulars	Administered Expenses Outcome 1	Departmental Outputs	Total
<b>Twelve months ended 30 June 2003</b>	\$	\$	\$
Balance carried forward from previous year	-	5 954 039	5 954 039
Appropriation (Parliamentary Departments) Act	6 859 744	33 387 000	40 246 744
Amounts from Advance to Presiding Officers	-	132 700	132 700
GST credits (FMA s30A)	688 470	2 093 700	2 782 170
Annotations to "net appropriations" (FMA s 31)	-	4 169 930	4 169 930
Available for payments	7 548 214	45 737 369	53 285 583
Payments made	7 548 214	40 036 820	47 585 034
<b>Balance carried to next year</b>	-	5 700 549	5 700 549
<i>Represented by:</i>			
Cash	-	1 589 798	1 589 798
Add: Appropriations receivable		4 000 000	4 000 000
Add: Receivables—Goods and Services—GST receivable from customers		14 797	14 797
Add: Receivables—Net GST receivable from the ATO		96 089	96 089
Less: Payable—Suppliers—GST portion		(135)	(135)
<b>Total</b>	-	5 700 549	5 700 549

## FINANCIAL STATEMENTS

JOINT HOUSE DEPARTMENT  
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## Note 22 Trust Monies

## Comcare Trust Account

*Purpose*—monies held in trust and advanced to JHD by Comcare for the purpose of distributing compensation payments made in accordance with the *Safety Rehabilitation and Compensation Act 1998*

	Seven Months 2003-04	Twelve Months 2002-03
	\$	\$
Balance brought forward from previous period	3 276	22 684
Receipts	54 997	57 038
Available for payment	58 273	79 722
Payments	(28 584)	(76 446)
Balance carried forward to next period	29 689	3 276

## FINANCIAL STATEMENTS

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Note 23 Reporting of Outcome and Outputs

Note 23A Net cost of Outcome Delivery

	Outcome 1	
	Seven Months	Twelve Months
	2003-04	2002-03
	\$'000	\$'000
Departmental expenses	27 692	40 822
Administered expenses	23 275	28 388
<b>Total expenses</b>	<b>50 967</b>	<b>69 210</b>
<i>Costs recovered from provision of goods and services to the non-government sector</i>		
Departmental	1 180	2 305
Administered	76	202
<b>Total costs recovered</b>	<b>1 256</b>	<b>2 507</b>
Departmental		
Interest on cash deposits	-	125
Revenue from disposal of assets	12	67
Other	29	1 390
Goods and Services from Related Entities	3 952	514
Total other external revenues	3 993	2 096
<b>Net cost/(contribution) of Outcome</b>	<b>45 718</b>	<b>64 607</b>

The outcome is described in Note 1.1. Net costs shown included intra-government costs that are eliminated in calculating the actual Budget outcome. The Capital Use Charge is not included as it is not an operating expense in end-of-year financial reports. Refer to the Outcome Resourcing Table in the Departmental Overview of this Annual Report.

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## Note 23 Reporting of Outcome and Outputs (continued)

## Note 23B Major Classes of Departmental Revenue and Expenses by Outputs

Outcome 1	Output 1		Output 2		Total	
	Seven Months	Twelve Months	Seven Months	Twelve Months	Seven Months	Twelve Months
	2003-04	2002-03	2003-04	2002-03	2003-04	2002-03
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Departmental Expenses</b>						
Employees	9 194	11 538	3 615	4 388	12 809	15 926
Suppliers	8 414	13 767	5 678	9 155	14 092	22 922
Depreciation and amortisation	529	1 061	176	387	705	1 448
Other expenses	62	296	24	230	86	526
<b>Total departmental expenses</b>	<b>18 199</b>	<b>26 662</b>	<b>9 493</b>	<b>14 160</b>	<b>27 692</b>	<b>40 822</b>
<b>Funded by:</b>						
Revenues from government	16 233	26 406	6 286	10 401	22 519	36 807
Sale of goods and services	2 335	51	2 797	2 769	5 132	2 819
Other operating revenue	33	563	8	1 019	41	1 582
<b>Total departmental revenues</b>	<b>18 601</b>	<b>27 020</b>	<b>9 091</b>	<b>14 189</b>	<b>27 692</b>	<b>41 208</b>

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Note 23 Reporting of Outcome and Outputs (continued)

Note 23C Major Classes of Administered Revenue and Expenses by Outcome

	Outcome 1	
	Seven Months 2003-04 \$'000	Twelve Months 2002-03 \$'000
<b>Administered Revenues</b>		
Other	76	202
<b>Total administered revenues</b>	<b>76</b>	<b>202</b>
<b>Administered expenses</b>		
Depreciation and amortisation	23 134	28 028
Loss on sale of assets	141	360
<b>Total Administered Expenses</b>	<b>23 275</b>	<b>28 388</b>

JHD's Outcome is described in Note 1.1.

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