

Senate Finance and Public Administration Legislation Committee —Budget Estimates Hearing—May 2011

Answers to Questions on Notice

Parliamentary departments, Department of Parliamentary Services

Topic: Heritage assessment in the valuation of the Billiard Tables

Question: 34

Hansard reference F&PA p.46, 23 May 2011

Date set by the committee for the return of answer: 8 July 2011

Senator FAULKNER: Thank you. Who decided this book value of \$1,500 for each of the two tables that were valued at \$5,800 in 1989?

Mr Kenny: That again would have been decided within the CFO branch.

Senator FIFIELD: It wasn't the AVO?

Mr Kenny: The AVO from time to time provide us with valuation advice, and then we have a depreciation schedule that is pretty standard in terms of the way accountants work. But that work is done within the CFO branch, also known as the Finance branch and about to be known as the Corporate branch.

Senator FAULKNER: Does the person who made that decision also have heritage qualifications—the ability to make assessments of the heritage value of items?

...

Mr Kenny: If you are asking if there was any heritage assessment done in making the valuation \$1,500—

Senator FAULKNER: Yes.

Mr Kenny: We will have to take that on notice.

Senator FAULKNER: I am asking whether there was any expertise involved, unlike in most of the other steps of this process. Was there any expertise, or was it—

Answer

- 1 The Australian Valuation Office (**AVO**) determined the fair or book value of the billiard tables to be \$1,500.00 in 2009–10.
- 2 The AVO is engaged to value the assets with the following valuation deliverables.
 - (a) Draft valuation report including:
 - (i) individual details on each item including the new fair value, revised useful life for each asset item;
 - (ii) details of the measurement techniques employed in ascertaining the fair values for each asset class involved; and
 - (iii) separate disclosure of the gross replacement value, restated accumulated depreciation and remaining useful life for each asset, as per the depreciated replacement cost method, in accordance with sections 31-35 of AASB 116, Property and Plant and Equipment.
 - (b) A final valuation report, as per the draft report and including a Certificate of Valuation.

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3 The AVO advises that:

AVO's valuations meet the financial reporting requirements and standards of Department of Finance and Deregulation (Finance) and the Australian National Audit Office (ANAO). Specifically: "Fair Value" as determined by definition of terms as detailed in Finance Ministers Orders issued annually by Finance.

4 These reporting standards include the Finance Minister's Orders (**FMO**). For 2010–11, Part E of those Orders advises as follows.

37 Heritage and cultural Assets

37.1 Heritage and cultural items must only be recognised as assets where they meet the asset definition and recognition criteria set out in AASB 116 or AASB 138.

37.2 Only assets that are primarily used for purposes that relate to their cultural, environmental or historical significance are to be accounted for as heritage and cultural assets.

5 The billiard tables were primarily used for recreational purposes. DPS is obliged to use the definition in FMO 37.

6 The AVO valuation report in 2009–10 did not contain any reference to heritage considerations.