



# PARLIAMENTARY SERVICES DEPARTMENT



# ANNUAL REPORT 2017 - 18

Parliamentary Services Department  
Parliament House  
4 Harvest Terrace  
West Perth WA 6005  
Telephone: (08) 9222 7222  
Email: [receptionservices@parliament.wa.gov.au](mailto:receptionservices@parliament.wa.gov.au)  
Website: [www.parliament.wa.gov.au](http://www.parliament.wa.gov.au)





Hon Kate Doust, MLC  
*President of the Legislative Council*

Hon Peter Watson, MLA  
*Speaker of the Legislative Assembly*

I am pleased to present for tabling in each House the Annual Report of the Parliamentary Services Department (PSD) for the year 2017–18.

A full set of audited financial statements, together with the Auditor General's audit opinion, is also attached.

This year the department achieved its highest ever rating in the annual member and staff satisfaction survey, which is a credit to the hardworking staff of the Parliamentary Services Department.

I would like to thank you for your support, as well as the members of the Parliamentary Services Committee for their valuable input into PSD's operations, and, importantly, the staff of the Parliamentary Services Department for their ongoing commitment to the Parliament of Western Australia.

Rob Hunter  
Executive Manager Parliamentary Services  
Accountable Officer  
Parliamentary Services Department

18 September 2018

## Contents

Executive Manager's Report .....	1
Executive summary .....	2
Performance Highlights .....	2
Operational Structure .....	2
Organisational Structure .....	2
Executive Management Group .....	3
2017–18 at a Glance .....	4
Performance Summary 2017-18 .....	6
Strategic direction 2017–21 .....	9
The Fountains .....	11
Website redesign .....	13
The Key to Your House .....	14
Member and Operational Support .....	15
Building Services .....	15
Catering .....	16
Human Resources .....	16
Security and Reception Services .....	17
Parliamentary Information and Education .....	18
Information Technology .....	18
Parliamentary Library .....	19
Education and Community Relations .....	19
Reporting Services .....	20
Governance and Finance .....	22
Other reporting .....	22
Records Management .....	22
Occupational Safety, Health and Injury Management .....	23
Parliamentary Services Department Annual Survey .....	24
Unauthorised use of credit card .....	24
Departmental Reporting .....	25
Financial Statements .....	27

## Executive Manager's Report

Firstly I wish to acknowledge all the hard working and professional staff who make up our diverse department. We faced some significant challenges over the last 12 months but, once again, the Parliamentary Services Department (PSD) staff showed how professional they are by ensuring the department ran smoothly—despite our enormous budgetary constraints.

It's no secret that the PSD needs more money to preserve Parliament House and we have a significant building maintenance backlog. Our heritage building is plagued with problems including a leaking roof, failing air conditioning, electrical faults, antiquated finance systems and databases, deteriorating stonework and very cramped office accommodation for Members and staff. With an anticipated \$23m backlog over the next 10 years the department faces the ongoing problem of deciding what services and facilities to 'let slip'—like a major air conditioning failure that has been left unrepaired for many months with no means to fix it.

Despite these constraints the PSD was able to deliver some outstanding outcomes in support of the Presiding Officers and Chamber departments. Outcomes such as the ongoing redevelopment of our website, exceptional quality education programs and materials for school groups and teachers, high standard broadcasting and reporting of debates and committees, and many successful community events. Our professional standard was recognised by our users when we achieved our highest ever overall satisfaction rating in our 2017–18 Annual Satisfaction Survey.

Another remarkable achievement was the completion of the first stage 'repurposing' of the iconic Parliamentary Fountains, built in 1969 and decommissioned in 2006. After many months of planning and approvals the demolition and installation of amenities was undertaken, and in August 2019 we anticipate that the new Fountains office accommodation will be complete. Once finalised, the Parliament will have improved facilities and reduced future lease expenditure.

There were some funny moments too when things could have gone horribly wrong, like during the Minister for Agriculture's media interview on the Parliamentary grounds where the world was introduced to a not-camera-friendly 'Winston' the bull. Tethered by his handler Winston decided the limelight wasn't for him and when the cameras arrived Winston broke his shackles. Mayhem ensued as Winston trotted up main roads, halted traffic and trampled gardens in a scene resembling a Benny Hill skit with an entourage of camera crews, reporters and a distraught handler in tow. Fortunately Winston was calmed and returned to his float safely and no one was hurt. A series of bull analogies and quips linking to Parliamentarians followed on Twitter, Facebook, online and TV news reports; we even made *London Times*!

We look forward to another positive year ahead.

**Rob Hunter**  
**Executive Manager Parliamentary Services**



## Executive summary

### Performance Highlights

- Construction on the Fountains repurposing project commenced, beautifying a prominent Perth landmark. When completed, the area will provide additional office accommodation for up to 26 staff.
- Delivered engagement program *The Key to Your House*.
- Commenced the website redesign to improve public access to parliamentary information.
- Developed and delivered high quality educational materials for members, students and teachers.

### Operational structure

The Parliamentary Services Department is one of three departments that collectively make up the ‘Parliament’.

The Parliamentary Services Department delivers services to the Legislative Council, Legislative Assembly, members and staff of the Parliament of Western Australia through the following divisions —

- Member and Operational Services
- Parliamentary Information and Education
- Governance and Finance

The Parliamentary Services Department reports to the Presiding Officers of the Parliament of Western Australia, Hon Kate Doust, President of the Legislative Council, and Hon Peter Watson, Speaker of the Legislative Assembly.

The Parliamentary Services Committee, which is established in each house under Standing Orders, advises the Presiding Officers of any matter under their joint control.

The Parliamentary Services Department has a collaborative relationship with the chamber departments to ensure a high standard of service delivery, and participates in a number of cross parliamentary committees to facilitate good communication, consultation and outcomes for the Parliament.

A Management Executive Committee comprising the Presiding Officers, Clerks of both houses and the Executive Manager Parliamentary Services provides strategic oversight of parliamentary facilities and services.

Parliamentary Services participates in the Joint Consultative Committee, a forum for managers and staff; Risk Management Committee, Information Management Committee; Parliament House Art Advisory Committee; Parliamentary History Advisory Committee and Parliamentary Education and Community Relations Committee.

### Organisational structure

The Parliamentary Services Department undertakes all operations according to its goal and strategic plan and underpinned by its core values.

#### **Mission**

To deliver effective apolitical services to support the operations of the Parliament and its stakeholders.

#### **Goal**

To develop and maintain a skilled, diverse and ethical Department serving the Parliament with consideration of the public interest.

## Strategic plan

The strategic plan comprises four key pillars of 'Investing in our People', 'Managing our Assets', 'Managing Governance and Compliance' and 'Managing Information and Engagement'.

## Values

**Professional:** Showing respect and professionalism in all aspects of our work

**Accountable:** Being honest and trustworthy in performance of our public duties

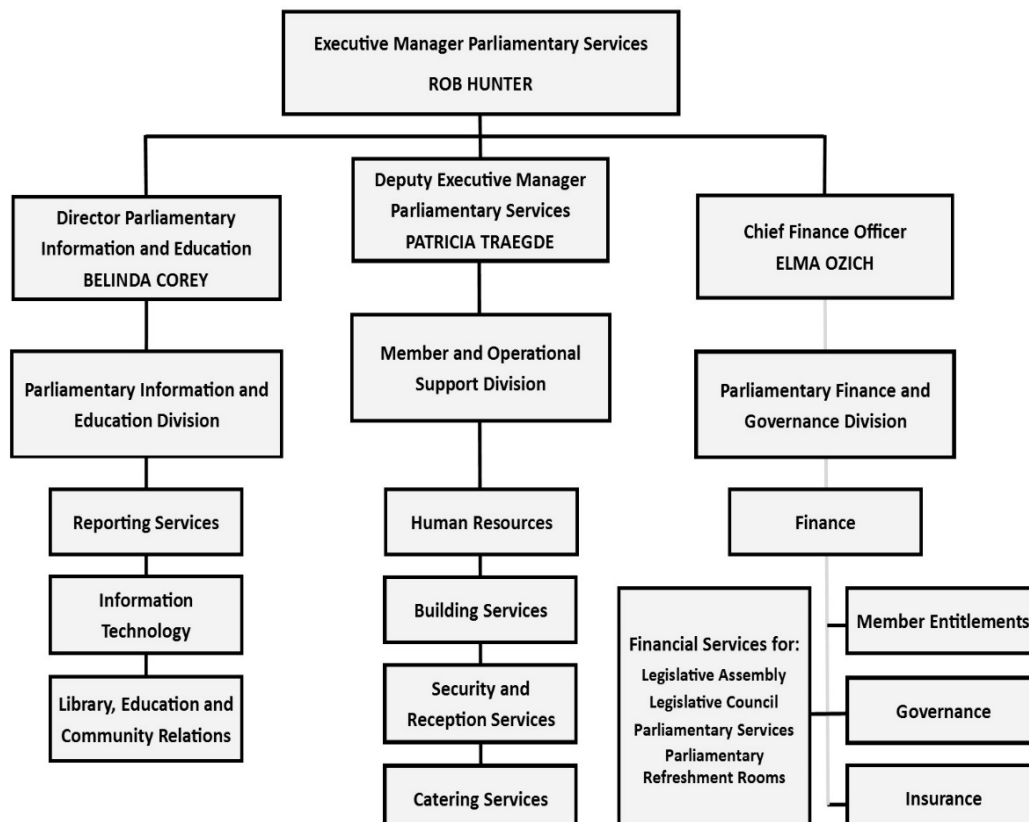
**Transparent:** Maintaining fairness and consistency

**Helpful:** Cooperation among teams and with others while always showing encouragement

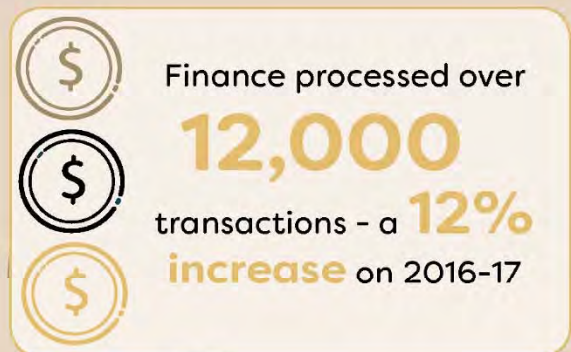
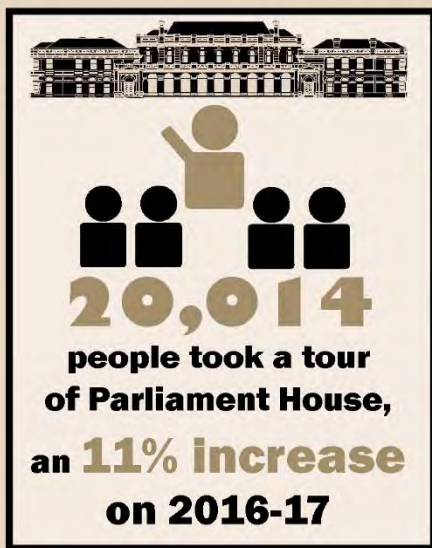
## Executive Management Group

Rob Hunter, Executive Manager Parliamentary Services, is the accountable authority and chief executive officer for the Parliamentary Services Department. He is supported by the Executive Management Group, comprising Patricia Traegde, Deputy Executive Manager and Director Member and Operational Support, Elma Ozich, Chief Finance Officer, and Belinda Corey, Director Parliamentary Information and Education.

The Executive Management Group works closely to ensure the ongoing delivery of core services, continued operational efficiency and the development of strategic goals and service improvements, while ensuring strong financial and risk management. The EMG is in turn supported by the Corporate Management Team, a team of specialised managers who are responsible for Parliamentary Services' key business areas.



# 2017-18 at a glance





# 2017-18 at a glance



**2,878**  
items were borrowed from  
the Parliamentary Library



**HANSARD**  
PROVIDED TRANSCRIPTION SERVICES  
FOR **376** COMMITTEE HEARINGS

This infographic consists of a solid black box containing the word 'HANSARD' in large yellow letters, followed by the text 'PROVIDED TRANSCRIPTION SERVICES FOR 376 COMMITTEE HEARINGS' in white.



## Performance Summary 2017-18

### Promotion of Parliament and community engagement

- Work on the website is well underway, with the design component completed. The technical design stage is due to be completed by the end of 2018 and includes a number of 'custom functions' designed to enhance user experience. The new website will coincide with the launch of the Parliament's expanded social media presence, to more directly engage with users and provide contemporary updates on activities and operations.
- The documentary series 'A Key to Your House' was broadcast on community television station West TV, reaching an estimated 20,000 people per episode. The series, featuring interviews with current and former members of Parliament, was designed to provide an insight into the workings of 'the People's House'. The program is currently available for view from the Parliament's website.
- The Parliament's community engagement and outreach program was expanded to encompass three regional visits per calendar year to key regions within Western Australia. The outreach program provides school visits, community seminars and teacher professional learning to regional communities to better inform them about the role of the WA Parliament.

### Development of organisational talent

- To ensure that Parliament is able to recruit and retain excellent staff, new policies for the whole of Parliament dealing with recruitment and selection and probationary review were introduced. In conjunction, a review of the Parliament's induction programs and resources was undertaken to ensure that staff are equipped with the necessary skills and training at the commencement of their career with Parliament. To facilitate this, pages on onboarding and offboarding have been made available through the Parliament's intranet.
- A range of training and professional development opportunities were made available to all staff addressing areas of personal safety and wellness, workers' compensation, injury management, communication skills and workplace relationships.
- The development of Parliamentary Services' strategic plan involved input from all managers and their teams to develop strategic thinking at unit level.





### **Improvements to Parliament House as a functional workplace for members and staff**

- Parliament House continues to struggle with the accommodation requirements of members and staff. The building and outbuildings house approximately 180 staff, and on sitting days the building accommodates the 95 members and an additional 200 staff and visitors. Despite these constraints processes continue to be streamlined to coordinate the allocation of spaces to the highest priorities.
- The expansion and upgrade of the wireless network resulted in improved network connectivity for members and other building users.
- Building Services continued its maintenance program with a focus on safety to ensure that the building remains suitable for use.
- Improvements were made to Parliament's electrical network to provide for a generator to ensure business continuity and the continued operation of Parliament in the event of an extended power outage.

### **Showcase Parliament House's status as a premium heritage and cultural building**

- The Fountains redevelopment project aims to improve the unsightly and dilapidated fountains area that has been beset by concrete cancer, which was visible from the freeway below. The concrete has been restored, and the area is being converted to accommodation for staff, while maintaining the heritage value of this iconic building that overlooks the city of Perth.
- The Parliament's Management Executive Committee engaged in ongoing consultations with government regarding parliamentary precinct legislation, which would provide more responsive powers to address contemporary issues relating to management of a state building.
- New universal access toilets were completed on the northern side of the building to provide toilet facilities for external users of the building. These facilities have been carefully designed, and the surrounding area landscaped, to integrate with the Parliament.



### **Ensure the safety and security of all users of Parliament**

- The Protective Services Officer model was deployed by the WA Police to provide a greater security presence for the WA Parliament and nearby government buildings. This model, which has provided a physical deterrent for unsociable and illegal activity, has been fully supported by members and parliamentary staff, and the PSOs have integrated well with the Parliament.
- Procedures for security access card holders were reviewed to ensure that all building users have the same considerations for safety and security. This has involved an extensive education and awareness raising process for card holders and members.
- Improvements were made to the roof access for contractors and staff to ensure safe walkways and sufficient anchor points for harnesses, as part of the Parliament's ongoing program to ensure best practice occupational safety and health.
- Improvements were made to lighting both within the building and externally to provide safe passage for staff and members after hours.
- Electrical panels were replaced to allow for additional capacity and address safety issues, and regular and ongoing testing of electrical circuits was undertaken.

### **Ensure improved governance, accountability and risk management**

- Training on procurement practices and processes was provided informally to managers and purchasing staff across the three departments to provide clarity on the Parliament's procurement policy and guidelines.
- A new Risk Management manual was developed and implemented across the three departments to formalise and standardise the recording of risks. Within the Parliamentary Services Department a detailed review of the risk register was undertaken to ensure consistent language and appropriate recording of risks.
- A Human Resources information system was introduced to provide better management of Human Resources records. The system will be rolled out to managers and staff during 2018–19.
- Upgrades were made to refrigeration equipment within the Catering facilities to ensure continued compliance for HACCP accreditation.





## Strategic direction 2017–21

In May 2018 the Parliamentary Services Department completed its strategic direction for the 40<sup>th</sup> Parliament (2017–21). This was the culmination of a two-year process that began with feedback from the nine business units, and included a realignment of the department's goal and values to position itself as a highly skilled department providing quality services to support the operations of the Parliament of Western Australia.

The direction comprises four pillars, or overarching areas of focus for the department. Under each pillar is two strategic outcomes that will be the focus for the financial year. It is intended that the strategic outcomes will be reviewed and updated annually to take account of new projects, opportunities or challenges and as key projects are completed. A full version of the strategic directions has been published on the

Parliament's website to provide full transparency and accountability.

In addition, the Parliamentary Services Department further developed its strategic asset management plan (SAMP) to incorporate asset management planning at the unit level to feed into the overall plan. Asset management is one of the four strategic pillars. The SAMP is carefully reviewed to ensure that the Department's \$1 million annual capital appropriation is appropriately managed to correctly prioritise the many asset upgrade projects necessary to sustain a modern and contemporary Parliament.

Parliamentary Services' priorities are to maximise access to information, engagement with the community and more efficient operational practices while maintaining a heritage building and providing a secure environment for all users.



## Our Strategic Direction for 2018–19

### Investing in Our People

- Developing leadership
- Being a good employer
- Creating resilient, competent and successful staff

#### Strategic Outcome 1

Cross Disciplinary Cooperation and Development

Target

Well balanced and supported teams and increased workplace satisfaction

#### Strategic Outcome 2

Good Performance – Strong leadership, management and workforce capabilities

Target

Improved overall performance and strengthened cooperation with the Chambers

### Managing Our Assets

- Strategic asset management
- Managing our buildings and grounds
- Safeguarding our key infrastructure
- Planning for our future needs

#### Strategic Outcome 1

Asset Planning at Unit Level to Strengthen Management

Target

Improved PSD planning, including structured plans with organisational perspective

#### Strategic Outcome 2

Broader staff awareness of their own safety and security

Target

Improved staff awareness and commitment to their safety and security

### Managing Governance and Compliance

- Procurement aligned with value for money policy
- Compliance with statutory requirements
- Business Continuity and Risk Management
- Responsible expenditure of public funds

#### Strategic Outcome 1

Improved Alignment with Procurement Policy

Target

Training program and information resources to ensure alignment with policy

#### Strategic Outcome 2

Improved risk management and business continuity in conjunction with Chamber Departments

Target

Improved risk management and Business Continuity Plan oversight

### Managing Information and Engagement

- Communicating with stakeholders
- Maximising technology to improve services
- Maintaining corporate knowledge

#### Strategic Outcome 1

Identification and assessment of appropriate emerging technology

Target

Provision of accessible and accurate information to support the operations of Parliament

#### Strategic Outcome 2

Promotion of Parliament through community engagement

Target

Improved community knowledge and understanding of the Parliament of Western Australia

## The Fountains

From 1969 to 2006, a cursory glance towards Parliament House from the Barracks Arch would draw the eye to the fountains, a comprehensive and iconic water feature existing on two levels and complemented by terraced gardens. The fountains and surrounds reflected the symmetry and formality of the 1960s Parliament House design.

Approximately 35 years after construction, due to serious structural issues, major water leaks and the prohibitive cost of repairs, the fountains were decommissioned.

Since that time, the facility has been used to store equipment and while the original public toilets have remained open, they are neither accessible to people with disabilities nor conveniently located for public gatherings at Parliament House.

In 2017, given an extreme shortage of office accommodation on the parliamentary precinct, a decision was made to repurpose the fountains for office accommodation.

Parliament worked closely with the Heritage Council, Perth City Council and the WA Planning Commission to ensure the design of the new accommodation mirrors the original design of the fountains with the only noticeable change being glass infill between the aggregate columns and the installation of a lift shaft.

Recently planted Western Australian natives grace the fountains, blending the building

with the local landscape and providing continuity throughout the Parliament House gardens.

To date, the roof of the structure has been sealed and concrete cancer addressed with extreme care being taken to select exposed aggregates to replicate the original facade. Interior storage areas and public toilets have been removed to create an open floor space. Minor amendments have been made to the planter beds at the northern and southern ends of the structure provide for the lift shaft and other internal services to be constructed.

Universal accessible public toilets, faced in Donnybrook stone, now stand to the northern side of Parliament House and align visually with the heritage aspect of that building.

The focus for the coming financial year will be fitting windows, construction of internal offices, meeting rooms and other amenities and the installation of office furniture.

The exposed aggregate walls, a foundational feature of the original fountains, will remain internally as a reminder of the facility's past.

The works will return the dilapidated fountains to their former dignified state and will re-establish their visual connection with Parliament House.

For reasons of posterity and as a mark of respect to the original architectural design, the new accommodation will retain the title of *The Fountains*.



## The Fountains Development

Clockwise from right: The original Fountains as pictured in 1971; architect's design for the northern concept of the end of the redeveloped Fountains; excavations for the lift shaft to the upper concourse; demolition of the internal walls; architect's design for the interior office space, retaining the original aggregate columns.





## Website redesign

The Parliament House website is one of the principal means by which the public accesses information about the business of the Houses and Committees. The three departments have jointly funded the website redesign project to ensure that the website is more visually appealing and user friendly to improve the public's understanding of the function and services of the Parliament of Western Australia and to encourage greater participation in Parliament, through petitions, committees, parliamentary sittings and parliamentary tours and events.

The primary drivers for delivery of the new website included a welcoming design, simple in style and easy to navigate; improved access for persons with a disability; and integration of functions that afford better engagement by the public with the Parliament. Continuing from the previous financial year, a design consultant was appointed in July 2017 to develop key landing pages and design templates for the website. The design of the pages was informed by a website survey, statistical data on website usage, a series of internal workshops, and best practice website design.

A number of custom functions were scoped to allow visitors to the site to more readily

access information on the business of the Houses and committees and other parliamentary activities and events.

Website content pages were reviewed to improve readability and new pages were drafted to enhance the public's understanding of how Parliament works and to provide guidance in locating information on the website.

Various supporting policies and guidelines for the website were developed to ensure consistency in website technical and information management.

Delays were incurred in delivery of the website due to difficulties in identifying technical development expertise. A developer with the requisite skills and experience was appointed in late May 2018.

Following integration of the style sheets into Parliament's IT environment and technical development of the custom functions, testing will be undertaken and compliance with accessibility requirements assessed.

The remaining technical design of the pages will occur in-house and content will be migrated in readiness for the website to go live in the next financial year.

## The Key to Your House

*As one of the state's oldest civic institutions and deeply rooted in history, Parliament has a range of interesting traditions and quirky stories.*

The Parliament's a community engagement program has in recent years focused substantially on increasing public awareness of parliamentary processes and promoting engagement with the functions of Parliament. The objectives are to develop greater recognition of Parliament's achievements and its impact on the community and to enhance public interest and participation in parliamentary decision making, including legislative outcomes.

As part of this strategy, in February 2017, following an RFQ process, Parliament commissioned West Television, Channel 44, to develop a 13-part documentary on the history, roles, functions and inner workings of Parliament House. The program was broadcast four times on Channel 44 between September and December 2017, with an estimated reach of 20,000 viewers per episode.

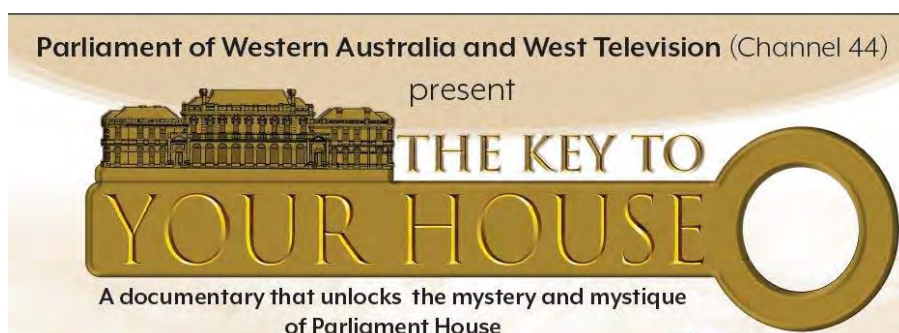
The documentary explored the impact of war, geographical isolation and changing economic times on the evolution of the parliamentary building, and detailed a fascinating journey demonstrating the hardship yet resilience of the Western Australian community.

Candid interviews with current and former members of Parliament and staff not only showed the human side of Parliament but also gave practical insights into the daily workings of the Houses. The interviews also revealed the diversity of members' backgrounds and the extreme professional and personal demands of the role of parliamentarian.

A staff competition resulted in the selection of the title 'The Key to Your House', referencing the original key to the front door of Parliament House which remains on display within Parliament, as well as alluding to the fact that the Parliament is the People's House, and everyone is welcome.

The 10-month project was managed by the Parliamentary Services Department. The project demonstrated the depth of organisational talent within the department, with the project team being responsible for the script writing, presentation, contract management, communication strategy, image sourcing and selection and selection and coordination of members for interview.

'The Key to Your House' is available on the Parliament of Western Australia's website. Teaching resources that align with the state's Humanities and Social Sciences Curriculum (Civics and Citizenship), accompany each episode to ensure that 'The Key to Your House' is an invaluable resource for educators and the general public.



## Member and Operational Support

### Building Services

Over the past 12 months, Building Services has continued to work on substantially improving the existing infrastructure and amenity of Parliament House for building occupants and visitors. Despite a limited budget and aged infrastructure, Building Services commenced a proactive maintenance plan for the ongoing preservation of this historic building. This approach has been informed by an expanded asset management plan and is reflected in a considerable increase in remedial works.

The Fountains redevelopment project continued during this period with significant restoration of areas affected by concrete cancer. New accessible toilets were constructed to the north of Parliament House and in close proximity to public gathering areas, replacing the dilapidated and noncompliant toilets in the fountain area.

Given the age of the building and service infrastructure, safety improvements have been a primary focus for building services. During the financial year, safety walkways and anchor points were installed within the roof space and the main fire panel and existing electrical series were upgraded, including replacement of the electrical distribution boards. Structural floor repairs and carpeting were undertaken on the open north and south colonnades that frame the courtyard.

With the grounds of Parliament an important public space and water conservation being a high priority, new seating and water wise plants were installed in the gardens over the last 12 months. Concentrating on Western Australian natives, 560 potted plants, 6,296 seedlings and 14 mature grass trees were planted. A new ride-on ground sweeper was

purchased to increase productivity and reduce manual handling for grounds staff.

Professional development and staff safety was again a key focus. Training and certification was undertaken across a range of areas including working at heights, government procurement, and Legionella testing and pesticide use. Leadership development opportunities were also provided for two staff.

Over the next year, Building Services will continue to manage procurement, engineering and construction services for delivery of the fountain accommodation. There will be a continuing focus on safety and service upgrades in the roof space and fire egress and compliance, as well as waste management and the use of sustainable products. Building specification and documentation will be updated to inform future planning and procurement works.



### **Catering Services**

Approximately 30 catering staff work to meet the food, beverage and function requirements of the Parliamentary sitting schedule and events. Over the year, Catering Services delivered in excess of 30,000 meals in the Members' Dining Room and staff canteen and made over 17,000 coffees. Catering was provided to visiting dignitaries and overseas delegations; parliamentary and government events; conferences; seminars; and a range of youth development and leadership programs.

The courtyard canopy extension, completed in July 2017 and fitted with ceiling fans, lighting and heating, increased undercover catering capacity for events and negated the requirement to hire marquees. With the ability to host 250 guests, booking guidelines were revised to control guest access to the courtyard and to minimise impact on the essential operations of the Chambers. While the new canopy has extended al fresco use of the courtyard into the spring and autumn months, it has attracted some criticism for being too warm in the summer months. Mitigation works are ongoing to improve airflow through this very popular meeting and gathering area.

A number of upgrades or replacements of aged equipment and furniture were undertaken in 2017–18 to ensure food safety standards, amenity and delivery capability. This included two free-standing and one fixed fridge with temperature variation issues; a new cooking centre to replace an antiquated braat pan; and several new dining chairs and trolleys to replace damaged stock. Technical upgrades were undertaken on Catering Services' point of sale system and the menu database was reviewed to improve ordering and service outcomes.

Over the next 12 months, Catering Services will continue to improve productivity in the kitchen with the introduction of electronic temperature monitoring in food fridges, and continue to deliver a high standard of service to the members, guests and visitors, and staff of the Parliament of Western Australia.

### **Human Resources**

During the year, Human Resources concluded negotiations with three unions for the registration of a replacement Parliamentary Employees General Agreement in late 2017. The unit also facilitated the recruitment of 18 staff collectively across fulltime, part-time and casual positions.

Human Resources coordinated or delivered a range of training and professional development, centrally focused on personal safety and wellness. Addressing particular occupational requirements and the broader needs of the organisational workforce, training included workers compensation and injury management, manual handling aimed at back health, mindfulness to assist with stress management, and developing and maintaining a positive workplace culture. Quarterly seminars including developing communication skills, empathy in everyday practice, positive psychology in the workplace and improving workplace relationships were delivered to staff under Parliament's employee assistance program.

Human Resources also reviewed Parliament policies, guidelines and procedures, including those pertaining to occupational safety and health, to ensure currency, applicability and where relevant, compliance with legislation. Two new policies were finalised to provide further guidance in relation to recruitment



and selection and conducting probationary reviews. A Management Toolkit has been developed for manager and supervisor inductions and for leadership development for current managerial staff.

Procurement of a Human Resources Information System was undertaken to improve system integration, and streamline operational and reporting processes. This system was implemented alongside the Australian Taxation Office's new payroll reporting system, Single Touch Payroll, which will go live on 1 July 2018.

In the early months of the new financial year Human Resources will focus on data migration to the new Human Resource Information System and ensuring the system is fully integrated within the Parliamentary environment.

In 2018-19 there will be a continued focus on health and safety with the delivery of a wellness fortnight to members and staff incorporating activities such as health assessments, flu vaccinations, skin cancer screening, and tailored training workshops on occupational safety and health and personal development.

### **Security and Reception Services**

Parliamentary Security continues to keep abreast of contemporary security threats and works in concert with law enforcement agencies on mitigation and response measures. Parliamentary Security ensures that mechanisms employed to enhance personal and building safety do not impede the ability of the houses to undertake their functions or prevent the public from

attending Parliament House and participating in the parliamentary process and other activities. The deployment of the Protective Service Officers to Parliament House has played a critical role in security on the Parliamentary Reserve. Parliament is grateful to the WA Police for the continued presence of the Protective Service Officers and their support of parliamentary security.

While regular risk and vulnerability assessments are undertaken and security infrastructure and personnel organisation is designed to identify and respond to threats, security risk identification is necessarily the responsibility of everyone at Parliament House. During the year, Security focused substantially on awareness training for members and staff on personal and building security. A dedicated security awareness week was held and threat identification material was distributed to staff and members in various learning formats. Protective Service Officers also met members and staff to discuss their role on the parliamentary precinct.

Following on from last year's focus on the installation of infrastructure to support improved access control, a review of the access procedures for the various building users was undertaken.

Reception Services staff played a vital role in efficiently processing visitors to Parliament House, despite the notable increase in visitor numbers, as well as student groups attending Parliament House. The Reception Services staff were outstanding at creating a positive impression as the first point of contact for all visitors to Parliament House.

## Parliamentary Information and Education

### Information Technology

Over the year IT completed a number of upgrades to its application and network infrastructure. All staff migrated to Microsoft Office 2016, and IT replaced 100 staff desktop computers. The wireless network within Parliament House was upgraded to improve services for members and staff, and the firewall and security appliance infrastructure was replaced to ensure Parliament remains protected from cyber threats.

IT also supported database development for the chamber departments as well as provided technical support for committees.

IT worked extremely hard throughout 2017–18 to coordinate planned upgrades and maintenance and contractor support around busy sitting schedules to ensure minimal disruption to members, staff and visitors. A limited budget available for maintenance and capital upgrades has meant that projects are prioritised according to safety and compliance outcomes.

In October, WA hosted the ANZPIT conference, which brings together Parliamentary IT officials from Australian

and New Zealand jurisdictions to discuss matters arising in supporting the information technology needs of members and parliamentary staff. The conference theme of 'Information Accessibility' discussed the burgeoning requirement to provide instantaneous as well as accessible information for all users. This theme was closely associated with the commencement of the website redesign project.

Over the coming year, IT will continue its infrastructure upgrade program by increasing network capability to 10GbE. IT will also develop a strategic road map to facilitate the migration of Parliament's many business processes and websites off the ageing Lotus Notes platform, and upgrade to Skype for Business to assist parliamentary committees with videoconferencing requirements for hearings and briefings.

IT will also facilitate the relocation of staff within the precinct as part of the accommodation plan and Fountains development project and will also review its Helpdesk service to ensure it continues to provide quality, professional and targeted services to all users of IT.



## **Parliamentary Library**

The Parliamentary Library has significantly enhanced electorate profile information over the past 12 months. An Electorate Profile portal, providing detailed community profiles for the 59 Legislative Assembly districts and 6 Legislative Council regions, was delivered in March 2018. The profiles, developed by comparing the 2016 and 2011 census data and then mapping the data against the 2015 electoral boundaries, have received over 16,000 hits since the portal's launch. The portal is publicly available on the Parliament of Western Australia's website and full statistical analytical reports and population maps for each electorate can be downloaded and biographical information accessed on each sitting member.

The Library continued its digitisation project, scanning a large volume of annual reports and completing digitisation of Royal Commissions from 1892–1961. Oral histories and valedictory speeches for former members were added to the members' biographical register, a publicly available resource that received over 63,000 hits this financial year.

The Library was extensively involved in the delivery of 'The Key to Your House', a 13-part television series on the proceedings and history of Parliament House, sourcing historical footage and images to support each episode.

The media team continued to work hard, adding over 122,000 articles to the media database. The team faces a substantial challenge as the amount of news information and sources continue to proliferate, with an ever expanding range of online news and social media sources and greater expectations for instant access to information quickly. The age of the current media recording and

storage infrastructure is a significant risk for the provision of a timely and expanding media service, particularly for radio monitoring.

Trials of different solutions will need to ensure that members' and staff expectations are met, with productivity increases and improvements for ease of use and delivery of services. During the year the team facilitated easier access to the radio and news clips by allowing them to be downloaded from the Parliament's extranet, subject to copyright warnings. Over the next year the Library will review the scope of services to media and a strategy to frame staffing around that.

Also over the next year, the Library will deliver a database Index to Parliamentary Candidates in Western Australian Elections 1890-2018, further digitise the Library's report collections and ensure a digital preservation policy for the Library collection.

## **Education and Community Relations**

The Parliamentary Education Office experienced yet another busy and exciting year, with 20,014 visitors undertaking a tour of Parliament House or participating in an education program – the highest number since Parliament celebrated the centenary of its building in 2004.

The Education Office built on the work commenced in the previous year to develop curriculum-linked resources for school students and teachers as part of the mandated civics and citizenship program. The resources were reviewed by a reference group set up within the Department of Education, and the resources were updated following the feedback provided to ensure the resources aligned with teacher and student requirements.

The professional learning (PL) program for teachers was expanded to include PL sessions held at Parliament House. Eight sessions were held throughout the state, with 99 teachers attending. The sessions provide our education presenters with the opportunity to highlight the civics and citizenship program and materials that are offered at Parliament House. All the online resources are provided to teachers on a USB POWAPass. These provide teachers with all the resources they need to create engaging and informative lesson plans.

The Parliamentary Education Office also expanded its outreach program to run three times a year, with a four year program put in place to plan delivery to all the regions within Western Australia. One program each year is run in conjunction with the Constitutional Centre and the Electoral Education Centre. Each outreach program comprises delivery to around 500 school students, a teacher PL session and a community seminar on a facet of parliamentary democracy. This rounded package aims to provide an immersive experience about Parliament to all sectors of the community.

For those schools whose areas are not targeted by an outreach program (between 150 and 260 kilometres radius from Perth) a Country School Travel Rebate has been introduced to provide a travel subsidy of \$200 per school year. This one year trial will conclude in December 2018, and aims to improve equity access to Parliament and assist in reaching those schools that do not currently have the capacity to visit Parliament or conversely are too close to fall within the catchment of the regional outreach program.

The Parliament strengthened its partnerships with community groups and organisations, collaborating with North Metropolitan TAFE

on a short animation 'The difference between Parliament and Government', and with West TV on the 13 part series, 'The Key to Your House'. Both partnerships aim to improve community understanding and awareness of the important role of Parliament in society through different modes of communication.

All education tours of Parliament House previously included refreshments provided by the local member of Parliament, who often took the opportunity to meet with the school groups and explain what it is like to be a member of Parliament. In 2017 this program was revised to include a juice refreshment and a small pin of Parliament House. This provides students with a lasting memento of their visit to Parliament, as part of the process of embedding learning about Parliament.

Over the coming year, the Parliamentary Education Office will continue to build on the foundations developed through their resources and continue to explore additional ways to engage students and the community, with activities to mark the Centenary of Armistice and other events such as WA Day. The office will work with Members to provide them with resources to take to school visits and will also review and update its online video collection as part of the website redesign project.

### **Reporting Services**

In 2014, Reporting Services commenced a three-year refresh of broadcast infrastructure which transitioned the Chambers from standard to high definition broadcast and vastly improved sound quality. In the past year, Reporting Services has focused on a number of other digital upgrades to enhance the quality of video and audio feeds to the community, government and the media.



Audio digital system processors and microphones were installed in committee hearing rooms within Parliament and parliamentary annexe buildings. The internal Master Antenna Television system and the feed to media outlets were updated to transmit a high definition Chamber broadcast. Additional broadcast infrastructure was installed to ensure the stability and consistency of the broadcast feed and a speech timing clock and additional captioning were added to the Legislative Council broadcast to assist viewers to follow proceedings.

The online daily Hansard and chamber broadcast archives were integrated into a user-friendly tree structure to improve navigation. Notably, there has been a marked increase in requests for broadcast extracts in the past year, and Reporting Services is investigating options to facilitate timely responses to these requests.

During this period, Reporting Services' workload increased considerably with the establishment of two select committees—the Select Committee into Elder Abuse and the Joint Select Committee into End of Life Choices—and an additional budget cycle, the result of the timing of the 2017 state election. A staffing strategy implemented in 2013 ensured that there was sufficient resilience and cross-skilling within the staffing structure to meet this demand.

In the next financial year, Reporting Services will explore additional enhancements to the online daily *Hansard* to modernise the format and increase accessibility for persons with disabilities. Consideration will also be given to the potential for a 'view on demand' system for chamber broadcasts, enhancing public access to individual speeches, questions and other business of the Houses. Technical changes will also be implemented to facilitate wider distribution of the committee broadcast feed and to simplify archiving of committee hearing footage.



## Governance and Finance

The Finance unit had another busy and productive year in 2017–18. A major project was the completion of the portable and public property item stocktake—involving 860 items across the Parliament of WA. To ensure accurate counting of items and ease of identification, the stocktake is completed by a person from Finance and a representative from the department that owns the asset. As the stocktakes were scheduled around the availability of Finance and departmental staff, the process took about four months to complete. To assist with counting in this and future stocktakes, coloured stickers with the stocktake year were applied to each item as it was counted.

Finance staff delivered procurement and processing training to different areas of the Parliament to reduce duplication and improve the accuracy of departmental recording and reporting.

Finance also processed over 12,000 transactions, an increase of 12 per cent on the prior year, while continuing to reduce the turnaround time for processing member claims to less than two days.

During the year, Finance also facilitated the completion of three internal audits, each receiving a rating from A to A-.

Over the coming financial year, Finance will continue to explore options for a financial management system for the five entities it supports. The new system will ensure continuity of support, reduce manual processes for staff, and deliver better realtime reporting of transactions and expenses.

## Other reporting

### Records Management

Parliament's records management is supported by a cross-parliamentary Information Management Committee that makes recommendations to the Heads of Department. Each department administers its own record keeping plan responsibilities as required under the State Records Act.

During the year the Information Management Committee reviewed the Parliament's current records awareness training environment and investigated various options to facilitate a more cost-effective training platform. The process reaffirmed Parliament's commitment to ensuring proper and assessable training for all new employees delivered in an online environment. It is intended to implement the new training system in 2018–19.

Over the coming year, the Parliamentary Services Department will review its record keeping plan as part of the five-year review required under the State Records Act.



### **Occupational Safety, Health and Injury Management**

Parliament's commitment to the health and safety of employees, contractors, members of Parliament and visitors is reinforced by its Occupational Safety and Health Management System (OSHMS). The Executive Management Group acknowledges that safety and health in the workplace is the responsibility of both the employer and the employee and supports the implementation of the OSHMS through a range of policies and procedures that effectively identify, address and control workplace hazards and manage workplace injuries.

As part of the OSHMS, regular Occupational Safety and Health (OSH) performance reports are provided to Parliament's Heads of Department and the Joint Consultative Committee, which comprises both employee and management representatives. This regular consultation with employees and their representatives, in addition to close coordination with suppliers, contractors and other stakeholders, ensures the OSHMS is continually reviewed, maintained and applied effectively.

Human Resources coordinated the annual audit and review of workplace hazard inspections for Parliament House and annexe buildings. These inspections identify, assess and resolve or control workplace hazards and facilitate discussion with staff about health, safety and environmental issues. The underpinning philosophy of the annual inspections is that workplace safety is the responsibility of all employees. Employees are encouraged, as soon as hazards are identified, to submit hazard reports via

Parliament's intranet for action by the relevant area.

Over 2017–18, a full review of Parliament's OSH policies occurred to ensure legislative compliance and currency with best practices. All OSH related policies and procedures, including those detailing Parliament's injury management system, are available on the intranet.

During the year, employee health and wellbeing was supported by providing return to work programs; reasonable workplace adjustments; OSH information as an important component of inductions; fatigue management checks; flu vaccinations; ergonomic assessments; and the provision of several sit-stand workstations. An array of training opportunities were offered on topics including workers' compensation and injury management education for managers and supervisors; back care and manual handling; developing and maintaining positive workplace culture; mindfulness; developing communication skills; empathy in everyday practice; positive psychology in the workplace; and improving workplace relationships. This focus on education will continue in 2018–19 with further OSH related training for managers and staff.

In this financial year there have been no workers' compensation claims submitted; one (1) ongoing claim exists which resulted in two hours lost time for the year; eight (8) hazards were identified and resolved; and nine (9) minor accidents/incidents were reported.

## **Parliamentary Services Department Annual Survey**

Each year Parliamentary Services surveys Presiding Officers, members and staff to assess its performance and determine satisfaction with services. Participants are asked to rate the performance of the Parliamentary Services Department's functional areas on a scale of 1 (very poor) to 5 (very good) and are also given the opportunity to make comments.

In 2017–18 the members' survey showed:

- 54 per cent of members rated performance as 'very good'.
- 88 per cent of members rated performance as 'good' or 'very good'.
- 98 per cent of members rated performance as 'satisfactory' to 'very good'.

A number of suggestions for further improvement were made, and these will now be pursued.

A similar survey was also completed by the Presiding Officers and staff, and included questions relating to Human Resources. A total of 150 responses were received: 53 from members, 95 from staff and 1 from each of the Presiding Officers. The survey results are similar to previous surveys, however there was a 25 per cent increase in the response rate from staff.

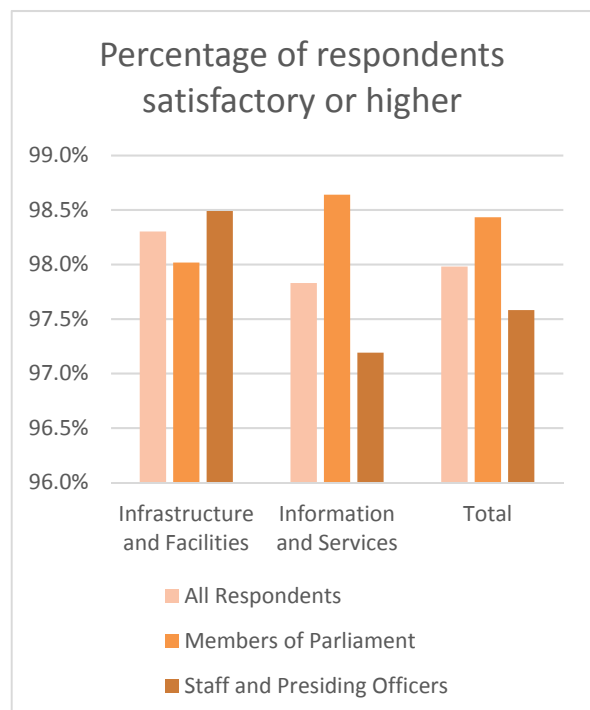
The table across summaries the overall effectiveness rating for the Parliamentary Services Department's two key service areas.

## **Unauthorised use of credit card**

Officers of the Department hold corporate cards where their functions warrant usage of this facility. During the reporting period 1 July 2017 to 30 June 2018, one employee inadvertently utilised the corporate credit card on 13 occasions for unauthorised personal use, when the card was stored adjacent to their personal card when using 'Tap and Go'. This matter was not referred for disciplinary action as the nature of the expenditure was characteristic of an honest mistake.

	2018 \$
Aggregate amount of personal use expenditure for the reporting period	383
Aggregate amount of personal use expenditure settled by the due date	383
Aggregate amount settled after the period	-
Aggregate amount of personal use expenditure outstanding at balance date	-

## **Annual survey results**

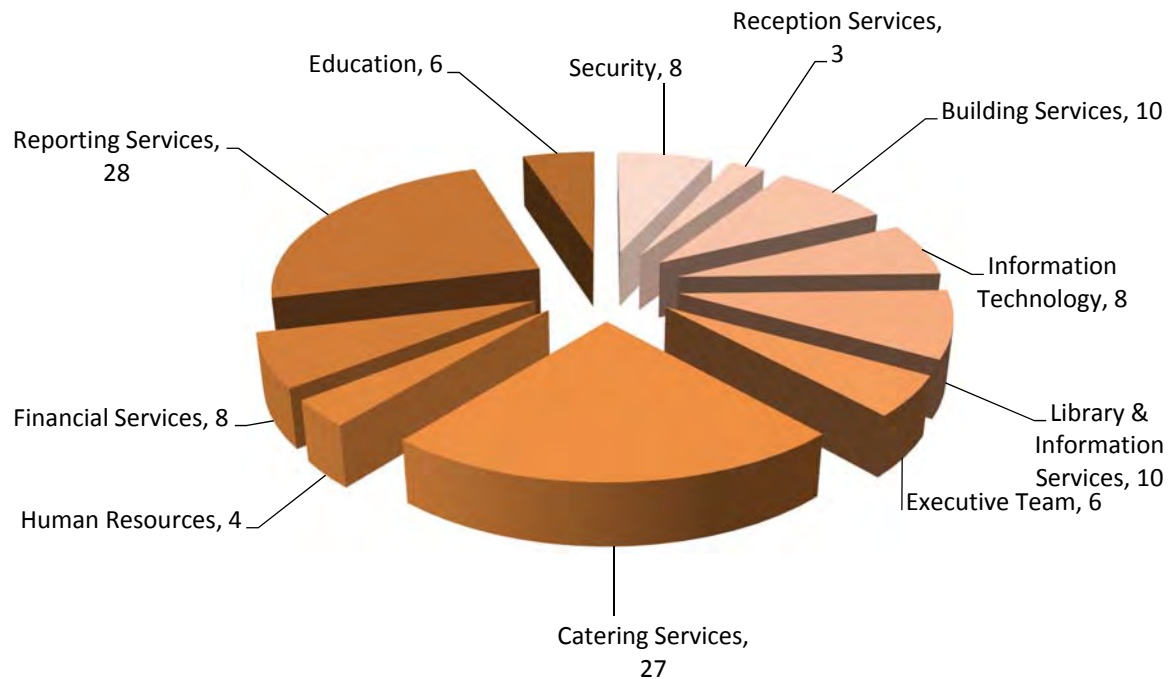




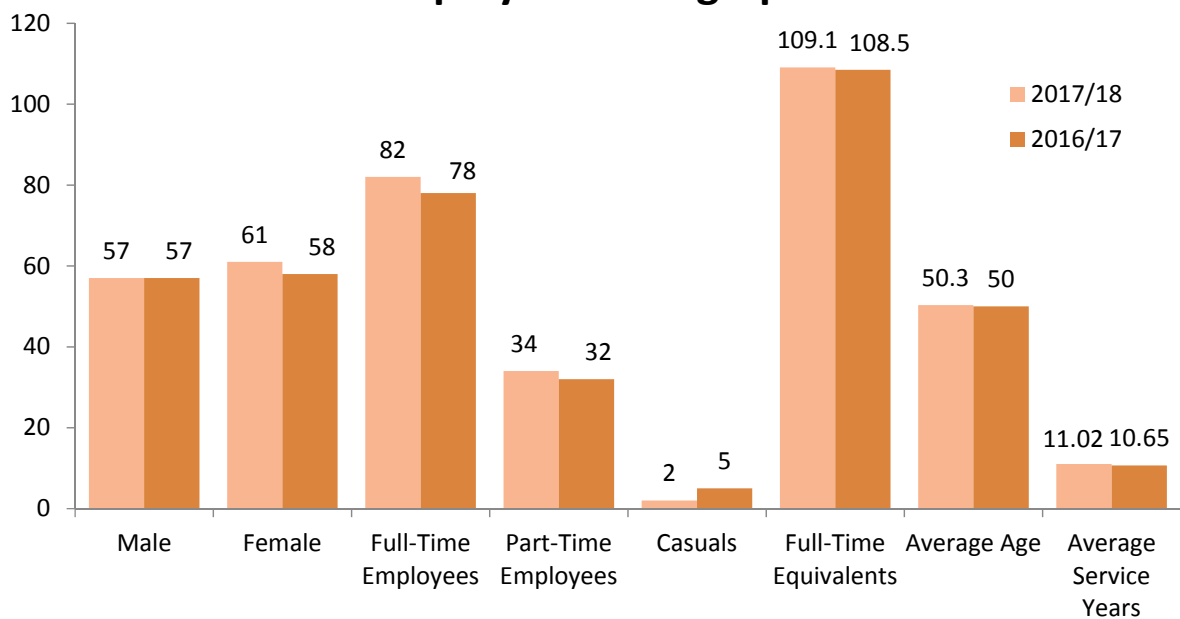
## Departmental Reporting

### Head count by unit

*as at 30 June 2018*

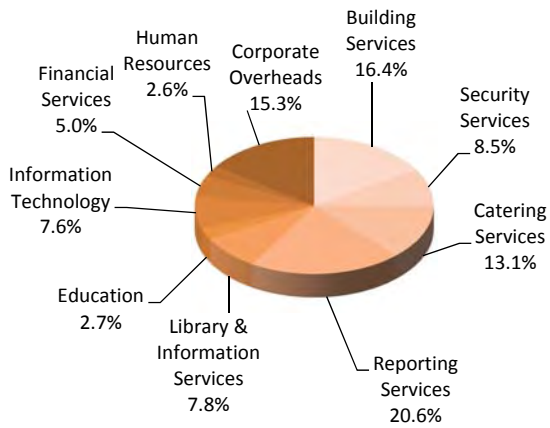


### Employee Demographics

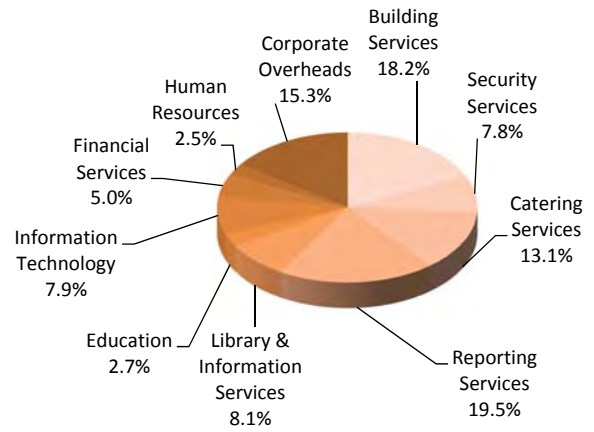


## Expenditure

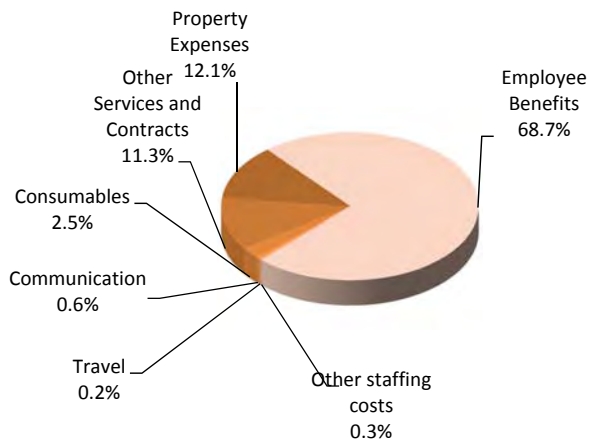
**Recurrent Expenditure by Unit 2017-18**  
(Excluding Depreciation)



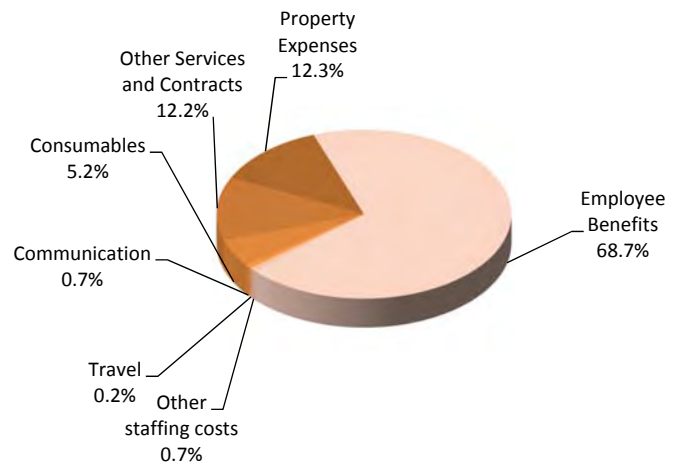
**Recurrent Expenditure by Unit 2016-17**  
(Excluding Depreciation)



**Recurrent Expenditure by Category 2017-18**  
(Excluding Depreciation)



**Recurrent Expenditure by Category 2016-17**  
(Excluding Depreciation)



# **Audited Financial Statements and Key Performance Indicators for 2017–18**



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### PARLIAMENTARY SERVICES DEPARTMENT

### Report on the Financial Statements

#### **Opinion**

I have audited the financial statements of the Parliamentary Services Department which comprise the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, Schedule of Income and Expenses by Service, Schedule of Assets and Liabilities by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Parliamentary Services Department for the year ended 30 June 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

#### **Basis for Opinion**

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Department in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Responsibility of the Executive Manager 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, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Executive Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Manager is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Department.

#### **Auditor's Responsibility for the Audit of the Financial Statements**

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Manager.
- Conclude on the appropriateness of the Executive Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Executive Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

## **Report on Controls**

### ***Opinion***

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Parliamentary Services Department. The controls exercised by the Department are those policies and procedures established by the Executive Manager to ensure 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 (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, the controls exercised by the Parliamentary Services Department are sufficiently adequate to 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 during the year ended 30 June 2018.

### ***The Executive Manager's Responsibilities***

The Executive Manager is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.



### ***Auditor General's Responsibilities***

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

### ***Limitations of Controls***

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

### ***Report on the Key Performance Indicators***

#### ***Opinion***

I have undertaken a reasonable assurance engagement on the key performance indicators of the Parliamentary Services Department for the year ended 30 June 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Parliamentary Services Department are relevant and appropriate to assist users to assess the Department's performance and fairly represent indicated performance for the year ended 30 June 2018.

#### ***The Executive Manager's Responsibility for the Key Performance Indicators***

The Executive Manager is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's Instructions and for such internal control as the Executive Manager determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Executive Manager is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

### ***Auditor General's Responsibility***

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.



I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

#### **My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators**

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators**

This auditor's report relates to the financial statements and key performance indicators of the Parliamentary Services Department for the year ended 30 June 2018 included on the Department's website. The Department's management is responsible for the integrity of the Department's website. This audit does not provide assurance on the integrity of the Department's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



CAROLINE SPENCER  
AUDITOR GENERAL  
FOR WESTERN AUSTRALIA  
Perth, Western Australia  
10 September 2018

## PARLIAMENTARY SERVICES DEPARTMENT

### CERTIFICATION OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 2018 and the financial position as at 30 June 2018.

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.



Elma Ozich  
Chief Finance Officer

Date: 6/9/2018



Rob Hunter  
Accountable Authority

Date: 6/9/2018







## PARLIAMENTARY SERVICES DEPARTMENT

### FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

---

#### TABLE OF CONTENTS

#### Page

#### Financial Statements

Statement of comprehensive income	1
Statement of financial position	2
Statement of changes in equity	3
Statement of cash flows	4
Summary of consolidated account appropriations and income estimates	5

#### Notes to the financial statements

1. Basis of preparation	<b>6</b>
Statement of compliance	6
Judgements and estimates	6
Contributed equity	6
2. Department outputs	<b>7</b>
How the department operates	7
2.1 Department objectives	7
2.2 Schedule of income and expenses by service	8
2.3 Schedule of assets and liabilities by service	9
3. Use of our funding	<b>10</b>
Expenses incurred in the delivery of services	10
3.1(a) Employee benefit expenses	10
3.1(b) Employee related provisions	11
3.2 Grants and subsidies	13
3.3 Supplies and services	14
3.4 Accommodation expenses	14
3.5 Loss on disposal of non-current assets	15
3.6 Other expenditures	15
4. Our funding sources	<b>16</b>
How we obtain our funding	16
4.1 Income from State Government	16
4.2 Other revenue	17
5. Key assets	<b>17</b>
5.1 Property, plant and equipment	18
5.1.1 Depreciation and impairment	20
5.2 Intangible assets	22
5.2.1 Amortisation and impairment	23
6. Other assets and liabilities	<b>25</b>
6.1 Receivables	25
6.2 Amounts receivable for services (Holding Account)	25
6.3 Other assets	26
6.4 Payables	26
6.5 Other liabilities	26



## PARLIAMENTARY SERVICES DEPARTMENT

### FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

---

TABLE OF CONTENTS	Page
7. Financing	<b>27</b>
7.1 Cash and cash equivalents	27
7.1.1 Reconciliation of cash	27
7.1.2 Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities	27
7.2 Commitments	28
7.2.1 Non-cancellable operating lease commitments	28
7.2.2 Capital expenditure commitments	29
7.2.3 Other expenditure commitments	29
8. Risks	<b>30</b>
8.1 Financial risk management	30
8.2 Fair value measurements	32
Fair value measurements using significant unobservable inputs (Level 3)	33
8.3 Contingent assets and liabilities	35
9. Other disclosures	<b>36</b>
9.1 Events occurring after the end of the reporting period	36
9.2 Future impact of Australian Accounting Standards not yet operative	36
9.3 Key management personnel	39
9.4 Related party transactions	40
9.5 Remuneration of auditors	41
9.6 Equity	41
9.7 Supplementary financial information	41
9.8 Explanatory statement	42



PARLIAMENTARY SERVICES DEPARTMENT

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$000	2017 \$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	3.1	11,257	10,646
Supplies and services	3.3	2,219	2,507
Depreciation and amortisation expense	5.1, 5.2	1,594	1,495
Accommodation expenses	3.4	1,869	2,219
Grants and subsidies	3.2	1	-
Loss on disposal of non-current assets	3.5	22	-
Other expenses	3.6	70	138
<b>Total cost of services</b>		<b>17,032</b>	<b>17,005</b>
<b>Income</b>			
<i>Revenue</i>			
Other revenue	4.2	458	1,038
<b>Total income other than income from State Government</b>		<b>458</b>	<b>1,038</b>
<b>NET COST OF SERVICES</b>		<b>16,574</b>	<b>15,967</b>
<b>Income from State Government</b>	4.1		
Service appropriation		17,444	16,704
Services received free of charge		12	10
<b>Total income from State Government</b>		<b>17,456</b>	<b>16,714</b>
<b>SURPLUS FOR THE PERIOD</b>		<b>882</b>	<b>747</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus		(2,854)	117
<b>Total other comprehensive income</b>		<b>(2,854)</b>	<b>117</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(1,972)</b>	<b>864</b>

See also the 'Schedule of Income and Expenses by Service'.

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



# PARLIAMENTARY SERVICES DEPARTMENT

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2018 \$000	2017 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7.1	1,449	843
Receivables	6.1	164	149
Other current assets	6.3	237	268
<b>Total Current Assets</b>		<b>1,850</b>	<b>1,260</b>
<b>Non-Current Assets</b>			
Restricted cash and cash equivalents	7.1	43	40
Amounts receivable for services	6.2	13,291	11,642
Other non-current assets	6.3	71	6
Property, plant and equipment	5.1	69,040	71,825
Intangible assets	5.2	93	132
<b>Total Non-Current Assets</b>		<b>82,538</b>	<b>83,645</b>
<b>TOTAL ASSETS</b>		<b>84,388</b>	<b>84,905</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6.4	754	445
Employee related provisions	3.1	1,998	1,876
Other current liabilities	6.5	-	26
<b>Current Liabilities</b>		<b>2,752</b>	<b>2,347</b>
<b>Non-Current Liabilities</b>			
Employee related provisions	3.1	239	189
<b>Total Non-Current Liabilities</b>		<b>239</b>	<b>189</b>
<b>TOTAL LIABILITIES</b>		<b>2,991</b>	<b>2,536</b>
<b>NET ASSETS</b>		<b>81,397</b>	<b>82,369</b>
<b>EQUITY</b>			
Contributed equity	9.5	25,456	24,456
Reserves	9.5	46,449	49,303
Accumulated surplus		9,492	8,610
<b>TOTAL EQUITY</b>		<b>81,397</b>	<b>82,369</b>

See also the 'Schedule of Assets and Liabilities by Service'.

The Statement of Financial Position should be read in conjunction with the accompanying notes.







PARLIAMENTARY SERVICES DEPARTMENT

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Contributed equity \$000	Accumulated Reserves \$000	surplus \$000	Total equity \$000
<b>Balance at 1 July 2016</b>		23,456	49,186	7,863	80,505
Surplus		-	-	747	747
Other comprehensive income	9.6	-	117	-	117
Total comprehensive income for the period		-	117	747	864
Transactions with owners in their capacity as owners:					
Capital appropriations	9.6	1,000	-	-	1,000
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		1,000	-	-	1,000
<b>Balance at 30 June 2017</b>		<b>24,456</b>	<b>49,303</b>	<b>8,610</b>	<b>82,369</b>
<b>Balance at 1 July 2017</b>		24,456	49,303	8,610	82,369
Surplus		-	-	882	882
Other comprehensive income	9.6	-	(2,854)	-	(2,854)
Total comprehensive income for the period		-	(2,854)	882	(1,972)
Transactions with owners in their capacity as owners:					
Capital appropriations	9.6	1,000	-	-	1,000
Other contributions by owners		-	-	-	-
Distributions to owners		-	-	-	-
Total		1,000	-	-	1,000
<b>Balance at 30 June 2018</b>		<b>25,456</b>	<b>46,449</b>	<b>9,492</b>	<b>81,397</b>

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



# PARLIAMENTARY SERVICES DEPARTMENT

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$000	2017 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		15,795	15,485
Capital appropriations		1,000	1,000
<b>Net cash provided by State Government</b>		<b>16,795</b>	<b>16,485</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(11,131)	(10,590)
Supplies and services		(1,900)	(2,611)
Accommodation		(1,860)	(2,215)
Grants and subsidies		(1)	-
GST payments on purchases		(588)	(654)
Other payments		(70)	(138)
<b>Receipts</b>			
GST receipts from taxation authority		518	509
GST receipts on sales		56	115
Other receipts		435	1,059
<b>Net cash provided by/(used in) operating activities</b>	7.1	<b>(14,541)</b>	<b>(14,525)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current assets		(1,645)	(1,781)
<b>Receipts</b>			
Proceeds from sale of non-current physical assets		-	12
<b>Net cash provided by/(used in) investing activities</b>		<b>(1,645)</b>	<b>(1,769)</b>
Net increase/(decrease) in cash and cash equivalents		609	191
Cash and cash equivalents at the beginning of period		883	692
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	7.1	<b>1,492</b>	<b>883</b>

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



**PARLIAMENTARY SERVICES DEPARTMENT  
SUMMARY OF CONSOLIDATED ACCOUNT  
APPROPRIATION AND INCOME ESTIMATES  
FOR THE YEAR ENDED 30 JUNE 2018**

	<b>Estimate 2018 \$000</b>	<b>Actual 2018 \$000</b>	<b>Variance \$000</b>	<b>Actual 2018 \$000</b>	<b>Actual 2017 \$000</b>	<b>Variance \$000</b>
<u>Delivery of Services</u>						
Item 3 Net amount appropriated to deliver services	17,522	17,444	(78)	17,444	16,704	740
<b>Total appropriations provided to deliver services</b>	<b>17,522</b>	<b>17,444</b>	<b>(78)</b>	<b>17,444</b>	<b>16,704</b>	<b>740</b>
<u>Capital</u>						
Item 88 Capital Appropriation	1,000	1,000	-	1,000	1,000	-
<b>GRAND TOTAL</b>	<b>18,522</b>	<b>18,444</b>	<b>(78)</b>	<b>18,444</b>	<b>17,704</b>	<b>740</b>
<u>Details of Expenses by Service</u>						
Provision of infrastructure and facilities	6,308	6,297	(11)	6,297	6,026	271
Provision of information and services	11,255	10,735	(520)	10,735	10,979	(244)
<b>Total Cost of Services</b>	<b>17,563</b>	<b>17,032</b>	<b>(531)</b>	<b>17,032</b>	<b>17,005</b>	<b>27</b>
Less Total income	-	(458)	(458)	(458)	(1,038)	580
Net Cost of Services	17,563	16,574	(989)	16,574	15,967	607
Adjustments	(41)	870	911	870	737	133
<b>Total appropriations provided to deliver services</b>	<b>17,522</b>	<b>17,444</b>	<b>(78)</b>	<b>17,444</b>	<b>16,704</b>	<b>740</b>
<u>Capital Expenditure</u>						
Purchase of non-current physical assets	1,000	1,645	645	1,645	1,781	(136)
Adjustments for other funding sources	-	(645)	(645)	(645)	(781)	136
<b>Capital Appropriations</b>	<b>1,000</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>	<b>1,000</b>	<b>-</b>

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

Note 9.8 'Explanatory statement' provides details of any significant variations between estimates and actual results for 2018 and between the actual results for 2018 and 2017.



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

---

#### 1. Basis of preparation

The Department is not part of the State public service or a government agency. The Department is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

A description of the nature of its operations and its principal activities have been included in the '**Overview**' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Department on 6 September 2018.

#### Statement of compliance

These general purpose financial statements have been prepared in accordance with:

- The *Financial Management Act 2006* (**FMA**)
- The Treasurer's Instructions (**the Instructions** or **TI**)
- Australian Accounting Standards (**AAS**) including applicable interpretations
- Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied.

The *Financial Management Act 2006* and the Treasurer's Instructions (the Instructions) take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. Where modification is required and has had 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.

#### Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

#### Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

#### Contributed equity

AASB Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities* requires transfers in the nature of equity contributions, other than as a result of restructure of administrative arrangements, 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 appropriations have been designated as contributions by owners by TI 955 *Contributions by Owners made to Wholly Owned Public Sector Entities* and have been credited directly to Contributed Equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.





## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

---

## 2. Department outputs

### How the Department operates

This section includes information regarding the nature of funding the Department receives and how this funding is utilised to achieve the Department's objectives.

	<b>Note</b>
Department objectives	2.1
Schedule of Income and Expenses by Service	2.2
Schedule of Assets and Liability by Service	2.3

### 2.1 Department objectives

#### Mission

The mission of the Parliamentary Services Department is to deliver effective apolitical services to support the operations of the Parliament and its stakeholders.

The Department is predominantly funded by Parliamentary appropriations. The financial statements encompass all funds through which the Department controls resources to carry on its functions.

#### Services

The Department provides the following services:

#### *Service 1: Provision of Infrastructure and Facilities*

This service includes the establishment and maintenance of buildings and technology infrastructure to support the operations of the Parliament. This service is provided through the Building Services, Security and Reception Services, and Information Technology (Infrastructure only) units.

#### *Service 2: Provision of Information and Services*

This service provides information and ancillary services to the relevant groups through the Executive, Human Resources, Catering, Reporting Services, Parliamentary Library, Education and Community Relations, Information Technology, and Finance units.



# PARLIAMENTARY SERVICES DEPARTMENT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 2.2 Schedule of income and expense by service

For the year ended 30 June 2018

	Infrastructure and Facilities		Information and Services		Total	
	2018	2017	2018	2017	2018	2017
	\$000	\$000	\$000	\$000	\$000	\$000
<b>COST OF SERVICES</b>						
<u>Expenses</u>						
Employee benefits expense	1,702	1,235	9,555	9,411	11,257	10,646
Supplies and services	1,120	1,118	1,099	1,389	2,219	2,507
Depreciation and amortisation expense	1,594	1,495	-	-	1,594	1,495
Accommodation expenses	1,861	2,178	8	41	1,869	2,219
Grants and subsidies	-	-	1	-	1	-
Loss on disposal of non-current assets	20	-	2	-	22	-
Other expenses	-	-	70	138	70	138
<b>Total cost of services</b>	<b>6,297</b>	<b>6,026</b>	<b>10,735</b>	<b>10,979</b>	<b>17,032</b>	<b>17,005</b>
<u>Revenue</u>						
Other revenue	456	1,036	2	2	458	1,038
<b>Total income other than income from State Government</b>	<b>456</b>	<b>1,036</b>	<b>2</b>	<b>2</b>	<b>458</b>	<b>1,038</b>
<b>NET COST OF SERVICES</b>	<b>5,841</b>	<b>4,990</b>	<b>10,733</b>	<b>10,977</b>	<b>16,574</b>	<b>15,967</b>
<u>Income from State Government</u>						
Service appropriation	6,296	5,626	11,148	11,078	17,444	16,704
Services received free of charge	12	10	-	-	12	10
<b>Total income from State Government</b>	<b>6,308</b>	<b>5,636</b>	<b>11,148</b>	<b>11,078</b>	<b>17,456</b>	<b>16,714</b>
<b>SURPLUS FOR THE PERIOD</b>	<b>467</b>	<b>646</b>	<b>415</b>	<b>101</b>	<b>882</b>	<b>747</b>

The Schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes.



# PARLIAMENTARY SERVICES DEPARTMENT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 2.3 Schedule of assets and liabilities by service

As at 30 June 2018

	Infrastructure and Facilities		Information and Services		Total	
	2018	2017	2018	2017	2018	2017
	\$000	\$000	\$000	\$000	\$000	\$000
<u>Assets</u>						
Current assets	926	641	924	619	1,850	1,260
Non-current assets	82,516	83,625	22	20	82,538	83,645
<b>Total assets</b>	<b>83,442</b>	<b>84,266</b>	<b>946</b>	<b>639</b>	<b>84,388</b>	<b>84,905</b>
<u>Liabilities</u>						
Current liabilities	736	325	2,016	2,022	2,752	2,347
Non-current liabilities	53	34	186	155	239	189
<b>Total liabilities</b>	<b>789</b>	<b>359</b>	<b>2,202</b>	<b>2,177</b>	<b>2,991</b>	<b>2,536</b>
<b>NET ASSETS</b>	<b>82,653</b>	<b>83,907</b>	<b>(1,256)</b>	<b>(1,538)</b>	<b>81,397</b>	<b>82,369</b>

The Schedule of Assets and Liabilities by Service should be read in conjunction with the accompanying notes.



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 3. Use of our funding

##### Expenses incurred in the delivery of services

This section provides additional information about how the Department's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Department in achieving its objectives and the relevant notes are:

	Notes	2018 \$000	2017 \$000
Employee benefits expenses	3.1 (a)	11,257	10,646
Employee benefits provisions	3.1 (b)	2,237	2,065
Grants and subsidies	3.2	1	-
Supplies and services	3.3	2,219	2,507
Accommodation expenses	3.4	1,869	2,219
Loss on disposal of non-current assets	3.5	(22)	-
Other expenses	3.6	70	138

##### 3.1(a) Employee benefits expenses

	2018 \$000	2017 \$000
Wages and salaries	10,328	9,731
Termination benefits	-	6
Superannuation - defined contribution plans <sup>(a)</sup>	929	909
<b>Total employee benefits expense</b>	<b>11,257</b>	<b>10,646</b>

- (a) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds.

**Wages and salaries:** Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, and leave entitlements.

**Termination benefits:** Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the agency is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.





## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 3. Use of our funding (cont.)

##### 3.1(a) Employee benefits expenses (cont.)

**Superannuation:** The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

GSS (concurrent contribution) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however a defined contribution plan for Departmental purposes because the concurrent contributions (defined contributions) made by the Department to GESB extinguishes the Department's obligations to the related superannuation liability.

The Department does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Department to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

##### 3.1(b) Employee related provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

<b>Current</b>	<b>2018</b>	<b>2017</b>
	<b>\$000</b>	<b>\$000</b>
<u>Employee benefits provisions</u>		
Annual leave <sup>(a)</sup>	787	691
Long service leave <sup>(b)</sup>	1,201	1,175
	<b>1,988</b>	<b>1,866</b>
<u>Other provisions</u>		
Employment on-costs <sup>(c)</sup>	10	10
<b>Total current employee benefits provisions</b>	<b>1,998</b>	<b>1,876</b>
<b>Non-current</b>		
<u>Employee benefits provisions</u>		
Long service leave <sup>(b)</sup>	238	188
<u>Other provisions</u>		
Employment on-costs <sup>(c)</sup>	1	1
<b>Total non-current employee benefits provisions</b>	<b>239</b>	<b>189</b>
<b>Total employee benefits provisions</b>	<b>2,237</b>	<b>2,065</b>



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 3. Use of our funding (cont.)

##### 3.1(b) Employee related provisions (cont.)

- (a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018	2017
	\$000	\$000
Within 12 months of the end of the reporting period	630	568
More than 12 months after the end of the reporting period	157	123
	<b>787</b>	<b>691</b>

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

- (b) **Long service leave liabilities:** 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 end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as **non-current** liabilities because the Department has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018	2017
	\$000	\$000
Within 12 months of the end of the reporting period	349	325
More than 12 months after the end of the reporting period	1,090	1,038
	<b>1,439</b>	<b>1,363</b>

The long service leave liabilities are calculated at present value as the Department does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

- (c) **Employment on-costs:** 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.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses, Note 3.6' and are not included as part of the Department's 'employee benefits expenses'. The related liability is included in 'Employment on-costs provision'.



PARLIAMENTARY SERVICES DEPARTMENT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

3. Use of our funding (cont.)

3.1(b) Employee related provisions (cont.)

	2018	2017
<u>Employment on-costs provision</u>	\$000	\$000
Carrying amount at start of period	11	11
Carrying amount at end of period	11	11

**Key sources of estimation uncertainty - long service leave**

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Department's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

3.2 Grants and subsidies

	2018	2017
<u>Recurrent</u>	\$000	\$000
Subsidy - Country Schools Travel	1	-
	1	-

Subsidies are recognised as an expense in the reporting period in which they are paid or payable. They include payments made to regional schools, located 150-250 kilometers outside of the metropolitan area, to travel to Perth to take part in the Parliamentary Education civics and citizenship program.



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 3. Use of our funding (cont.)

<b>3.3 Supplies and services</b>	<b>2018</b>	<b>2017</b>
	<b>\$000</b>	<b>\$000</b>
Communications	100	107
Consultants and contractors	294	181
Consumables	170	206
Contract staff	1	74
Hansard printing	82	60
Insurances	73	71
IT equipment leasing	95	91
IT maintenance contracts - computing	317	283
IT maintenance contracts - equipment	103	124
Media	55	43
Minor equipment	67	385
Parts and repairs	30	126
Security services	391	365
Staff training	48	34
Stationery and printing	57	49
Subscriptions	157	137
Travel	27	36
Other	152	135
<b>Total supplies and services</b>	<b>2,219</b>	<b>2,507</b>

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

#### 3.4 Accommodation expenses

	<b>2018</b>	<b>2017</b>
	<b>\$000</b>	<b>\$000</b>
Lease rentals	264	315
Repairs and maintenance	981	1,292
Cleaning	266	298
Utility charges - gas	18	23
Utility charges - electricity and water	340	291
<b>Total accommodation expenses</b>	<b>1,869</b>	<b>2,219</b>

Operating lease payments are recognised on a straight line basis over the lease term. Repairs, maintenance and cleaning costs are recognised as expenses as incurred.



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 3. Use of our funding (cont.)

##### 3.5 Loss on disposal of non-current assets

	2018	2017
	\$000	\$000
<u>Net proceeds from disposal of non-current assets</u>		
Plant and equipment	-	12
<u>Carrying amount of non-current assets disposed</u>		
Plant and equipment	(12)	(12)
Works of art	(10)	-
<b>Net gain/(loss)</b>	<b>(22)</b>	<b>-</b>

**Realised and unrealised gains** are usually recognised on a net basis. These include gains (and losses) arising on the disposal of non-current assets.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the statement of comprehensive income (from proceeds of sale).

##### 3.6 Other expenditures

	2018	2017
	\$000	\$000
Audit fee	45	44
Workers compensation premiums	25	94
<b>Total other expenditures</b>	<b>70</b>	<b>138</b>





## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 4. Our funding sources

##### How we obtain our funding

This section provides additional information about how the Department obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Department and the relevant notes are:

	Notes	2018 \$000	2017 \$000
Income from State Government	4.1	17,456	16,714
Other revenue	4.2	458	1,038
<b>4.1 Income from State Government</b>		<b>2018 \$000</b>	<b>2017 \$000</b>
Appropriation received during the period:			
Service appropriation <sup>(a)</sup>		17,444	16,704
		<b>17,444</b>	<b>16,704</b>
Services received free of charge from other State Government agencies during the period:			
Department of Finance (Government Office and Accommodation)		12	10
<b>Total services received</b>		<b>12</b>	<b>10</b>
<b>Total income from State Government</b>		<b>17,456</b>	<b>16,714</b>

- (a) **Service appropriations** are recognised as revenues at fair value in the period in which the Department gains control of the appropriated funds. The Department gains control of the appropriated funds at the time those funds are deposited in the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Service appropriations fund the net cost of services delivered (as set out in note 2.2). Appropriation revenue comprises the following:

- Cash component, and
- A receivable (asset).

The receivable (holding account - note 6.2) comprises the following:

- The budgeted depreciation expense for the year, and
- Any agreed increase in leave liabilities during the year.

Where assets or services have been received free of charge or for nominated cost, the Department recognises the revenue (and assets or expenses) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated.



# PARLIAMENTARY SERVICES DEPARTMENT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 4. Our funding sources (cont.)

#### 4.2 Other revenue

	2018	2017
	\$000	\$000
Contributions from the Legislative Assembly and Legislative Council towards works beyond the scope of existing service provisions	456	1,034
Other revenue	2	4
<b>Total other income</b>	<b>458</b>	<b>1,038</b>

#### 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 2018 the Department has retained \$1,009,000 (2017: \$1,683,000) from the following:

- Contributions from the Legislative Assembly and Legislative Council towards works beyond the scope of existing service provisions,
- GST receipts, and
- expenditure recoups.

### 5. Key assets

#### Assets the Department utilises for economic benefit or service potential

This section includes information regarding the key assets the Department utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2018	2017
		\$000	\$000
Property, plant and equipment	5.1	69,040	71,825
Intangibles	5.2	93	132
<b>Total key assets</b>		<b>69,133</b>	<b>71,957</b>



# PARLIAMENTARY SERVICES DEPARTMENT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 5.1 Property, plant and equipment

#### Year ended 30 June 2017

	Land \$000	Buildings \$000	Leasehold Improvements \$000	Plant & Equipment \$000	Computer Hardware \$000	Works of Art \$000	Works in Progress \$000	Total \$000
<b>1 July 2016</b>								
Gross carrying amount	3,517	62,698	3,197	4,931	1,187	936	926	77,392
Accumulated depreciation	-	-	(2,834)	(2,184)	(866)	-	-	(5,884)
<b>Carrying amount at start of period</b>	<b>3,517</b>	<b>62,698</b>	<b>363</b>	<b>2,747</b>	<b>321</b>	<b>936</b>	<b>926</b>	<b>71,508</b>
Additions	-	-	-	-	-	-	2,813	2,813
Transfers	-	524	5	1,524	84	5	(3,287)	(1,145) (a)
Other disposals	-	-	-	(13)	-	-	-	(13)
Revaluation increments / (decrements)	-	103	-	-	-	14	-	117
Depreciation	-	(627)	(220)	(455)	(153)	-	-	(1,455)
<b>Carrying amount at 30 June 2017</b>	<b>3,517</b>	<b>62,698</b>	<b>148</b>	<b>3,803</b>	<b>252</b>	<b>955</b>	<b>452</b>	<b>71,825</b>

#### Year ended 30 June 2018

#### 1 July 2017

Gross carrying amount	3,517	62,698	3,202	6,405	1,198	955	452	78,427
Accumulated depreciation	-	-	(3,054)	(2,602)	(946)	-	-	(6,602)
<b>Carrying amount at start of period</b>	<b>3,517</b>	<b>62,698</b>	<b>148</b>	<b>3,803</b>	<b>252</b>	<b>955</b>	<b>452</b>	<b>71,825</b>
Additions	-	-	-	-	-	-	2,486	2,486
Transfers	-	229	16	701	106	-	(1,908)	(856) (a)
Other disposals	-	-	-	(12)	-	(10)	-	(22)
Revaluation increments / (decrements)	(170)	(2,683)	-	-	-	-	-	(2,853)
Depreciation	-	(627)	(142)	(603)	(168)	-	-	(1,540)
<b>Carrying amount at 30 June 2018</b>	<b>3,347</b>	<b>59,617</b>	<b>22</b>	<b>3,889</b>	<b>190</b>	<b>945</b>	<b>1,030</b>	<b>69,040</b>
Gross carrying amount	3,347	59,617	3,218	6,990	1,087	945	1,030	<b>76,234</b>
Accumulated depreciation	-	-	(3,196)	(3,101)	(897)	-	-	<b>(7,194)</b>

(a) Represents transfer from Works in Progress to Intangible Assets \$15,000 (2017: \$116,000), Expenses \$741,000 (2017: \$1,029,000), and Prepayments \$100,000 (\$2017: \$3,000).



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

---

#### 5. Property, plant and equipment (cont.)

##### Initial recognition

Items of property, plant and equipment, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than when they form part of a group of similar items which are significant in total).

All works of art are capitalised as it is anticipated that their value will appreciate over time.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated life of the leasehold improvement.

##### Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land,
- buildings, and
- artworks.

Land is carried at fair value.

Buildings are carried at fair value less accumulated depreciation and accumulated impairment losses.

Works of art are carried at fair value less accumulated impairment losses.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

**Land and buildings** are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 1 July 2017 by the Western Australian Land Information Authority (Valuations and Property Analytics). The valuations were performed during the year ended 30 June 2018 and recognised at 30 June 2018. In undertaking the revaluation, fair value was determined by reference to market values for land: \$3,130,000 (2017: \$3,300,000) and buildings: \$240,000 (2017: \$250,000). For the remaining balance, fair value of buildings was determined on the basis of depreciated replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land).



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 5. Property, plant and equipment (cont.)

##### Revaluation model:

- (a) Fair Value where market-based evidence is available:

The fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions. When buildings are revalued 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 revalued amount.

- (b) Fair value in the absence of market-based evidence:

**Buildings are specialised or where land is restricted:** Fair value of land and buildings is determined on the basis of existing use.

**Existing use buildings:** Fair value is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net carrying amount is re-stated to the revalued amount (net method).

**Restricted use land:** Fair value is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

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

##### 5.1.1 Depreciation and impairment

Charge for the period	2018 \$000	2017 \$000
<u>Depreciation</u>		
Buildings	627	627
Leasehold improvements	142	220
Plant and equipment	603	455
Computer hardware	168	153
<b>Total depreciation for the period</b>	<b>1,540</b>	<b>1,455</b>

As at 30 June 2018 there were no indications of impairment to property, plant and equipment.





## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 5. Property, plant and equipment (cont.)

##### 5.1.1 Depreciation and impairment (cont.)

###### Finite useful lives

All property, plant and equipment 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. The exceptions to this rule include items under operating leases and land.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes, for current and prior years are included in the table below:

<b>Asset</b>	<b>Useful Life: years</b>
Buildings	100 years
Leasehold improvements	Lower of asset life or lease term
Plant and equipment	5 to 10 years
Computer hardware	3 years
Computer software <sup>(a)</sup>	3 years

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

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Land and works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

###### Impairment

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. 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.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Department is a not-for-profit entity the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.



PARLIAMENTARY SERVICES DEPARTMENT

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

5. Property, plant and equipment (cont.)

5.1.1 Depreciation and impairment (cont.)

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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 reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

5.2 Intangible assets

Computer  
Software  
\$000

Year ended 30 June 2017

1 July 2016

Gross carrying amount	866
Accumulated amortisation	(810)
<b>Carrying amount at start of period</b>	<b>56</b>
Additions	116
Amortisation expense	(40)
<b>Carrying amount at 30 June 2017</b>	<b>132</b>

Year ended 30 June 2018

1 July 2017

Gross carrying amount	616
Accumulated amortisation	(484)
<b>Carrying amount at start of period</b>	<b>132</b>
Additions	15
Amortisation expense	(54)
<b>Carrying amount at 30 June 2018</b>	<b>93</b>

Initial recognition

Acquisitions of intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria as per AASB 138.57 (as noted below), are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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.



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 5. Property, plant and equipment (cont.)

##### 5.2 Intangible assets (cont.)

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- (b) An intention to complete the intangible asset and use or sell it,
- (c) The ability to use or sell the intangible asset,
- (d) The intangible asset will generate probable future economic benefit,
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- (f) The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Costs incurred in the research phase of a project are immediately expensed.

##### Subsequent measurement

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

##### 5.2.1 Amortisation and impairment

Charge for the period	2018 \$000	2017 \$000
<u>Amortisation</u>		
Computer software	54	40
<b>Total amortisation for the period</b>	<b>54</b>	<b>40</b>

As at 30 June 2018 there were no indicators of impairment to intangible assets.

The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Department have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Asset	Useful Life
Development costs	3 to 5 years
Website costs	3 to 5 years
Computer software <sup>(a)</sup>	3 to 5 years

- (a) software that is not integral to the operation of related hardware.



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

---

#### 5. Property, plant and equipment (cont.)

##### 5.2.1 Amortisation and impairment (cont.)

###### **Development costs**

Research costs are expensed as incurred. Development costs incurred for an individual project are carried forward when the future economic benefits can be reasonably regarded as assured and the total project costs are likely to exceed \$50,000. Other development costs are expensed as incurred.

###### **Website costs**

Website costs are expensed when incurred unless they directly relate to the acquisition or development of an intangible asset. In this instance they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the operating phase are expensed. Costs incurred in building or enhancing a website that can be reliably measured, are capitalised to the extent that they represent probable future economic benefits.

###### **Computer software**

Software that is an integral part of the related hardware is recognised as part of the tangible asset. Software that is not an integral part of the related hardware is recognised as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

###### **Impairment of intangible assets**

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 5.1.1.





## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 6. Other assets and liabilities

This section includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2018 \$000	2017 \$000
Receivables	6.1	164	149
Amounts receivable for services	6.2	13,291	11,642
Other assets	6.3	308	274
Payables	6.4	754	445
Other liabilities	6.5	-	26

6.1 Receivables	2018 \$000	2017 \$000
<u>Current</u>		
Receivables	9	9
GST receivable	155	140
<b>Total receivables</b>	<b>164</b>	<b>149</b>

The Department does not hold any collateral or other credit enhancements as security for receivables.

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

6.2 Amounts receivable for services (Holding Account)	2018 \$000	2017 \$000
<b>Total non-current</b>	<b>13,291</b>	<b>11,642</b>

**Amounts receivable for services** represent the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liability.

The Department receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 6. Other assets and liabilities (cont.)

##### 6.3 Other assets

	2018	2017
	\$000	\$000
<u>Current</u>		
Prepayments	237	268
<b>Total current</b>	<b>237</b>	<b>268</b>
<u>Non-current</u>		
Prepayments	71	6
<b>Total non-current</b>	<b>71</b>	<b>6</b>
<b>Balance at end of period</b>	<b>308</b>	<b>274</b>

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

##### 6.4 Payables

	2018	2017
	\$000	\$000
<u>Current</u>		
Trade payables	195	97
Accrued expenses	448	172
Accrued salaries	111	176
<b>Total current</b>	<b>754</b>	<b>445</b>

**Payables** are recognised at the amounts payable 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 settlement is generally within 30 days.

**Accrued salaries** represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries (excluding TOIL) are settled within a fortnight of the reporting period end. The Department considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (See Note 7.1.1 'Restricted cash and cash equivalents') consists of amounts paid annually, from Departmental appropriations for salaries expense, into a Treasury suspense account to meet the additional cash outflow for employee salary payments in reporting periods with 27 pay days instead of the normal 26. No interest is received on this account.

##### 6.5 Other liabilities

	2018	2017
	\$000	\$000
<u>Current</u>		
Lease incentive provision	-	3
Income received in advance	-	23
<b>Total current</b>	<b>-</b>	<b>26</b>



# PARLIAMENTARY SERVICES DEPARTMENT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 7. Financing

This section sets out the material balances and disclosures associated with the financing and cash flows of the Department.

	Notes
Cash and cash equivalents	7.1
Reconciliation of cash	7.1.1
Reconciliation of operating activities	7.1.2
Commitments	7.2
Non-cancellable operating lease commitments	7.2.1
Capital commitments	7.2.2
Other expenditure commitments	7.2.3

#### 7.1 Cash and cash equivalents

7.1.1 Reconciliation of cash	Notes	2018 \$000	2017 \$000
Cash and cash equivalents		1,449	843
Restricted cash and cash equivalents	8.1		
• Accrued salaries suspense account <sup>(a)</sup>		43	40
		<b>1,492</b>	<b>883</b>

(a) Funds held in the suspense account for the purpose of meeting the 27th pay in a reporting period that occurs every 11th year. This account is classified as non-current for 10 out of 11 years.

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

#### 7.1.2 Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	Notes	2018 \$000	2017 \$000
Net cost of services		(16,574)	(15,967)
<u>Non-cash items:</u>			
Depreciation and amortisation expense	5.1.1	1,594	1,495
Services received free of charge	4.1	12	10
Net (gain) / loss on disposal of property, plant and equipment	3.5	22	-



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 7. Financing (cont.)

##### 7.1.2 Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities (cont.)

	Notes	2018 \$000	2017 \$000
<u>(Increase)/decrease in assets:</u>			
Current receivables <sup>(a)</sup>		(1)	3
Other current assets		(34)	64
<u>Increase/(decrease) in liabilities:</u>			
Current payables <sup>(a)</sup>		309	(140)
Current provisions		122	3
Non-current provisions		50	23
Other current liabilities		(26)	15
Net GST receipts/(payments) <sup>(b)</sup>		518	509
Change in GST in receivables/payables <sup>(c)</sup>		(533)	(540)
<b>Net cash provided by/(used in) operating activities</b>		<b>(14,541)</b>	<b>(14,525)</b>

(a) 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.

(b) This is the net GST paid/received. i.e. cash transactions.

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

The mandatory application of AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107* imposed disclosure impacts only. Parliamentary Services Department is not exposed to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

#### 7.2 Commitments

##### 7.2.1 Non-cancellable operating lease commitments

	2018 \$000	2017 \$000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	270	243
Later than 1 year and not later than 5 years	186	93
<b>Balance at end of period</b>	<b>456</b>	<b>336</b>

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.





## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 7. Financing (cont.)

##### 7.2.1 Non-cancellable operating lease commitments (cont.)

The Department has extended its property lease which is a non-cancellable lease for a term of two years expiring in December 2019, with rent payable monthly in advance. There is an option to extend the lease for a further one year. The lease provides that the rental rate will increase by not less than 3% per annum, with a market rent review in 2020. A lease incentive of a monthly rent abatement has been applied across the lease term of two years.

##### 7.2.2 Capital expenditure commitments

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

	2018	2017
	\$000	\$000
Within 1 year	357	250
	<b>357</b>	<b>250</b>

The totals presented for capital commitments are GST inclusive.

##### 7.2.3 Other expenditure commitments

Other expenditure commitments (contracts and open purchase orders), contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:

	2018	2017
	\$000	\$000
Within 1 year	938	469
Later than 1 year and not later than 5 years	485	535
	<b>1,423</b>	<b>1,004</b>

The totals presented for other expenditure commitments are GST inclusive.



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 8. Risks and Contingencies

This note sets out the key risk management policies and measurement techniques of the Department.

	<b>Note</b>
Financial risk management	8.1
Fair value measurements	8.2
Contingent assets and liabilities	8.3

##### 8.1 Financial risk management

Financial instruments held by the Department are cash and cash equivalents, restricted cash and cash equivalents, 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.

##### (a) Summary of risks and risk management

###### Credit risk

Credit risk arises when there is the possibility of the Department's receivables defaulting on their contractual obligations resulting in financial loss to the Department.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 8.1(c) 'Financial instrument disclosures' and Note 6.1 'Receivables'.

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). The Department is not actively involved in any trading activities. All other receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. At the end of the reporting period there are no significant concentrations of credit risk.

###### Liquidity risk

Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due.

The Department is exposed to liquidity risk through its normal course of business.

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.

###### Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Department's income or the value of its holdings of financial instruments. The Department does not trade in foreign currency and is not materially exposed to other price risks. The Department is not exposed to interest rate risk because all financial assets and liabilities are non-interest bearing.



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 8.1 Financial risk management (cont.)

##### (b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2018	2017
	\$000	\$000
<b>Financial assets</b>		
Cash and cash equivalents	1,449	843
Restricted cash and cash equivalents	43	40
Receivables <sup>(a)</sup>	9	9
Amounts receivable for services	13,291	11,642
<b>Total financial assets</b>	<b>14,792</b>	<b>12,534</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
<b>Total financial liability</b>	<b>688</b>	<b>379</b>

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

##### (c) Ageing analysis of financial assets

	Not past due	Carrying and not
	Amount	impaired
	\$000	\$000
<b>2018</b>		
Cash and cash equivalents	1,449	1,449
Restricted cash and cash equivalents	43	43
Receivables <sup>(a)</sup>	9	9
Amounts receivable for services	13,291	13,291
	<b>14,792</b>	<b>14,792</b>
	Not past due	Carrying and not
	Amount	impaired
	\$000	\$000
<b>2017</b>		
Cash and cash equivalents	843	843
Restricted cash and cash equivalents	40	40
Receivables <sup>(a)</sup>	9	9
Amounts receivable for services	11,642	11,642
	<b>12,534</b>	<b>12,534</b>

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 8.1 Financial risk management (cont.)

##### (d) Liquidity Risk and Interest Rate Exposure

The following table details the contractual maturity analysis of financial liabilities.

All financial assets and financial liabilities are non-interest bearing.

Financial liabilities	Maturity date		
	Carrying Amount	Nominal Amount	Up to 3 months
	\$000	\$000	\$000
<b>2018</b>			
Payables	688	688	688
<b>2017</b>			
Payables	379	379	379

##### (e) Interest Rate Sensitivity Analysis

The Department's financial assets and liabilities at the end of the period are not subject to any interest rate risk.

#### 8.2 Fair value measurements

##### Assets measured at fair value:

	Notes	Fair value at end of period			
		Level 1 \$000	Level 2 \$000	Level 3 \$000	\$000
<b>2018</b>					
Land	5.1	-	3,130	217	3,347
Buildings	5.1	-	240	59,377	59,617
Works of art	5.1	-	-	945	945
		-	3,370	60,539	63,909

##### Assets measured at fair value:

		Fair value at end of period			
		Level 1 \$000	Level 2 \$000	Level 3 \$000	\$000
<b>2017</b>					
Land	5.1	-	3,300	217	3,517
Buildings	5.1	-	250	62,448	62,698
Works of art	5.1	-	-	955	955
		-	3,550	63,620	67,170

There were no transfers between Levels 1, 2 or 3 during the current and previous periods.





## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 8.2 Fair value measurements (cont.)

##### Valuation techniques to derive Level 2 fair values

Level 2 fair values of Land and Buildings are derived using the market approach. Market evidence of sales prices of comparable land and buildings (office accommodation) in close proximity is used to determine price per square meter.

##### Fair value measurements using significant unobservable inputs (Level 3)

###### 2018

	<b>Land Buildings</b>		<b>Works of Art</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Fair Value at start of period	217	62,448	955
Additions	-	229	-
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	(2,675)	-
Disposals	-	-	(10)
Depreciation Expense	-	(625)	-
<b>Fair Value at end of period</b>	<b>217</b>	<b>59,377</b>	<b>945</b>

###### 2017

	<b>Land Buildings</b>		<b>Works of Art</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Fair Value at start of period	217	62,448	936
Additions	-	516	5
Revaluation increments/(decrements) recognised in Other Comprehensive Income	-	109	14
Disposals	-	-	-
Depreciation Expense	-	(625)	-
<b>Fair Value at end of period</b>	<b>217</b>	<b>62,448</b>	<b>955</b>

##### Valuation Processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land and buildings to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

---

#### 8.2 Fair value measurements (cont.)

##### **Land (Level 3 fair values)**

Fair value for restricted use land is based on comparison with market evidence for land with low utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuations and Property Analytics) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

##### **Buildings (Level 3 fair values)**

Fair value for existing use specialised buildings is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated in the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Valuation using depreciation replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Information Authority (Valuations and Property Analytics). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings.

##### **Works of art (Level 3 fair values)**

The fair values of works of art were determined by independent valuer, Douglas Sheerer, in 2016.

##### **Basis of valuation**

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service and the Parliamentary Reserve Board's enabling legislation.

##### **Amendments to AASB 13**

Mandatory application of AASB 2016-4 *Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities* has no financial impact for Parliamentary Services Department as the Department is classified as not-for-profit and regularly revalues specialised property. Therefore, fair value the recoverable amount of such assets is expected to be materially the same as fair value.



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 8.2 Fair value measurements (cont.)

##### Information about significant unobservable inputs (Level 3) in fair value measurements

Description	Fair Value		Valuation techniques	Unobservable inputs
	2018 \$000	2018 \$000		
Land	217	217	Market approach	Selection of land with similar approximate utility
Buildings	59,377	62,448	Depreciated Replacement Cost	Consumed economic benefit / obsolescence of asset Historical cost per square meter floor area (m <sup>2</sup> )
Works of art	945	955	Market approach	Selection of artworks with similar characteristics such as historical, contemporary, and indigenous

#### 8.3 Contingent assets and liabilities

The Department did not have any contingent assets or contingent liabilities at the end of the period.



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 9. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	9.1
Future impact of Australian standards issued not yet operative	9.2
Key management personnel	9.3
Related party transactions	9.4
Remuneration of auditors	9.5
Equity	9.6
Supplementary financial information	9.7
Explanatory statement	9.8

#### 9.1 Events occurring after the end of the reporting period

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

#### 9.2 Future impact of Australian Accounting Standards not yet operative

The Department cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements* or by an exemption from TI 1101. Where applicable, the Department plans to apply these Australian Accounting Standards from their application date.

AASB 15

*Revenue from Contracts with Customers*

This Standard establishes the principles that the Department shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.

Parliamentary Services Department's income is principally derived from appropriations which will be measured under AASB 1058 and will be unaffected by this change.

**Operative for  
reporting periods  
beginning on/after  
1 Jan 2019**



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 9.2 Future impact of Australian Accounting Standards not yet operative (cont.)

Operative for  
reporting periods  
beginning on/after  
1 Jan 2019

**AASB 16** *Leases*

This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

Whilst the impact of AASB16 has not yet been quantified, the Department currently has commitments for \$456,000 worth of non-cancellable operating leases which will mostly be brought into the statement of financial position. Interest and amortisation expense will increase and rental expense will decrease.

**AASB 1058** *Income of Not-for-Profit Entities*

1 Jan 2019

This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP transactions that are not contracts with customers. Timing of income recognition is dependant on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. The Department anticipates that the application will not materially impact appropriation.

**AASB 1059** *Service Concession Arrangements: Grantors*

1 Jan 2019

This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The Department has not identified any public private partnerships within scope of the Standard.

**AASB 2010-7** *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Int 2,5, 10, 12, 19 & 127]*

1 Jan 2018

This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010.

The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to January 2018. The Department is only insignificantly impacted by the application of the Standard.





## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 9.2 Future impact of Australian Accounting Standards not yet operative (cont.)

Operative for  
reporting periods  
beginning on/after  
1 Jan 2018

AASB 2014-1	<i>Amendments to Australian Accounting Standards</i> Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. These changes have no impact upon the Department as Appendix E has been superceded and the Department was not permitted to early adopt AASB 9.	1 Jan 2018
AASB 2014-5	<i>Amendments to Australian Accounting Standards arising from AASB 15</i> This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018. The agency has not yet determined the application of the potential impact of the Standard.	1 Jan 2018
AASB 2014-7	<i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i> This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The agency has not yet determined the application of the potential impact of the Standard.	1 Jan 2018
AASB 2015-8	<i>Amendments to Australian Accounting Standards - Effective Date of AASB 15</i> This Standard amends the mandatory application date of AASB 15 to 1 January 2018 (instead of January 2017). It also defers the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this Standard.	1 Jan 2018
AASB 2016-3	<i>Amendments to Australian Accounting Standards - Clarification to AASB 15</i> This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Department has not yet determined the application or the potential impact when the deferred AASB 15 becomes effective from 1 January 2019.	1 Jan 2018
AASB 2016-7	<i>Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities</i> This Standard defers, for not-for-profit entities, the mandatory application date of AASB 15 to 1 January 2019, and the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this standard.	1 Jan 2018



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 9.2 Future impact of Australian Accounting Standards not yet operative (cont.)

Operative for  
reporting periods  
beginning on/after

AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

1 Jan 2019

This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.

#### 9.3 Key management personnel

The Department has determined that key management personnel include the Presiding Officers and senior officers of the Department. However, the Department is not obligated to compensate the Presiding Officers and therefore disclosures in relation to the Presiding Officers' compensation may be found in the Annual Reports of the Department of the Legislative Council and Department of the Legislative Assembly.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Department for the reporting period are presented with the following bands:

Compensation band (\$)	2018	2017
290,001 - 300,000	-	1
260,001 - 270,000	1	-
210,001 - 220,000	1	1
160,001 - 170,000	1	1
130,001 - 140,000	1	-
90,001 - 100,000	-	1
30,001 - 40,000	-	1
	<b>2018</b>	<b>2017</b>
	<b>\$000</b>	<b>\$000</b>
Short-term employee benefits	702	724
Post-employment benefits	62	66
Other long-term benefits	23	21
<b>Total compensation of senior officers</b>	<b>787</b>	<b>811</b>

Total compensation includes the superannuation expense incurred by the Department in respect of senior officers.



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

---

#### 9.4 Related party transactions

Related parties of the Department include:

- Presiding Officers and their close family members, and their controlled or jointly controlled entities
- all senior officers and their close family members, and their controlled or jointly controlled entities
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements (i.e. wholly-owned public sector entities)
- associates and joint ventures, that are included in the whole of government consolidated financial statements, and
- the Government Employees Superannuation Board (GESB).

#### Significant transactions with government related entities

In conducting its activities, the Department is required to transact with the State and entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- income from State Government (Note 4.1)
- equity contributions (Note 9.6)
- infrastructure and facilities provided to the Department of the Legislative Council and Department of the Legislative Assembly (Note 4.2)
- superannuation payments to GESB (Note 3.1(a))
- lease rentals payments to the Department of Finance - Government Office Accommodation (Note 3.4) and State Fleet (Note 3.3) and related outstanding balances (Note 7.2.1)
- insurance payments to the Insurance Commission and RiskCover Fund (Notes 3.3 and 3.6)
- payments for printing to the State Law Publisher, Department of Premier and Cabinet (Note 3.3)
- payments to the Water Corporation (Note 3.4), and
- remuneration for services provided by the Auditor General (Note 9.5).

#### Material transactions with other related parties

Outside of normal citizen type transactions with the Department, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

#### 9.5 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2018	2017
	\$000	\$000
Auditing the accounts, financial statements controls and key performance indicators	45	45

#### 9.6 Equity

##### Contributed equity

	2018	2017
	\$000	\$000
Balance at start of period	24,456	23,456
Contributions by owners		
Capital appropriation	1,000	1,000
<b>Total contributions by owners</b>	<b>25,456</b>	<b>24,456</b>
<b>Balance at end of period</b>	<b>25,456</b>	<b>24,456</b>

	2018	2017
	\$000	\$000
<b><u>Asset revaluation surplus</u></b>		
Balance at start of the period	49,303	49,186
Net revaluation increments/(decrements)		
Land	(170)	-
Buildings	(2,684)	103
Works of art	-	14
<b>Balance at end of period</b>	<b>46,449</b>	<b>49,303</b>

#### 9.7 Supplementary financial information

##### (a) Write-offs

During the reporting period, nil (2017: nil) was written off the Department's asset register under the authority of the accountable authority.

##### (b) Losses through thefts, defaults and other causes

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

##### (c) Gifts of public property

The Department provided obsolete items of furniture and equipment (Nil value) to the Western Australian Disability Enterprises, Westcare Incorporated, Tongan Parliament, and North Metro TAFE.



# PARLIAMENTARY SERVICES DEPARTMENT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 9.8 Explanatory statement

Major variances between estimates (original budget) and actual results for 2018, and between the actual results for 2017 and 2018 are shown below. Narratives are provided for key major variances, which are generally greater than:

- 5% and \$340,000 for the Statements of Comprehensive Income and Cash Flows, and
- 5% and \$1,698,000 for the Statement of Financial Position.

### Statement of Comprehensive Income Variances

	Variance note	Estimate 2018 \$000	Actual 2018 \$000	Variance \$000	Actual 2018 \$000	Actual 2017 \$000	Variance \$000
<b>Expenses</b>							
Employee benefits expense	A	11,524	11,257	(267)	11,257	10,646	611
Supplies and services	1	2,633	2,219	(414)	2,219	2,507	(288)
Depreciation and amortisation expense		1,649	1,594	(55)	1,594	1,495	99
Accommodation expenses	B	1,676	1,869	193	1,869	2,219	(350)
Grants and subsidies		-	1	1	1	-	1
Loss on disposal of non-current assets		-	22	22	22	-	22
Other expenses		81	70	(11)	70	138	(68)
<b>Total cost of services</b>		<b>17,563</b>	<b>17,032</b>	<b>(531)</b>	<b>17,032</b>	<b>17,005</b>	<b>27</b>
<b>Income</b>							
<i>Revenue</i>							
Other revenue	2 C	-	458	458	458	1,038	(580)
<b>Total income other than income from State Government</b>		<b>-</b>	<b>458</b>	<b>458</b>	<b>458</b>	<b>1,038</b>	<b>(580)</b>
<b>NET COST OF SERVICES</b>		<b>17,563</b>	<b>16,574</b>	<b>(989)</b>	<b>16,574</b>	<b>15,967</b>	<b>607</b>
<b>Income from State Government</b>							
Service appropriation		17,522	17,444	(78)	17,444	16,704	740
Services received free of charge		12	12	-	12	10	2
<b>Total income from State Government</b>		<b>17,534</b>	<b>17,456</b>	<b>(78)</b>	<b>17,456</b>	<b>16,714</b>	<b>742</b>
<b>SURPLUS /(DEFICIT) FOR THE PERIOD</b>		<b>(29)</b>	<b>882</b>	<b>911</b>	<b>882</b>	<b>747</b>	<b>135</b>
<b>OTHER COMPREHENSIVE INCOME</b>							
<b>Items not reclassified subsequently to profit or loss</b>							
Changes in asset revaluation surplus	3 D	-	(2,854)	(2,854)	(2,854)	117	(2,971)
<b>Total other comprehensive income</b>		<b>-</b>	<b>(2,854)</b>	<b>(2,854)</b>	<b>(2,854)</b>	<b>117</b>	<b>(2,971)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(29)</b>	<b>(1,972)</b>	<b>(1,943)</b>	<b>(1,972)</b>	<b>864</b>	<b>(2,836)</b>





# PARLIAMENTARY SERVICES DEPARTMENT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 9.8 Explanatory statement (cont.)

#### Statement of Financial Position

##### Variances

	Variance note	Estimate 2018 \$000	Actual 2018 \$000	Variance \$000	Actual 2018 \$000	Actual 2017 \$000	Variance \$000
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents		555	1,449	894	1,449	843	606
Receivables		119	164	45	164	149	15
Other current assets		337	236	(101)	236	268	(32)
<b>Total Current Assets</b>		<b>1,011</b>	<b>1,849</b>	<b>838</b>	<b>1,849</b>	<b>1,260</b>	<b>589</b>
<b>Non-Current Assets</b>							
Restricted cash and cash equivalents		105	43	(62)	43	40	3
Amounts receivable for services		13,291	13,291	-	13,291	11,642	1,649
Other non-current assets		5	71	66	71	6	65
Property, plant and equipment		71,866	69,040	(2,826)	69,040	71,825	(2,785)
Intangible assets		94	93	(1)	93	132	(39)
<b>Total Non-Current Assets</b>		<b>85,361</b>	<b>82,538</b>	<b>(2,823)</b>	<b>82,538</b>	<b>83,645</b>	<b>(1,107)</b>
<b>TOTAL ASSETS</b>		<b>86,372</b>	<b>84,387</b>	<b>(1,985)</b>	<b>84,387</b>	<b>84,905</b>	<b>(518)</b>
<b>LIABILITIES</b>							
<b>Current Liabilities</b>							
Payables		674	754	80	754	445	309
Employee related provisions		1,854	1,998	144	1,998	1,876	122
Other current liabilities		-	-	-	-	26	(26)
<b>Total Current Liabilities</b>		<b>2,528</b>	<b>2,752</b>	<b>224</b>	<b>2,752</b>	<b>2,347</b>	<b>405</b>
<b>Non-Current Liabilities</b>							
Employee related provisions		164	239	75	239	189	50
Other non-current liabilities		1	-	(1)	-	-	-
<b>Total Non-Current Liabilities</b>		<b>165</b>	<b>239</b>	<b>74</b>	<b>239</b>	<b>189</b>	<b>50</b>
<b>TOTAL LIABILITIES</b>		<b>2,693</b>	<b>2,991</b>	<b>298</b>	<b>2,991</b>	<b>2,536</b>	<b>455</b>
<b>NET ASSETS</b>		<b>83,679</b>	<b>81,396</b>	<b>(2,283)</b>	<b>81,396</b>	<b>82,369</b>	<b>(973)</b>
<b>EQUITY</b>							
Contributed equity		25,456	25,456	-	25,456	24,456	1,000
Reserves	4 E	50,418	46,449	(3,969)	46,449	49,303	(2,854)
Accumulated surplus		7,805	9,492	1,687	9,492	8,610	882
<b>TOTAL EQUITY</b>		<b>83,679</b>	<b>81,397</b>	<b>(2,282)</b>	<b>81,397</b>	<b>82,369</b>	<b>(972)</b>



# PARLIAMENTARY SERVICES DEPARTMENT

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 9.8 Explanatory statement (cont.)

#### Statement of Cash Flows

##### Variances

	Variance note	Estimate 2018 \$000	Actual 2018 \$000	Variance \$000	Actual 2018 \$000	Actual 2017 \$000	Variance \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>							
Service appropriation		15,873	15,795	(78)	15,795	15,485	310
Capital appropriation		1,000	1,000	-	1,000	1,000	-
<b>Net cash provided by State Government</b>		<b>16,873</b>	<b>16,795</b>	<b>(78)</b>	<b>16,795</b>	<b>16,485</b>	<b>310</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
<b>Payments</b>							
Employee benefits	A	(11,475)	(11,131)	344	(11,131)	(10,590)	(541)
Supplies and services	5 F	(2,633)	(1,900)	733	(1,900)	(2,611)	711
Accommodation	B	(1,673)	(1,860)	(187)	(1,860)	(2,215)	355
Grants and subsidies		-	(1)	(1)	(1)	-	(1)
GST payments on purchases		(565)	(588)	(23)	(588)	(654)	66
Other payments		(92)	(70)	22	(70)	(138)	68
<b>Receipts</b>							
GST receipts from taxation authority		565	518	(47)	518	509	9
GST receipts on sales		-	56	56	56	115	(59)
Other receipts	2 C	-	435	435	435	1,059	(624)
<b>Net cash provided by/(used in) operating activities</b>		<b>(15,873)</b>	<b>(14,541)</b>	<b>1,332</b>	<b>(14,541)</b>	<b>(14,525)</b>	<b>(16)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
<b>Payments</b>							
Purchase of non-current assets	6	(1,000)	(1,645)	(645)	(1,645)	(1,781)	136
<b>Receipts</b>							
Proceeds from sale of non-current assets		-	-	-	-	12	(12)
<b>Cash flows from investing activities</b>		<b>(1,000)</b>	<b>(1,645)</b>	<b>(645)</b>	<b>(1,645)</b>	<b>(1,769)</b>	<b>124</b>
Net increase/(decrease) in cash and cash equivalents		-	609	609	609	191	418
Cash and cash equivalents at the beginning of the period		660	883	223	883	692	191
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>660</b>	<b>1,492</b>	<b>832</b>	<b>1,492</b>	<b>883</b>	<b>609</b>



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

---

#### 9.8 Explanatory statement (cont.)

##### Major Estimate and Actual (2018) Variance Narratives

- 1 The \$414,000 (or 16%) favourable variance in supplies and services is the result of below budget spending primarily in contract staff, consultants and contractors, security services, and travel.
- 2 The Department does not generally budget for revenue, as there are no ongoing services for which fees are charged. The variance includes income of \$456,000 from the Departments of the Legislative Assembly and the Legislative Council for works beyond the scope of the existing service provisions.
- 3 Movements in the valuation of assets held are not included in the Department's budget. The unfavourable variance reflects the devaluation of buildings (\$2,684,000) and land (\$170,000).
- 4 The \$3,969,000 (or 8%) unfavourable variance in the Asset Revaluation Reserve arises from the 2017 surplus falling \$1,115,000 short of the 2018 budget position combined with a \$2,854,000 devaluation in land and buildings for 2018.
- 5 Lower than anticipated spending in contract staff, consultants and contractors, security services, and travel resulted in a favourable variance of \$733,000 (or 28%) in supplies and services.
- 6 Each year a capital contribution of \$1,000,000 is provided for the refurbishment and replacement of assets. The Departments of the Legislative Assembly and the Legislative Council contributed funds totalling \$456,000 towards works beyond the scope of existing service provisions. Additionally, work-in-progress carried forward from prior years can increase capital expenditure when capitalisation occurs in a subsequent year.

##### Major Actual (2018) and Comparative Variance Narratives

- A A delayed Parliamentary Employees General Agreement led to two annual \$1,000 salary increases being applied during 2018. Staffing costs were also generally higher in 2018 to cover the Parliamentary requirements of an additional 31 sitting days.
- B The expenditure on repairs and maintenance fell \$311,000 (or 24%) from the prior year. The extended election year summer recess in 2017 permitted a major focus on repairs and renewals in and about Parliament House. Additionally, a renegotiation of an accommodation lease during a period of falling market rents enabled a cost saving of \$51,000 (or 16%) to be recorded for the year.
- C The Department does not generally budget for revenue. However, at times the Departments of the Legislative Assembly and the Legislative Council provide contributions for works beyond the scope of existing service provisions. In 2017 the extended recess period enabled the Department to undertake significant building and equipment upgrades. Consequently for the following year the contribution from the Chamber Departments for works was \$578,000 (or 56%) lower.



## PARLIAMENTARY SERVICES DEPARTMENT

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

---

#### 9.8 Explanatory statement (cont.)

##### Major Actual (2018) and Comparative Variance Narratives (cont.)

- D In 2017 a modest increase of \$103,000 was posted against the asset revaluation reserve for buildings. This gain was reversed in 2018 with Landgate decreasing the value of both land and buildings, as reflected in the unfavourable variance of \$2,972,000 against the prior year.
- E Falling property values have impacted upon the annual valuations provided by Landgate, resulting in a reduction of the asset revaluation surplus for both land (\$170,000) and buildings (\$2,684,000).
- F Cash outflows on supplies and services declined by \$711,000 (or 27%). This is mainly due to fewer purchases of minor equipment below the \$5,000 asset capitalisation threshold (\$318,000), and a higher level of accruals and creditors for supplies and services at 30 June 2018 than for the prior year.

**PARLIAMENTARY SERVICES DEPARTMENT**

**CERTIFICATION OF KEY PERFORMANCE INDICATORS  
FOR THE YEAR ENDED 30 JUNE 2018**

I hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Parliamentary Service Department's performance, and fairly represent the performance of the Parliamentary Services Department for the financial year ended 30 June 2018.



Rob Hunter  
Accountable Authority

Date: 6/9/2018





**PERFORMANCE INDICATORS  
OF THE  
PARLIAMENTARY SERVICES DEPARTMENT**

**FOR THE YEAR ENDED  
30 JUNE 2018**

## Desired Outcome

Parliamentary Services Department provides apolitical ancillary services to Members of Parliament, Chamber departments, Parliamentary staff and other users through two specific service roles that are undertaken to meet the Department's single desired outcome. In doing so, the Department supports a broad, high level goal that reflects its service provision role.

Parliamentary Services Department is not part of the State public service or an agency of Government and does not directly contribute to the Government desired outcomes.

The following table illustrates the relationship between the Department's primary goal and the desired outcome of service activities.

Desired Outcome	Services
Infrastructure, facilities, information and services that meet the needs of stakeholders.	1. Provision of Infrastructure and Facilities 2. Provision of Information and Services

## Key Effectiveness Indicators

Three indicators have been identified to measure the effectiveness of services in meeting the desired outcome.

### Availability of Services

This indicator measures the availability of services (distinguishing between Infrastructure/ Facilities and Information/Services), recognising that service outages significantly impact upon the operations of Parliament.

The calculation of service availability is based on recorded service down time of more than half a day that has not been scheduled and advised to stakeholders in advance. A weighting is allocated to different services and to sitting and non-sitting days to reflect the perceived impact of a particular outage on the operations of Parliament. For example, an outage of IT services on a sitting day is given a higher weighting compared to a non-sitting day.

The Target figure represents a threshold of minimum acceptable performance in the effective delivery of service. It is expected that actual performance may exceed these targets.

	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual	Variance
Availability of Infrastructure and Facilities.	99.4%	98.1%	99.9%	95%	99.9%	+4.9%
Availability of Information and Services.	99.7%	99.6%	98.6%	95%	100.0%	+5.0%

### Member Satisfaction with Services

This Key Effectiveness Indicator measures Member satisfaction with the services provided, with separate measures for the Infrastructure/Facilities and Information/Services groupings of services. A Member survey was distributed to all Legislative Council and Legislative Assembly Members in June 2018, with 53 out of 93 Members (excluding the Presiding Officers) completing the survey. This represents a response rate of 57.0%. A response of Satisfactory, Good or Very Good was considered acceptable, with any lower rating impacting upon the percentage of service achievement.

The Target figure represents a threshold of minimum acceptable performance in the effective delivery of service.

	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual	Variance
Average Member rating of Infrastructure and Facilities.	97.1%	96.5%	97.8%	90%	<b>98.0%</b>	+8.0%
Average Member rating of Information and Services.	98.3%	97.3%	97.8%	90%	<b>98.6%</b>	+8.6%

### Parliamentary Staff and Presiding Officers Satisfaction with Services

This Key Effectiveness Indicator measures the satisfaction of a different group of stakeholders, being the Presiding Officers (President of the Legislative Council and Speaker of the Legislative Assembly) and Parliamentary staff who support the Members and the operations of Parliament. While the Presiding Officers are also Members, the Department provides services to the Presiding Officers that are additional to those provided to other Members.

A Staff survey was distributed to all Parliamentary staff and the two Presiding Officers during June 2018. A response rate of 53.3% (97 out of 182) was achieved and responses were collated to provide the PO and Staff rating. A rating of Satisfactory, Good or Very Good was considered satisfactory, with any lower rating impacting upon the percentage of service achievement.

	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual	Variance
Average Presiding Officer and Staff rating for Infrastructure, Facilities, Information and Services.	97.1%	97.5%	97.8%	95%	<b>97.6%</b>	+2.6%



## Key Efficiency Indicators

These Key Efficiency Indicators identify two distinct service groups provided by the Department in support of the operations of Parliament. These indicators measure the resources used by the Department in providing services to Members and Chamber Departments.

### Service 1: Provision of Infrastructure and Facilities

Key Efficiency Indicators	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual	Variance to Target
Average cost of providing Infrastructure and Facilities for the Members of Parliament and Chamber Departments' staff	\$36,669	\$34,640	\$38,927	\$39,823	<b>\$39,681</b>	-\$142 -0.4%
Percentage of variable costs expended to maintain Parliament House building and grounds <sup>(a)</sup>	30%	21%	29%	17%	<b>24%</b>	+7%

- (a) Variable costs represent the Department's total recurrent funds less staffing costs, statutory charges and contractual obligations. Depreciation expense is included in variable costs in this measure as the majority of this expense relates to buildings and building improvements. This provides a link between building maintenance expenditure and the value of buildings and improvements. The variance to target is mainly due to the increased volume of building works and maintenance undertaken within projects and expensed during the year.

### Service 2: Provision of Information and Services

Key Efficiency Indicators	2015 Actual	2016 Actual	2017 Actual	2018 Target	2018 Actual	Variance
Average cost of providing Information and Services for the Members of Parliament and Chamber Departments' staff <sup>(b)</sup>	\$45,615	\$46,820	\$56,327	\$47,262	<b>\$45,057</b>	-\$2,205 -4.7%
Average cost of services per sitting day <sup>(c)</sup>	\$45,128	\$47,733	\$51,346	\$50,250	<b>\$47,788</b>	-\$2,462 -4.9%
Average cost, per Student / Member of the Public, to promote knowledge and awareness of the work of the Parliament <sup>(d)</sup>	\$26.15	\$23.95	\$23.58	\$28.77	<b>\$20.69</b>	-\$8.08 -28.1%

- (b) This measure relates to expenses associated with non-sitting days.
- (c) The average cost per sitting day is calculated as the average cost of services per business day (excluding sitting related expenses) plus the average sitting specific costs per sitting day. The average was lower in 2018 due to lower than budgeted expenditure in Information and Services.
- (d) Following a 2016 review and subsequent restructuring of the Outreach program, the participation of students increased while the cost of program delivery was decreased. This has contributed to the reduction in the average cost to promote knowledge and awareness of the work of Parliament.

