

Financial performance

This section analyses the financial performance of the Department of the House of Representatives for the year ended 2017.

Note 1 Expenses		
	2017	2016
	\$'000	\$'000
1A: Employee Benefits		
Wages and salaries	14,134	14,139
Superannuation		
Defined contribution plans	846	802
Defined benefit plans	2,013	1,870
Leave and other entitlements	1,625	2,280
Separation and redundancies	143	117
Total employee benefits	18,762	19,208
1B: Suppliers		
Goods and services supplied or rendered		
Staff Related Services	440	603
Travel	742	1,195
Office Services	2,876	2,980
Communication	105	117
Corporate Expenses	266	273
Total goods and services supplied or rendered	4,430	5,169
Goods supplied	330	356
Services rendered	4,100	4,813
Total goods and services supplied or rendered	4,430	5,169
Other suppliers		
Operating lease rentals	62	72
Workers compensation expenses	80	80
Total other suppliers	142	152
Total suppliers	4,572	5,321
Leasing commitments		
Operating leases 2016-17 included were effectively non-cancellable and comprise agreements for the provision of motor vehicles to senior executives and for departmental use.		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	37	51
Between 1 to 5 years	1	37
Total operating lease commitments	38	88
1C: Write-Down and Impairment of Assets		
Impairment of property, plant and equipment	10	34
Total write-down and impairment of assets	10	34

Note 2 Own-source revenue and gains		
	2017	2016
	\$'000	\$'000
2A: Sale of Goods and Rendering of Services		
Sale of goods	26	26
Rendering of services	38	40
Total sale of goods and rendering of services	64	66
2B: Other Revenue		
Royalties	-	15
Funding from external sources	443	782
Total other revenue	443	797
2C: Other Gains		
Resources received free of charge		
Remuneration of auditors	83	85
Rent of premises	1,831	1,803
Other financial income	-	7
Total other gains	1,914	1,895
2D: Revenue from Government		
Appropriations		
Departmental appropriations	24,159	20,668
Total Revenue from Government	24,159	20,668

Accounting policy

Revenue from the sale of goods

Revenue from the sale of goods is recognised when:

- » the risks and rewards of ownership have been transferred to the buyer;
- » the Department retains no managerial involvement nor effective control over the goods;
- » the revenue and transaction costs incurred can be reliably measured; and
- » it is probable that the economic benefits associated with the transaction will flow to the department.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

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

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

Resources received free of charge

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

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as gains at their fair value when the asset qualifies for recognition.

Revenue from Government

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

Financial position

This section analyses the Department of the House of Representatives assets used to conduct its operations and the operating liabilities incurred as a result.

Employee related information is disclosed in the People and Relationships section.

Note 3 Financial assets		
	2017	2016
	\$'000	\$'000
3A: Cash and Cash Equivalents		
Cash on hand or on deposit	3,057	570
Total cash and cash equivalents	3,057	570
3B: Trade and Other Receivables		
Goods and services receivables		
Goods and services	21	290
Total goods and services receivables	21	290
Appropriations receivables		
Appropriation receivable - existing programs	14,742	11,801
Appropriation receivable - special account	-	2,547
Total appropriations receivables	14,742	14,348
Other receivables		
Cash held by salary packaging providers	37	46
GST inputs credits receivable	38	47
Total other receivables	75	94
Total trade and other receivables (gross)	14,837	14,732

Credit terms for goods and services were within 30 days (2016: 30 days).

Accounting policy

Financial assets

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

Note 4 Non - financial assets

4A: Reconciliation of the opening and closing balances of property, plant and equipment and intangibles

	Heritage and cultural ¹ \$'000	Property, Plant and equipment \$'000	Computer Software ² \$'000	Total \$'000
As at 1 July 2016				
Gross book value	422	6,505	3,665	10,592
Accumulated depreciation, amortisation and impairment	-	-	(1,447)	(1,447)
Total as at 1 July 2016	422	6,505	2,218	9,145
Additions				
Purchase	-	1,414	21	1,435
Internally developed	-	-	10	10
Depreciation and amortisation	-	(437)	(472)	(909)
Other movements				
Reclassification ³	14	(14)	-	-
Adjustment recognised in other comprehensive income ⁴	(17)	-	-	(17)
Disposals				
Other	-	(22)	(3)	(25)
Total as at 30 June 2017	419	7,446	1,775	9,640
Total as at 30 June 2017 represented by				
Gross book value	419	7,883	3,671	11,972
Accumulated depreciation, amortisation and impairment	-	(437)	(1,895)	(2,332)
Total as at 30 June 2017	419	7,446	1,775	9,640

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

2. The carrying amount of computer software included \$18,804 (2016: \$12,948) of purchased software and \$1,756,586 (2016: \$2,205,915) of internally generated software.

3. During the year the following items were reclassified from Property, Plant and Equipment to the Heritage and Cultural class:

- Despatch Box - Rosewood with sliver and enamel embossing; and
- Despatch Box - Rosewood with sliver and enamel embossing.

These items have been classified as heritage and cultural due to their heritage value and cultural significance.

4. During the year the following items were removed from the Department's asset register:

- Gold Key 1988 Parliament and;
- Gold Key 1927 Parliament.

These items were identified as belonging to the Department of Parliamentary Services. The items have been removed from the register and the carrying value of the assets at the date of adjustment has been recognised in other comprehensive income.

Note 4 Non - financial assets (continued)***Accounting policy***

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

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

Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

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

Revaluations

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

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

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

Depreciation

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

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

Note 4 Non - financial assets (continued)**Depreciation (continued)**

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

	2017	2016
Property, plant & equipment	5 to 50 years	5 to 50 years

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

Impairment

All assets were assessed for impairment at 30 June 2017. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

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

Accounting policy

Heritage and Cultural Assets

The Department has the following heritage and cultural assets with an aggregated fair value of \$419,000 (2016: \$422,000).

- » Mace - Garrard Engraved Silver
- » Dispatch Boxes (2) Rosewood with silver and enamel embossing
- » Yirrkala Bark Petition 14 Aug 1963, Wood Bark 59.1cm X 33.2cm
- » Yirrkala Bark Petition 28 Aug 1963, Wood Bark 49.1cm X 30cm
- » Yirrkala Bark Petition 8 Oct 1968, Wood Bark 59.1cm X 34cm
- » Ritual Stick - Yirrkala People 1976, Wood Feathers 47.1cm X 24.2cm

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

Note 4 Non - financial assets (continued)

Intangibles

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the entity's software are 2 to 13 years (2016: 2 to 13 years).

All software assets were assessed for indications of impairment as at 30 June 2017.

	2017	2016
	\$'000	\$'000
4B: Inventories		
Inventories held for sale		
Finished goods	13	16
Total inventories held for sale	13	16
Total inventories	13	16

During 2017, \$2,745 of inventory held for sale was recognised as an expense (2016: \$1,816).

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

4C: Other Non-Financial Assets

Prepayments	156	119
Total other non-financial assets	156	119

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

Accounting policy

Inventories held for sale are valued at the lower of cost and net realisable value. Inventories held for distribution are valued at cost, adjusted for any loss of service potential. Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

Note 5 Payables

	2017 \$'000	2016 \$'000
5A: Suppliers		
Trade creditors and accruals	286	334
Total suppliers	286	334
Settlement was usually made within 30 days.		
5B: Other Payables		
Salaries and wages	101	49
Superannuation	22	10
Salary Sacrifice Payable	37	46
Unearned income ¹	682	665
Input Tax Credit (GST) Payment to ATO	1	1
Total other payables	843	771

¹ Unearned income relates to payments from Department of Foreign Affairs (DFAT) (AusAid) funding for Pacific Parliamentary Development programs. Payment is made in advance of work being performed, and unspent funds are acquitted to DFAT.

People and relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

Note 6 Employee provisions		
	2017	2016
	\$'000	\$'000
6A: Employee Provisions		
Leave	6,310	6,153
Total employee provisions	6,310	6,153
Employee provisions expected to be settled		
No more than 12 months	1,543	1,437
More than 12 months	4,767	4,716
Total employee provisions	6,310	6,153

Accounting policy

Liabilities for 'short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

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

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates and additional oncosts (annual leave and long service leave) to the extent that the leave is likely to be taken during service rather than paid out on termination. The liability for long service leave has been determined by the short-hand method as at 30 June 2017. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

The department's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other superannuation funds held outside the Australian Government.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme. The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The department makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The entity accounts for the contributions as if they were contributions to defined contribution plans. The liability for superannuation recognised as at 30 June represents outstanding contributions.

Note 7 Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the department, directly or indirectly, including any director (whether executive or otherwise) of the department. The department has determined the key management personnel to be the Clerk of the House, Deputy Clerk of the House and four Clerks Assistant. Key management personnel remuneration is reported in the table below:

	2017 \$'000	2016 \$'000
Short-term employee benefits		
Salary	1,269	1,171
Motor vehicle allowance	75	66
Total short-term employee benefits	<u>1,344</u>	<u>1,237</u>
Post-employment benefits		
Superannuation	201	206
Total post-employment benefits	<u>201</u>	<u>206</u>
Other long-term employee benefits		
Annual leave	93	89
Long-service leave	30	29
Total other long-term employee benefits	<u>123</u>	<u>118</u>
Total key management personnel remuneration expenses	<u>1,668</u>	<u>1,561</u>

The total number of key management personnel that are included in the above table is 7. (2016: 7)

Note 8 Related party disclosures

Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions are not considered to be related party transactions.

The department transacts with other Australian Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions, including the payment of workers compensation and insurance premiums, transactions between the other Parliamentary Departments and Department of Finance. These are not considered individually significant to warrant separate disclosure as related party transactions. Refer to Note 1A Employee Benefits for details on superannuation arrangements with the Commonwealth.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the department, it has been determined that there are no related party transactions to be separately disclosed.

Funding

This section identifies the Department of the House of Representatives funding structure

Note 9 Appropriations Annual Appropriations for 2017

	Appropriation Act		PGPA Act	Total appropriation \$'000	Appropriation applied in 2017 (current and prior years) \$'000	Variance ³ \$'000
	Annual Appropriation ¹ \$'000	Section 74 Receipts ² \$'000				
Departmental						
Operating Budget	24,159	3,576		27,735	(24,794)	2,941
Capital Budget	642	-		642	(642)	-
Total departmental	24,801	3,576		28,377	(25,436)	2,941
Administered³						
Operating Budget	322	-		322	(298)	24
Total administered	322	-		322	(298)	24

1. In 2016-17, there were no appropriations subject to quarantine and no reductions. The Departmental and Administered Appropriation ceases to be in force on 1 July 2019.

2. The s74 Receipts included \$2,601,108.47 from the original IPR Special Account on 29 March 2017 when it was subject to sun-setting.

3. The Departmental variance relates to the increase in s74 receipts due to the need to recognise the receipt of the Special Account. The Administered variance relates to balance undrawn for accrued expenses payable in 2017-18.

Note 9 Appropriations (continued)

Annual Appropriations for 2016

	Appropriation Act		PGPA Act		Appropriation applied in 2016 (current and prior years) \$'000	Variance ² \$'000
	Annual Appropriation ¹ \$'000	Section 74 Receipts \$'000	Total appropriation \$'000	Total appropriation \$'000		
Departmental						
Operating Budget	21,168	820	21,988	(22,646)	(658)	
Capital Budget	642	-	642	(642)	-	
Total departmental	21,810	820	22,630	(23,288)	(658)	
Administered						
Operating Budget	324	-	324	(322)	2	
Total administered	324	-	324	(322)	2	

1. In 2015-16, there were no appropriations subject to quarantine and no reductions. The Departmental and Administered Appropriation ceases to be in force on 1 July 2018.

2. The Departmental variance relates to capital expenditure funded from undrawn 2013-14 appropriation. The Department draws from the prior year unspent amounts to fund capital projects in excess of the Departmental Capital appropriation. The Administered variance relates to balance undrawn for expenses payable in 2016-17.

Note 10 Unspent annual appropriations ('recoverable GST exclusive')

	2017 \$'000	2016 \$'000
Departmental		
Appropriation (Parliamentary Departments) Act (No. 1) 2013-14	80	80
Appropriation (Parliamentary Departments) Act (No. 1) 2015-16	-	11,801
Appropriation (Parliamentary Departments) Act (No. 1) 2016-17	14,742	-
Total departmental	14,822	11,881
Administered		
Appropriation (Parliamentary Departments) Act (No. 1) 2015-16	-	2
Appropriation (Parliamentary Departments) Act (No. 1) 2016-17	26	-
Total administered	26	2

Note 11 Disclosures by agent in relation to special appropriations ('recoverable GST exclusive')

	Department of Finance (third party access)	Australian Public Service Commission (third party access)
2017	\$'000	\$'000
Total receipts	7,890	39,641
Total payments	7,890	39,641
	Department of Finance (third party access)	Australian Public Service Commission (third party access)
2016	\$'000	\$'000
Total receipts	7,415	37,402
Total payments	7,415	37,402

Note 12 Special account

	Inter-Parliamentary Relations Special Account (Departmental) ¹	
	2017 \$'000	2016 \$'000
Balance brought forward from previous period	2,560	2,550
Increases	51	60
Total increases	51	60
Available for payments	2,611	2,610
Decreases		
Departmental	(2,611)	(50)
Total departmental	(2,611)	(50)
Total decreases²	(2,611)	(50)
Total balance carried to the next period	-	2,560
Balance represented by:		
Cash held in entity bank accounts	-	13
Cash held in the Official Public Account	-	2,547

1. Appropriation: *Public Governance, Performance and Accountability Act 2013* section 80.
Establishing Instrument: 2004/08.

Purpose: For the receipt of all moneys and the payment of all expenditure related to the operation of the Commonwealth Parliamentary Association on behalf of the States, Territories and Commonwealth Branches of the Commonwealth Parliamentary Association, inter-parliamentary training, education and development services provided to support other governments and bodies that are not non-corporate Commonwealth entities within the meaning of the *Public Governance, Performance and Accountability Act 2013*.

The Minister for Finance has approved the earning of interest for this account under section 20 of the *Financial Management and Accountability Act 1997*. Interest is appropriated under this section of the Act.

2. The Special Account became subject to sun-setting provisions during the reporting period. \$2,601,108.47 was drawn down on 29 March 2017 and deposited into the Official Inter-parliamentary Relations bank account pending the release of a new delegation from the Finance Minister.

Note 13 Net cash appropriation arrangements

	2017 \$'000	2016 \$'000
Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations	3,207	(370)
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	(909)	(896)
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	2,299	(1,266)

Managing uncertainties

This section analyses how the Department of the House of Representatives manages financial risks within its operating environment.

Note 14 Financial instruments		
	2017	2016
	\$'000	\$'000
Categories of Financial Instruments		
Financial Assets		
Loans and receivables		
Cash and cash equivalents	3,057	570
Trade and other receivables	58	337
Total loans and receivables	3,115	907
Total financial assets	3,115	907
Financial Liabilities		
Financial liabilities measured at amortised cost		
Suppliers	286	334
Other Payables	682	665
Total financial liabilities measured at amortised cost	968	999
Total financial liabilities	968	999

Accounting policy

Financial assets

The department classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss; and
- loans and receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at the carrying amount less impairment.

Impairment of financial assets

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

Financial liabilities

Supplier and other payables are recognised at amortised cost and consist of trade creditors, accruals and unearned income.

Fair value

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

Note 15 Fair value

	Fair value measurements at the end of the reporting period	
	2017 \$'000	2016 \$'000
Non-financial assets ¹		
Property, Plant and Equipment ²	7,446	6,505
Heritage & Cultural ²	419	422

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

2. The Department did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2017

Accounting policy

The Department tests the procedures of the valuation model as an asset materiality review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. For the period ended 30 June 2017, the Department engaged JLL Public Sector Valuations Pty Ltd (JLL) to undertake a materiality review of all plant and equipment assets and confirm that the models developed comply with AASB 13.

The materiality assessment carried out by JLL determined that there was no material difference between the carrying values of assets to the fair value of assets.

Expenses administered on behalf of Government

This section analyses the activities that the Department of the House of Representatives does not control but administers on behalf of government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

Note 16 Administered expenses		
	2017	2016
	\$'000	\$'000
Suppliers		
Goods and services supplied or rendered		
Hospitality Services	324	317
Total goods and services supplied or rendered	324	317
Services rendered	324	317
Total goods and services supplied or rendered	324	317
Total suppliers	324	317

Assets and liabilities administered on behalf of Government

Note 17 Administered financial assets		
	2017	2016
	\$'000	\$'000
Trade and Other Receivables		
Other receivables		
GST Receivable from Australian Taxation Office	4	4
Total other receivables	4	4
Total trade and other receivables	4	4
Trade and other receivables expected to be recovered		
No more than 12 months	4	4
Trade and other receivables aged as follows		
Not overdue	4	4
Total trade and other receivables	4	4

The only receivable is GST receivable. There was no impairment allowance.

Note 18 Administered payables

	2017	2016
	\$'000	\$'000
18A: Suppliers		
Trade creditors and accruals	26	-
Total suppliers	<u>26</u>	<u>-</u>
Suppliers expected to be settled		
No more than 12 months	26	-
Total suppliers	<u>26</u>	<u>-</u>

Settlement was usually within 30 days.

	2017	2016
	\$'000	\$'000
18B: Other Payables		
GST Appropriation payable to OPA	4	4
Total other payables	<u>4</u>	<u>4</u>
Other payables expected to be settled		
No more than 12 months	4	4
Total other payables	<u>4</u>	<u>4</u>

Note 19 Administered financial instruments

	2017	2016
	\$'000	\$'000
Categories of Financial Instruments		
Financial Assets		
Loans and receivables		
Other receivables	4	4
Total loans and receivables	<u>4</u>	<u>4</u>
Total financial assets	<u>4</u>	<u>4</u>
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	26	-
Total financial liabilities measured at amortised cost	<u>26</u>	<u>-</u>
Total financial liabilities	<u>26</u>	<u>-</u>

Major budget variances

This section provides explanations for major budget variances between the department's budget and actual results for the year ended 2017.

Note 20 Departmental budget variances commentary

Explanations of major variances

Affected line items (and statement)

Employees

The variances were caused by the following factors; the primary factor being the Election and commencement of the 45th Parliament taking place at the beginning of the reporting period. Initially, this resulted in a greater than normal amount of staff taking leave. During the first half of the financial year the department was not fully staffed. Secondly, staff movements at all levels due to internal recruitment decisions resulted in short-term vacancies. The timing of the Election was not known when setting budget forecasts.

Employee benefits expense (Statement of Comprehensive Income), Employee Provisions (Statement of Financial Position), Operating cash used -employees (Cash Flow Statement)

Own source revenue

The variances were caused by a number of factors; due to the timing of the Election the programs facilitated through funding from Department of Foreign Affairs and Trade were not able to be progressed as forecast in the budget. The department has been successful in securing an extension of time for some of these programs. The department did not receive any revenue from royalties during the reporting period.

Sales of Goods and Rendering of Services (Statement of Comprehensive Income), Other revenue (Statement of Comprehensive Income), Other Payables (Statement of Financial Position), Operating cash received - Sale of goods and rendering of services, Net GST received, Revenue from external sources, Other (Cash Flow Statement)

Financial assets

The variance was caused by an increase to appropriation revenue received in the budget not able to be matched with a corresponding increase in expenses due to the timing of the Election. This resulted in an increase to cash receivables and was not able to be forecast in the budget.

Trade and other receivables (Statement of Financial Position)

Non-financial assets

The variance was caused by the purchase of print-room equipment being delayed until 2017-18; office furniture project tracking below forecast budget; software development projects not progressing as forecast and a decrease in prepayments due to a decrease in annual premiums not forecast in the budget.

Plant and equipment, Computer Software and Other Non-Financial Assets (Statement of Financial Position), Investing activities - cash used (Cash Flow Statement).