



Part 4

Financial statements

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*The Hon Mark Dreyfus MP and Luch Joneski
in the House of Representatives Chamber.*

Image: David Foote, Auspic/DPS.

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Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Speaker of the House of Representatives

Opinion

In my opinion, the financial statements of the Department of the House of Representatives (the Entity) for the year ended 30 June 2021:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2021 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2021 and for the year then ended:

- Statement by the Clerk of the House and Chief Finance Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Administered Schedule of Comprehensive Income;
- Administered Schedule of Assets and Liabilities;
- Administered Reconciliation Schedule;
- Administered Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate 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 Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other 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.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Clerk of the House is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Clerk of the House is also responsible for such internal control as the Clerk of the House 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 Clerk of the House is responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an

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Independent Auditor's Report

administrative restructure or for any other reason. The Clerk of the House is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is 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 the Australian National Audit Office 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 the Australian National Audit Office Auditing Standards, I exercise professional judgement 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 Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority'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 Entity'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. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- 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 Accountable Authority 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.

Australian National Audit Office



Mark Vial
Acting Executive Director
Delegate of the Auditor-General

Canberra
12 October 2021

Certification

DEPARTMENT OF THE HOUSE OF REPRESENTATIVES STATEMENT BY THE CLERK OF THE HOUSE AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2021 comply with subsection 42(2) of *the Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Department of the House of Representatives will be able to pay its debts as and when they fall due.



CLARESSA SURTEES
Clerk of the House
12 October 2021



KATE MOORE
Chief Finance Officer
12 October 2021

Statement of comprehensive income

for the period ended 30 June 2021

		2021	2020	Original Budget
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	1A	20,842	20,892	21,077
Suppliers	1B	3,829	5,005	5,212
Depreciation and amortisation	4A	538	517	578
Write-down and impairment of assets	1C	13	-	-
Losses from asset sales	1D	2	2	-
Total expenses		25,224	26,416	26,867
Own-source income				
Own-source revenue				
Sale of goods and rendering of services	2A	48	90	50
Interest	2B	38	52	75
Other revenue	2C	(33)	187	5
Total own-source revenue		53	329	130
Gains				
Resources received free of charge	2D	1,824	2,043	1,985
Total gains		1,824	2,043	1,985
Total own-source income		1,877	2,372	2,115
Net cost of services		23,347	24,044	24,752
Revenue from government	2E, 10	24,211	25,014	24,211
Surplus/(deficit) on continuing operations		864	970	(541)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation surplus		-	-	-
Total other comprehensive income		-	-	-
Total comprehensive income/(loss)		864	970	(541)

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

Budget variance explanations are outlined in Note 17

Statement of financial position

as at 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	3A	1,468	2,855	2,855
Trade and other receivables	3B	20,796	21,255	21,254
Other investments	3C	2,567	-	-
Total financial assets		24,831	24,110	24,109
Non-financial assets¹				
Heritage and cultural	4A	454	454	454
Property, plant and equipment	4A	4,417	4,569	4,501
Computer software	4A	210	219	385
Inventories	4B	13	5	5
Other non-financial assets	4C	253	216	216
Total non-financial assets		5,347	5,463	5,561
Total assets		30,178	29,573	29,670
LIABILITIES				
Payables				
Suppliers	5A	430	418	418
Other payables	5B	428	346	316
Total payables		858	764	734
Interest bearing liabilities				
Leases	6	3	27	28
Total interest bearing liabilities		3	27	28
Provisions				
Employee provisions	7	6,373	6,934	6,964
Total provisions		6,373	6,934	6,964
Total liabilities		7,234	7,725	7,726
Net assets		22,943	21,848	21,944
EQUITY				
Contributed equity		(11,933)	(12,165)	(11,526)
Reserves		13,763	13,763	13,843
Retained earnings		21,114	20,250	19,627
Total equity		22,944	21,848	21,944

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

Budget variance explanations are outlined in Note 17

1. Right-of-use assets are included in property, plant and equipment.

Statement of changes in equity

for the period ended 30 June 2021

	2021 \$'000	2020 \$'000	Original Budget \$'000
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	(12,165)	(12,800)	(12,165)
Transactions with owners			
Contributions by owners			
Departmental capital budget	639	635	639
Transfer of assets to DPS	(407)	-	-
Total transactions with owners	232	635	639
Closing balance as at 30 June	(11,933)	(12,165)	(11,526)
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	20,250	19,200	20,169
Adjustment on initial application of AASB 15/ AASB 1058	-	80	-
Adjusted opening balance	20,250	19,280	20,169
Comprehensive income			
Surplus/(deficit) for the period	864	970	(541)
Other comprehensive income	-	-	-
Total comprehensive income	864	970	(541)
Closing balance as at 30 June	21,114	20,250	19,628
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	13,763	13,763	13,843
Comprehensive income			
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Closing balance as at 30 June	13,763	13,763	13,843

Statement of changes in equity (continued)

for the period ended 30 June 2021

	2021	2020	Original Budget
	\$'000	\$'000	\$'000
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	21,848	20,163	21,847
Adjustment on initial application of AASB 15/ AASB 1058	-	80	-
Adjusted opening balance	21,848	20,243	21,847
Comprehensive income			
Surplus/(deficit) for the period	864	970	(541)
Other comprehensive income	-	-	-
Total comprehensive income	864	970	(541)
Transactions with owners			
Contributions by owners			
Departmental capital budget	639	635	639
Transfer of assets to DPS	(407)	-	-
Total transactions with owners	232	635	639
Closing balance as at 30 June	22,944	21,848	21,945

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

Budget variance explanations are outlined in Note 17

Cash flow statement

for the period ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		24,741	21,679	24,211
Sale of goods and rendering of services		6	221	50
Interest		38	52	75
Revenue from external sources		10	172	-
Net GST received		26	221	5
Other		4	3	5
Total cash received		24,825	22,348	24,346
Cash used				
Employees		21,353	19,676	21,077
Suppliers		2,066	3,413	3,227
Revenue repaid to external sources		43	-	-
Net GST paid		-	-	5
Total cash used		23,462	23,089	24,309
Net cash from/(used by) operating activities		1,363	(741)	37
INVESTING ACTIVITIES				
Cash received				
Proceeds from sales of property, plant and equipment		4	-	-
Investments		-	2,546	-
Total cash received		4	2,546	-
Cash used				
Purchase of property, plant and equipment		715	134	639
Purchase of intangibles		87	35	-
Investments		2,567	-	-
Total cash used		3,369	169	639
Net cash from/(used by) investing activities		(3,365)	2,377	(639)
FINANCING ACTIVITIES				
Cash received				
Contributed equity-departmental capital budget		639	635	639
Total cash received		639	635	639
Cash used				
Principal payments of lease liabilities		24	33	-
Total cash used		24	33	-
Net cash from/(used by) financing activities		615	602	639
Net increase/(decrease) in cash held		(1,387)	2,238	37
Cash and cash equivalents at the beginning of the reporting period		2,855	617	2,855
Cash and cash equivalents at the end of the reporting period	3A	1,468	2,855	2,892

The above statement should be read in conjunction with the accompanying notes.
Budget variance explanations are outlined in Note 17

Administered schedule of comprehensive income

for the period ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Provision of hospitality services		100	216	323
Total expenses		100	216	323
Net (cost of)/contribution by services		(100)	(216)	(323)
Surplus/(deficit)		(100)	(216)	(323)
Total comprehensive income/(loss)		(100)	(216)	(323)

The above schedule should be read in conjunction with the accompanying notes.
Budget variance explanations are outlined in Note 18

Administered schedule of assets and liabilities

as at 30 June 2021

	Notes	2021 \$'000	2020 \$'000	Original Budget \$'000
ASSETS				
Financial assets				
GST receivable		3	-	5
Total financial assets		3	-	5
Total assets administered on behalf of Government				
		3	-	5
LIABILITIES				
Payables				
Suppliers		15	1	7
Other payables		3	-	5
Total payables		18	1	12
Total liabilities administered on behalf of Government				
		18	1	12
Net assets/(liabilities)		(15)	(1)	(7)

Administered assets and liabilities consist of trade creditors and/or accrued expenses and amounts owed to/from the Australian Taxation Office. All assets and liabilities are considered current and are expected to be recovered /settled within 12 months.

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

Budget variance explanations are outlined in Note 18

Administered reconciliation schedule

	2021	2020
	\$'000	\$'000
Opening assets less liabilities as at 1 July	(1)	(7)
Net (cost of)/contribution by services		
Expenses		
Payments to entities other than corporate Commonwealth entities	(100)	(216)
Transfers (to)/from the Australian Government		
Appropriation transfers from official public account	86	222
Closing assets less liabilities as at 30 June	(15)	(1)

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

Accounting policy

Administered Cash Transfers to and from the Official Public Account (OPA)

Revenue collected by the entity for use by the Government rather than the entity is administered revenue. Collections are transferred to the Official Public Account (OPA) maintained by the Department of Finance. Cash is drawn from the OPA to make payments under parliamentary appropriation on behalf of the government. These transfers to and from the OPA are adjustments to the administered cash held by the department on behalf of government and reported as such in the administered cash flows and in the administered reconciliation schedule.

Administered cash flow statement

for the period ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000
OPERATING ACTIVITIES			
Cash received			
Net GST received		3	21
Total cash received		3	21
Cash used			
Suppliers		92	238
Total cash used		92	238
Net cash from/(used by) operating activities		(89)	(217)
Cash from official public account			
Appropriations		86	222
GST appropriations		6	16
Total cash from official public account		92	238
Cash to official public account			
GST appropriations		(3)	(21)
Total cash to official public account		89	217
Cash and cash equivalents at the end of the reporting period		-	-

This schedule should be read in conjunction with the accompanying notes.

Overview

Objectives of the Department of the House of Representatives

The department is one of four parliamentary departments supporting the Australian Parliament. It is a not-for-profit entity. The department provides services to support the efficient conduct of the House of Representatives, its committees and certain joint committees as well as a range of services for members in Parliament House. The department also supports the parliament by providing advice and services to support the parliament's national, international and regional relationships and by assisting other parliaments, primarily within the Indo-Pacific region, by partnering in capacity-building activities.

The department is structured to meet one outcome:

Advisory and administrative services support the House of Representatives to fulfil its representative and legislative role.

The continued existence of the department in its present form is dependent on continuing appropriations by parliament for the department's administration and programs.

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

Administered objectives

The department receives administered appropriation in order to support the parliament by:

- » providing a booking service for school groups visiting Parliament House
- » coordinating provision of hospitality for these groups.

Basis of preparation of the financial report

The financial statements are general purpose financial statements and are required by section 42 of the *Public Governance, Performance and Accountability Act 2013*.

The financial statements have been prepared in accordance with:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b) Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the

results or the financial position. The financial statements are presented in Australian dollars.

New accounting standards

All new/revised/amending standards and/or interpretations that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the entity's financial statements.

Taxation

The department is exempt from all forms of taxation except fringe benefits tax (FBT) and the goods and services tax (GST).

Reporting of administered activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the administered schedules and related notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for departmental items, including the application of Australian Accounting Standards.

Events after the reporting period

Departmental

There have been no significant events after balance date that may have an impact on the department's operations.

Administered

There have been no significant events after balance date that may have an impact on the department's operations.

Financial performance

This section analyses the financial performance of the Department of the House of Representatives for the year ended 30 June 2021.

Note 1 Expenses

	2021	2020
	\$'000	\$'000
1A: Employee benefits		
Wages and salaries	15,944	15,227
Superannuation		
Defined contribution plans	1,352	1,165
Defined benefit plans	1,602	1,670
Leave and other entitlements	1,944	2,830
Total employee benefits	20,842	20,892

Accounting policies for employee related expenses are contained in the people and relationships section. FBT paid was previously included in: *Goods and services supplied or rendered: Corporate expenses*. It is now included in *Employee benefits: Leave and other entitlements*. The comparative has been changed. 2021: \$248,289 (2020: \$258,818).

1B: Suppliers

Goods and services supplied or rendered

Staff-related services	850	605
Travel	73	628
Office services	2,779	3,555
Communication	77	169
Corporate expenses	3	5
Total goods and services supplied or rendered	3,783	4,962
Goods supplied	169	131
Services rendered	3,614	4,831
Total goods and services supplied or rendered	3,783	4,962

Other suppliers

Operating lease rentals	-	1
Workers' compensation expenses	46	42
Total other suppliers	46	43
Total suppliers	3,829	5,005

Note 1 Expenses (continued)

	2021	2020
	\$'000	\$'000
1C: Write-down and impairment of other assets		
Impairment of property, plant and equipment	13	-
Total write-down and impairment of assets	13	-
1D: Losses from asset sales		
Losses arising from sale of non-financial assets	2	1
Losses arising from sale of right-of-use assets	-	1
Total losses from asset sales	2	2

*Accounting policy***Short-term leases and leases of low-value assets**

The department has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The department recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Note 2 Own-source revenue and gains

	2021	2020
	\$'000	\$'000
2A: Revenue from contracts with customers		
Sale of goods	16	11
Rendering of services	32	79
Total revenue from contracts with customers	48	90
Disaggregation of revenue from contracts with customers		
Major product / service line:		
Services - seminars/conference	32	79
Goods - publications/gift shop	16	11
	48	90
Type of customer:		
Australian Government entities (related parties)	34	39
State and Territory Governments	-	25
Non-government entities	14	26
	48	90
Timing of transfer of goods and services:		
Over time	-	-
Point in time	48	90
	48	90
2B: Interest		
Deposits	38	52
Total interest	38	52
2C: Other revenue		
Royalties	9	36
Funding from external sources	-	126
Return of funding from external sources	(43)	-
Memberships	1	25
Total other revenue	(33)	187

Note 2 Own-source revenue and gains (continued)

	2021	2020
	\$'000	\$'000
2D: Other gains		
Resources received free of charge		
Remuneration of auditors	87	87
Rent of premises	1,733	1,953
Other gain—other financial income	4	3
Total other gains	1,824	2,043
2E: Revenue from government		
Appropriations		
Departmental appropriations	24,211	25,014
Total revenue from government	24,211	25,014

Accounting policy

The department receives revenue from appropriations, the rendering of services and the sale of goods.

Revenue from the sale of goods is recognised when control has been transferred to the buyer. The department reviews contracts with customers to ascertain if the contract is in the scope of AASB 15 and if the performance obligations are required by an enforceable contract.

The department has assessed its revenues from seminars, conferences and gift shop and considers these are within the scope of AASB 15 as the performance obligations required by an enforceable contract are sufficiently specific.

The department has assessed its funding agreements with the Department of Foreign Affairs and Trade (DFAT) and considers they are not sufficiently specific to determine when the obligation is satisfied. AASB 1058 applies.

The principal activities from which the department generates its revenue are:

- sale of merchandise and procedural materials based on customary business practices – revenue is recognised at point of time when payment is received and control passes to customer, i.e., upon shipment to customer.
- conducting seminars on parliamentary procedure and process – revenue is recognised at point of time when payment is received and the service is provided to the customer, i.e., upon holding each seminar.

Accounting policy (continued)

The transaction price is the total amount of consideration to which the department expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

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

Interest

Interest revenue is recognised using the effective interest method.

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.

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

	2021	2020
	\$'000	\$'000
3A: Cash and cash equivalents		
Cash on hand or on deposit	1,468	2,855
Total cash and cash equivalents	1,468	2,855
3B: Trade and other receivables		
Goods and services receivables		
Goods and services	144	72
Total goods and services receivables	144	72
Appropriations receivables		
Appropriation receivable—existing programs	20,584	21,114
Total appropriations receivables	20,584	21,114
Other receivables		
Cash held by salary packaging providers	43	30
GST input credits receivable	25	39
Total other receivables	68	69
Total trade and other receivables (gross)	20,796	21,255
Less impairment allowance	-	-
Total trade and other receivables (net)	20,796	21,255
3C: Other investments		
Deposits ¹	2,567	-
Total other investments	2,567	-

1. The department's term deposit of \$2,546,108 was reinvested on 10 July 2020 and is due to mature on 10 July 2021. The source of the deposit was the former Inter-parliamentary Relations Special Account which was subject to a sun-setting provision. The balance of the account was initially invested after the release of a new delegation from the Finance Minister in July 2017. Refer to Note 12A for further details.

Accounting policy

Financial assets

Cash is recognised at its nominal amount. Cash and cash equivalents include:

- a) cash on hand
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value; and
- c) cash in special accounts.

Trade receivables are recognised where the department becomes party to a contract and has a legal right to receive cash. Loans and receivables are assessed for impairment at the end of each reporting period. Allowances are made when collectability of the debt is no longer probable. Trade receivables are derecognised on payment.

Appropriations receivable are appropriations controlled by the department but held in the Official Public Account. Appropriations receivable are recognised at their nominal amounts.

Note 4 Non-Financial assets**4A: Reconciliation of the opening and closing balances of heritage and cultural, property, plant and equipment, and computer software**

	Heritage and cultural ¹ \$'000	Property, plant and equipment \$'000	Computer software ² \$'000	Total \$'000
As at 1 July 2020				
Gross book value	454	5,004	772	6,230
Work in progress	-	-	14	14
Accumulated depreciation, amortisation and impairment	-	(435)	(567)	(1,002)
Total as at 1 July 2020	454	4,569	219	5,242
Carrying amount of right-of-use assets ⁴	-	27	-	27
Additions				
Purchase ³	-	715	87	802
Depreciation and amortisation	-	(431)	(83)	(514)
Depreciation on right-of-use assets	-	(24)	-	(24)
Disposals				
Sale or trade-in	-	(6)	-	(6)
Write-off	-	-	(80)	(80)
Accumulated depreciation, amortisation and impairment	-	1	67	68
Transfer to DPS	-	(407)	-	(407)
Right-of-use assets (cost)	-	(12)	-	(12)
Right-of-use assets (accumulated depreciation)	-	12	-	12
Total as at 30 June 2021	454	4,417	210	5,081
Total as at 30 June 2021 represented by				
Gross book value	454	5,295	787	6,536
Work in progress	-	-	6	6
Accumulated depreciation, amortisation and impairment	-	(878)	(583)	(1,461)
Total as at 30 June 2021	454	4,417	210	5,081
Carrying amount of right-of-use assets⁴	-	3	-	-

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 value of computer software includes purchased software of \$98,610, internally generated software of \$105,488 and \$5,887 of work in progress towards the implementation of purchased software.

3. \$7,535 of work in progress assets were completed and capitalised during the 2020-21 financial year.

4. The carrying amount of right-of-use assets is disclosed individually, however it is included in the property, plant & equipment total as at 30 June 2021.

Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 15. On 30 April 2021 an independent valuer conducted a materiality review.

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 these items form part of a group of similar assets that 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.

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received (if applicable). These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright but included in the same column as where the corresponding underlying assets would be presented if these items were owned.

On initial adoption of AASB 16 the Department adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, General Government Sector (GGS) and Whole of Government financial statements.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value (or amount not materially different from 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.

Accounting policy (continued)

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 the amount 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 these amounts 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.

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

	2021	2020
Property, plant and equipment	1 to 50 years	1 to 50 years

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

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All assets were assessed for impairment at 30 June 2021. Where indications of impairment exist, the assets recoverable amount is estimated, and an impairment adjustment made if the assets 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 (continued)

Heritage and cultural assets

The department has the following heritage and cultural assets with an aggregated fair value of \$454,000 (2020: \$454,000):

- » Mace—Garrard engraved silver
- » Dispatch Boxes (2), Rosewood with silver and enamel embossing
- » Yirrkala bark petition 14 Aug 1963, 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
- » Rituals—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 that relate to their heritage value and cultural significance.

Heritage and cultural assets have an indefinite useful life which is maintained through the department's adoption of appropriate curatorial and preservation activities. The department's heritage items are deemed part of the Parliament House Art Collection and are maintained in accordance with policies managed by the Department of Parliamentary Services. The Parliament's policy on the preservation of the Parliament House Art Collection can be found at:

https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Department_of_Parliamentary_Services/policies

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 3 to 20 years (2020: 3 to 20 years).

All software assets were assessed for indications of impairment as at 30 June 2021.

Note 4 Non-financial assets (continued)

	2021	2020
	\$'000	\$'000
4B: Inventories		
Inventories held for sale		
Finished goods	13	5
Total inventories held for sale	<u>13</u>	<u>5</u>
Total inventories	<u>13</u>	<u>5</u>

During 2020-21, \$3,311 of inventory held for sale was recognised as an expense (2020: \$2,054).

\$28 of inventory was written off due to damage during 2020-21.

All inventories are expected to be sold or distributed in the next 12 months.

4C: Other non-financial assets

Prepayments	253	216
Total other non-financial assets	<u>253</u>	<u>216</u>

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

	2021 \$'000	2020 \$'000
5A: Suppliers		
Trade creditors and accruals	430	418
Total suppliers	430	418
Settlement is usually made within 20 days.		
5B: Other payables		
Salaries and wages	294	234
Superannuation	55	44
Salary sacrifice payable	43	30
Unearned income	31	-
Input tax credit (GST) payment to the Australian Taxation Office	1	-
Other payables	4	38
Total other payables	428	346

Note 6 Interest bearing liabilities

	2021 \$'000	2020 \$'000
6: Leases		
Lease liabilities	3	27
Total leases	3	27
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	3	24
Between 1 to 5 years	-	3
More than 5 years	-	-
Total leases	3	27

Total cash outflow for leases for the year ended 30 June 2021 was \$24,373.(2020: \$32,546).

The department in its capacity as a lessee has entered into a contractual arrangement with SG Fleet for the provision of motor vehicles. At 30 June 2021 there is one lease.

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 7 Employee provisions

	2021 \$'000	2020 \$'000
Leave	6,373	6,934
Total employee provisions	6,373	6,934
Employee provisions expected to be settled		
No more than 12 months	1,515	1,843
More than 12 months	4,858	5,091
Total employee provisions	6,373	6,934

Accounting policy

Liabilities for short-term employee benefits and termination benefits expected within 12 months of the end of the 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 with reference to the short-hand method outlined by the Australian Government Actuary as at 30 June 2021. The estimate of the present value of the liability takes into account attrition rates, increments within level 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.

Accounting policy (continued)

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 employee's 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 these amounts were contributions to defined contribution plans. The liability for superannuation recognised as at 30 June represents outstanding contributions.

Note 8 Key management personnel remuneration

	2021 \$'000	2020 \$'000
Short-term employee benefits		
Base salary	1,443	1,400
Other benefits and allowances	139	147
Total short-term employee benefits	1,582	1,547
Post-employment benefits		
Superannuation contribution	234	216
Total post-employment benefits	234	216
Other long-term employee benefits		
Long-service leave	72	225
Total other long-term employee benefits	72	225
Total key management personnel remuneration expenses	1,888	1,988

The total number of key management personnel that are included in the above table is 9. (2020: 7)

Note 9 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 the Department of Finance. These are not considered individually significant to warrant separate disclosure as related party transactions. Refer to Note 7 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.

Annual appropriations for 2021

	Appropriation Act		PGPA Act		Total (current and prior years) \$'000	Variance ² \$'000
	Annual appropriation ¹ \$'000	Section 74 receipts \$'000	Annual appropriation ¹ \$'000	Section 74 receipts \$'000		
Departmental						
Operating budget	24,211	890	24,211	890	(24,003)	1,098
Capital budget	639	-	639	-	(799)	(160)
Total departmental	24,850	890	25,740	890	(24,802)	938
Administered						
Operating budget	323	-	323	-	(86)	237
Total administered	323	-	323	-	(86)	237

1. In 2020-21, there were no appropriations subject to quarantine and no reductions. The departmental and administered appropriations are automatically repeated three years after they are passed by parliament.

2. The departmental appropriation variance primarily relates to:

- a) operating budget—lower catering and incidental expenses, travel and office services for the year due to the impact of the COVID-19 pandemic.
- b) capital budget—some procurements of new equipment for the print room were delayed from 2019-20 and were completed or delivered in the 2020-21 financial year.

The administered appropriation variance relates to reduced school visits because of Parliament House being closed to the public for various times in the year due to the impact of the COVID-19 pandemic.

Note 10 Appropriations (continued)

Annual appropriations for 2020		PGPA Act	Appropriation applied in 2020	Variance ²
	Appropriation Act	Section 74	Total	
	Annual	receipts	appropriation	
	appropriation ¹	\$'000	\$'000	\$'000
	\$'000			
Departmental				
Operating budget	25,014	3,902	28,916	(23,193)
Capital budget	635	-	635	(173)
Total departmental	25,649	3,902	29,551	(23,366)
Administered				
Operating budget	319	-	319	(222)
Total administered	319	-	319	(222)

1. In 2019–20, there were no appropriations subject to quarantine and no reductions. The departmental and administered appropriations are automatically repealed three years after they are passed by parliament.

2. The departmental variance primarily relates to:

- a) operating budget:
 - lower catering and incidental expenses; travel and office services from March to June 2020 due to the pandemic.
 - the department's term deposit of \$2,546,108.00 matured on 29 June 2020 and was not reinvested until July 2020. This amount was held in the department's bank account and not applied until reinvestment in July 2020.
- b) capital budget—a number of procurements of new equipment for the print room were delayed and not completed or delivered by 30 June 2020, it is anticipated these will be completed in the first half of 2020–21. In addition, the department had budgeted to pay for replacement of the Parliamentary Relations Office database, but this was subsequently identified to be funded through the Department of Parliamentary Services capital works plan.

The administered variance relates to reduced school visits due to the impact of the COVID-19 pandemic shutdown from March to June 2020.

Note 11 Unspent annual appropriations ('recoverable GST exclusive')

	2021 \$'000	2020 \$'000
Departmental		
Appropriation (Parliamentary Departments) Act (No. 1) 2018-19	-	235
Appropriation (Parliamentary Departments) Act (No. 1) 2019-20	72	15,455
Supply (Parliamentary Departments) Act (No. 1) 2019-20	-	5,423
Appropriation (Parliamentary Departments) Act (No. 1) 2020-21	10,353	-
Supply (Parliamentary Departments) Act (No. 1) 2020-21	10,159	-
Cash at bank	1,468	2,855
Total departmental	22,052	23,968
Administered		
Appropriation (Parliamentary Departments) Act (No. 1) 2019-20	28	114
Appropriation (Parliamentary Departments) Act (No. 1) 2020-21	323	-
Total administered	351	114

Note 12A Special appropriations ('recoverable GST exclusive')

	2021	2020
Authority	\$'000	\$'000
<i>Public Governance, Performance and Accountability Act 2013—section 58</i>	2,567	-
Total special appropriations applied	2,567	-

The *Public Governance, Performance and Accountability (Finance Minister to Accountable Authorities of Non-Corporate Commonwealth Entities) Delegation 2014* provides the department the delegation to invest relevant money in any authorised investment on behalf of the Commonwealth or to authorise the reinvestment upon maturity of the proceeds of an authorised investment. The delegation is made under section 58 of the *Public Governance, Performance and Accountability Act 2013*.

Investments made in accordance with this delegation throughout the year were as follows:

PGPA Act investment powers that are delegated	Date	\$'000
Term deposit reinvested	10 July 2020	2,567
Total applied		2,567

2019-20 amount applied	Date	\$'000
Term deposit matured	29 June 2020	-
Total applied		-

The department's term deposit of \$2,546,108 was reinvested on 10 July 2020 for a period of 12 months at 1.5% interest payable on maturity. The source of the initial deposit was the former Inter-parliamentary Relations Special Account which was subject to a sun-setting provision. The balance of the account was initially invested after the release of a new delegation from the Finance Minister in July 2017. The balance of this account is disclosed in Note 3C and interest earned is recorded on an accrual basis in Note 2B.

Note 12B Disclosures by agent in relation to special appropriations ('recoverable GST exclusive')

	Department of Finance (third party access)	
	2021 \$'000	2020 \$'000
Total receipts	50,641	50,794
Total payments	50,641	50,794

Throughout the financial year, the department made payments via special appropriations in accordance with third party access agreements with the Department of Finance. The agreement facilitates payments under the following Acts for the purposes described:

Parliamentary Superannuation Act 2004—For the purposes necessary to administer the special appropriation in section 18 of the Act.

Commonwealth of Australia Constitution Act—For the purposes necessary to administer the special appropriation in section 66 of the Act.

Parliamentary Business Resources Act 2017—For the appropriation in section 59 of the Act.

Note 13 Net cash appropriation arrangements

	2021 \$'000	2020 \$'000
Total comprehensive income/(loss) - as per the Statement of Comprehensive Income	864	970
Plus: depreciation/amortisation of assets funded through appropriations (departmental capital budget funding and/or equity injections) ¹	538	517
Plus: depreciation right-of-use assets ²	24	33
Less: principal repayments - leased assets	24	33
Net Cash Operating Surplus/ (Deficit)	1,402	1,487

1. From 2010-11, the Government introduced net cash appropriation arrangements where revenue appropriations for depreciation/amortisation expenses of non-corporate Commonwealth entities were replaced with a separate capital budget provided through equity injections. Capital budgets are to be appropriated in the period when cash payment for capital expenditure is required.

No depreciation/amortisation amounts are excluded from this calculation.

2. The inclusion of depreciation/amortisation expenses related to ROU leased assets and the lease liability principal repayment amount reflects the impact of AASB 16 Leases, which does not directly reflect a change in appropriation arrangements.

No right-of-use assets or lease principal repayments are excluded from this calculation.

Managing uncertainties

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

Note 14 Financial instruments

	2021 \$'000	2020 \$'000
Categories of financial instruments		
Financial assets at amortised cost		
Term deposit	2,567	-
Cash and cash equivalents	1,468	2,855
Trade and other receivables	187	102
Total financial assets at amortised cost	4,222	2,957
Total financial assets	4,222	2,957
Financial liabilities		
Financial liabilities measured at amortised cost		
Suppliers	430	418
Other payables	31	-
Total financial liabilities measured at amortised cost	461	418
Total financial liabilities	461	418

Accounting policy

Financial assets

In accordance with AASB 9 *Financial Instruments*, the department classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss
- b) financial assets at fair value through other comprehensive income and
- c) financial assets measured at amortised cost.

The classification depends on both the department's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

Accounting policy (continued)

Financial assets at amortised cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective interest method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of financial assets

Financial assets are assessed for impairment at the end of each reporting period based on expected credit losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities at amortised cost

Supplier and other payables are recognised at amortised cost and consist of trade creditors, accruals and unearned income. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Note 15 Fair value

	Fair value measurements at the end of the reporting period	
	2021 \$'000	2020 \$'000
Non-financial assets¹		
Property, plant and equipment ²	4,414	4,542
Heritage and cultural ²	454	454

1. The department's assets are held for operational purposes and not held for the purposes of deriving profit. The current use of all non-financial assets 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 2021.

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.

Other information

Note 16 Aggregate assets and liabilities

	2021 \$'000	2020 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	1,468	2,855
Trade and other receivables	20,796	21,255
Other Investments	2,567	-
Inventories	13	5
Other non-financial assets	253	240
Total no more than 12 months	25,097	24,355
More than 12 months		
Heritage and cultural	454	430
Property, plant and equipment	4,417	4,569
Computer software	210	219
Total more than 12 months	5,081	5,218
Total assets	30,178	29,573
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	430	418
Other payables	428	346
Leases	3	24
Employee provisions	1,515	1,843
Total no more than 12 months	2,376	2,631
More than 12 months		
Leases	-	3
Employee provisions	4,858	5,091
Total more than 12 months	4,858	5,094
Total liabilities	7,234	7,725

Major budget variances

This section provides explanations for major budget variances between the department's budget and actual results for the year ended 30 June 2021.

Note 17 Departmental budget variances commentary

Explanations of major variances	Affected statements and line items
COVID-19 pandemic	
<p>The 2020-21 original budget estimates produced in October 2020 were forecast on the basis that pandemic restrictions were easing in Australia and travel and other normal operations would progressively increase throughout the remainder of the financial year. This did not occur to the degree forecast. The COVID-19 pandemic impacted the department's financial statements in the following ways:</p>	
<ul style="list-style-type: none"> » International delegations, both incoming and outgoing did not recommence. This resulted in reductions in travel costs for staff supporting the delegations, along with catering, printing and overtime to support delegations outside of normal working hours. 	<p>Statement of comprehensive income:</p> <ul style="list-style-type: none"> » suppliers expenses » employee benefits <p>Statement of financial position:</p> <ul style="list-style-type: none"> » trade and other receivables (in respect of undrawn appropriation) <p>Cash flow statement:</p> <ul style="list-style-type: none"> » cash used—suppliers
<ul style="list-style-type: none"> » Committee office travel to support parliamentary inquiries recommenced on a much smaller scale with many committees taking up virtual meeting opportunities in place of in-person hearings. Associated costs relating to catering, venue hire, meals and incidentals were significantly reduced during the period. 	<p>Statement of comprehensive income:</p> <ul style="list-style-type: none"> » suppliers expenses <p>Statement of financial position:</p> <ul style="list-style-type: none"> » trade and other receivables (in respect of undrawn appropriation) <p>Cash flow statement:</p> <ul style="list-style-type: none"> » cash used—suppliers

Note 17 Departmental budget variances commentary (continued)

Explanations of major variances	Affected statements and line items
<p>» The department identified a need to better support working from home arrangements for all staff in the event of further lockdowns and restriction of access to Parliament House. To assist the Department of Parliamentary Services (DPS) with capital funding the department purchased \$407,000 of laptops using existing departmental capital budget. As the Parliamentary departments have an agreement that all ICT equipment will be centrally managed by the DPS, the department agreed to transfer the laptops to the DPS through equity.</p>	<p>Statement of changes in equity:</p> <ul style="list-style-type: none"> » transfer of assets to DPS <p>Cash flow statement:</p> <ul style="list-style-type: none"> » investing cash used – purchase of property, plant and equipment
<p>» Due to the restrictions on international travel, the department did not spend the remaining funds provided by DFAT for capacity building with the Parliament of Fiji. Unspent funds of \$42,436 were returned to DFAT in June 2021.</p>	<p>Statement of comprehensive income:</p> <ul style="list-style-type: none"> » suppliers expenses » other revenue <p>Cash flow statement:</p> <ul style="list-style-type: none"> » cash used—suppliers » cash used—revenue repaid to external sources
<p>» The department identified a need to move its seminar program to a hybrid delivery model, offering online and in-person seminars. To facilitate this approach, an online booking tool and credit card payment portal were implemented allowing registrations and payment well in advance of each seminar. Previously payments were taken in line with service delivery. Payments made in advance are reported as unearned income.</p>	<p>Statement of financial position:</p> <ul style="list-style-type: none"> » other payables
Employment matters	
<p>During the year 15 staff with 10 years or more of public service retired or resigned from the department. This level of staff turnover was unforeseen at time of budgeting and resulted in lower leave balances.</p>	<p>Statement of financial position:</p> <ul style="list-style-type: none"> » employee provisions

Note 18 Administered budget variances commentary

Explanations of major variances	Affected statements and line items
COVID-19 pandemic	
<p>The COVID-19 pandemic impacted the administered financial statements in the following ways:</p> <ul style="list-style-type: none"> » School visits to Parliament House did not recommence until February 2021. As a result no hospitality costs were incurred for more than half the year. Costs attributable to the departmental staff member working on the bookings continued as large volumes of cancellations, inquiries and future bookings continued during the period. 	<p>Statement of comprehensive income:</p> <ul style="list-style-type: none"> » suppliers expenses <p>Cash flow statement:</p> <ul style="list-style-type: none"> » cash used—suppliers