

Financial statements

▶ Independent Auditor's Report_____	75
▶ Certification_____	77
▶ Statement of comprehensive income_____	78
▶ Statement of financial position_____	79
▶ Statement of changes in equity_____	80
▶ Cash flow statement_____	81
▶ Notes to the financial statements_____	82

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the President of the Senate

I have audited the accompanying annual financial statements of the Department of the Senate for the year ended 30 June 2016, which comprise:

- Statement by the Accountable Authority and Chief Finance Officer;
- Statement of comprehensive income;
- Statement of financial position;
- Statement of changes in equity;
- Cash flow statement; and
- Notes to and forming part of the financial statements, including a Summary of Significant Accounting Policies.

Opinion

In my opinion, the financial statements of the Department of the Senate:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Department of the Senate as at 30 June 2016 and its financial performance and cash flows for the year then ended.

Accountable Authority's Responsibility for the Financial Statements

The Clerk of the Senate is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act and is also responsible for such internal control as the Clerk of the Senate determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

Independent Auditor's Report (continued)

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, as well as evaluating the overall presentation of the financial statements.

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

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Australian National Audit Office



Sean Benfield
Audit Principal
Delegate of the Auditor-General
Canberra
9 September 2016

Certification by the Clerk of the Senate and the Chief Finance Officer

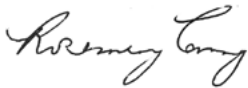


AUSTRALIAN SENATE

STATEMENT BY THE ACCOUNTABLE AUTHORITY AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2016 comply with subsection 42(2) if 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 will be able to pay its debts as and when they fall due.



(Rosemary Laing)
Clerk of the Senate

9 September 2016



Michelle Crowther
Chief Finance Officer

9 September 2016

Department of the Senate

Statement of comprehensive income

for the period ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Original Budget ¹ \$'000
EXPENSES				
Employee benefits	2A	20,369	18,286	19,337
Suppliers	2B	4,963	5,106	2,399
Depreciation and amortisation	5	582	517	536
Loss on disposal of assets		3	-	-
Total expenses		25,917	23,909	22,272
LESS:				
REVENUE				
Other revenue				
Sale of goods and rendering of services		487	467	600
Resources received free of charge ²		2,016	1,975	-
Total other revenue		2,503	2,442	600
Total other revenue		2,503	2,442	600
NET COST OF SERVICES		23,414	21,467	21,672
Revenue from government		21,136	20,257	21,136
(Deficit)		(2,278)	(1,210)	(536)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Changes in asset revaluation reserve		-	350	-
Total other comprehensive income		-	350	-
Total comprehensive (loss)		(2,278)	(860)	(536)

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

- 1 The department's original budgeted financial statement presented to the Parliament in the 2015–16 Portfolio Budget Statements. Refer to Note 10 for budget variance explanations.
- 2 Resources received free of charge are not included in the Portfolio Budget Statements.

Department of the Senate

Statement of financial position

as at 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Original Budget ¹ \$'000
ASSETS				
Financial assets				
Cash and cash equivalents		160	438	303
Trade and other receivables	4	9,985	10,963	10,277
Total financial assets		10,145	11,401	10,580
Non-financial assets				
Property, plant and equipment	5	1,619	1,695	2,414
Intangibles	5	2,787	3,030	3,136
Inventories		57	48	45
Prepayments		182	191	229
Total non-financial assets		4,645	4,964	5,824
Total assets		14,790	16,365	16,404
LIABILITIES				
Payables				
Suppliers		258	185	356
Other payables		149	753	-
Total payables		407	938	356
Provisions				
Employee provisions ²		5,838	4,971	5,439
Total provisions		5,838	4,971	5,439
Total liabilities		6,245	5,909	5,795
Net assets		8,545	10,456	10,609
EQUITY				
Contributed equity		2,185	1,818	2,185
Reserve		11,388	11,388	11,038
Retained (accumulated deficit)		(5,028)	(2,750)	(2,614)
Total Equity		8,545	10,456	10,609

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

- 1 The department's original budgeted financial statement presented to the Parliament in the 2015–16 Portfolio Budget Statements. Refer to Note 10 for budget variance explanations.
- 2 \$1.221 million (2015: \$1.231 million) of employee provisions are expected to be settled in no more than 12 months and \$4.617 million (2015: \$3.740 million) in greater than 12 months.

Department of the Senate

Statement of changes in equity

as at 30 June 2016

	2016 \$'000	2015 \$'000	Original Budget ¹ \$'000
CONTRIBUTED EQUITY			
Opening balance			
Balance carried forward from previous period	1,818	1,448	1,818
Adjusted opening balance	1,818	1,448	1,818
Transactions with owners			
Equity injections – appropriation	367	370	367
Total transaction with owners	367	370	367
Closing balance as at 30 June 2016	2,185	1,818	2,185
RETAINED EARNINGS			
Opening balance			
Balance carried forward from previous period	(2,750)	(1,540)	(2,078)
Adjusted opening balance	(2,750)	(1,540)	(2,078)
Comprehensive income			
(Deficit) for the period	(2,278)	(1,210)	(536)
Total comprehensive income	(5,028)	(1,210)	(536)
Closing balance as at 30 June 2016	(5,028)	(2,750)	(2,614)
ASSET REVALUATION RESERVE			
Opening balance			
Balance carried forward from previous period	11,388	11,038	11,038
Adjusted opening balance	11,388	11,038	11,038
Comprehensive income			
Other comprehensive income	-	350	-
Total comprehensive income	-	350	-
Closing balance as at 30 June 2016	11,388	11,388	11,038
TOTAL EQUITY			
Opening balance			
Balance carried forward from previous period	10,456	10,946	10,778
Adjusted opening balance	10,456	10,946	10,778
Comprehensive income			
(Deficit) for the period	(2,278)	(1,210)	(536)
Other comprehensive income	-	350	-
Total comprehensive income	(2,278)	(860)	(536)
Transactions with owners			
Equity injections – appropriation	367	370	367
Total transaction with owners	367	370	367
Closing balance as at 30 June 2016	8,545	10,456	10,609

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

- 1 The department's original budgeted financial statement presented to the Parliament in the 2015–16 Portfolio Budget Statements. Refer to Note 10 for budget variance explanations.

Department of the Senate

Cash flow statement

for the period ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Original Budget ¹ \$'000
OPERATING ACTIVITIES				
Cash received				
Appropriations		22,960	22,634	22,636
Sale of goods and rendering of services		499	447	600
Net GST received ²		264	276	-
Total cash received		23,723	23,357	23,236
Cash used				
Employees		20,115	17,888	19,337
Suppliers		3,069	3,755	2,399
Section 74 receipts transferred to OPA ³		820	1,070	-
Total cash used		24,004	22,713	21,736
Net cash from / (used by) operating activities	6	(281)	644	1,500
INVESTING ACTIVITIES				
Cash received				
Proceeds from sale of property, plant and equipment		13	1	-
Total cash received		13	1	-
Cash used				
Purchase of property, plant and equipment		28	163	(1,867)
Purchase of intangibles		274	670	-
Total cash used		302	833	(1,867)
Net cash from / (used by) investing activities		(289)	(832)	1,867
FINANCING ACTIVITIES				
Cash received				
Contributed equity		292	323	367
Total cash received		292	323	367
Net cash from financing activities		292	323	367
Net (decrease) / increase in cash held		(278)	135	-
Cash and cash equivalents at the beginning of the reporting period		438	303	303
Cash and cash equivalents at the end of the reporting period		160	438	303

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

1 The department's original budgeted financial statement presented to the Parliament in the 2015–16 Portfolio Budget Statements. Refer to Note 10 for budget variance explanations.

2,3 Net GST received and section 74 receipts are not included in the Portfolio Budget Statements.

Notes to and forming part of the financial statements

for the year ended 30 June 2016

- Note 1: Summary of significant accounting policies
- Note 2: Expenses
- Note 3: Fair value measurements
- Note 4: Financial assets
- Note 5: Non-financial assets
- Note 6: Cash flow reconciliation
- Note 7: Senior management personnel remuneration
- Note 8: Financial instruments
- Note 9: Appropriations
- Note 10: Budget variances

Notes to and forming part of the financial statements

for the year ended 30 June 2016

Note 1: Summary of significant accounting policies

The Department of the Senate is a not-for-profit entity. Its activities are classified as departmental. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the department in its own right within its one outcome. Further details are contained in the Statement of Comprehensive Income and the Statement of Financial Position, and in the resource statement on page 101.

1.1 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 and notes have been prepared in accordance with:

- the *Public Governance Performance and Accountability (Financial Reporting Rule) 2015* (FRR) for reporting periods ending on or after 1 July 2015, and
- Australian Accounting Standards and Interpretations 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 are in accordance with historical cost convention, except for certain assets 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 and values are rounded to the nearest thousand dollars unless otherwise specified.

1.2 Significant accounting judgements and estimates

In the process of applying the accounting policies listed in this note, the department has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- Leave provisions involve assumptions based on the expected tenure of existing staff, patterns of leave claims and payouts, future salary movements and future discount rates.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

1.3 New Australian accounting standards

Adoption of new Australian Accounting Standard requirements

All new or revised standards and interpretations issued prior to the signing of the Statement by the Clerk and Chief Finance Officer that were applicable to the current reporting period had no material financial impact on the department, and are not expected to have a future financial impact.

Notes to and forming part of the financial statements

for the year ended 30 June 2016

Early adoption of Australian Accounting Standards

The department has adopted the AASB 2015-7 *Amendments to the Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. This amending standard applies to annual reporting periods beginning on or after 1 July 2016. Early adoption impacts on disclosure in Note 3.

Future Australian Accounting Standard requirements

No new or revised pronouncements were issued by the Australian Accounting Standards Board prior to the finalisation of the financial statements which are expected to have a material financial impact on the department in future reporting periods.

As a not-for-profit public sector entity, the department is currently exempt from the requirements of AASB 124 *Related Party Disclosures*. For reporting periods commencing on or after 1 July 2016, AASB 124 will be extended to apply to all not-for-profit public sector entities and the department will be required to disclose any related party transactions in accordance with the revised standard. Disclosure of comparative information is not required in the first year of application.

1.4 Revenue

The department receives revenue from appropriations and the rendering of services. 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:

- (a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- (b) the probable economic benefits associated with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Revenue from government

Amounts appropriated for departmental appropriation for the financial year (adjusted for any formal additions and reductions) are recognised as revenue from government when the department gains control of the appropriation. Appropriations receivable are recognised at their nominal amounts.

Resources received free of charge

Resources received free of charge are recognised in the statement of comprehensive income as revenue where the amounts can be reliably measured and the services would have been purchased if they had not been provided free of charge. Use of those resources is recognised as an expense.

Notes to and forming part of the financial statements

for the year ended 30 June 2016

The department's resources received free of charge relate to audit services from the Australian National Audit Office and accommodation at Parliament House from the Department of Parliamentary Services.

1.5 Transactions with the government as owner

Equity injections

Amounts appropriated which are designated as equity injections for a year (less any formal reductions) and Departmental Capital Budgets (DCB) are recognised directly in contributed equity in that year.

1.6 Employee benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of end of reporting period are measured at their nominal amounts.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the department is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will apply at the time the leave is taken, plus the department's employer superannuation contribution rates, and applicable on-costs, 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 reference to FRR 24.1(a) using the shorthand method. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Superannuation

Employees of the department are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), PSS accumulation plan (PSSap) or other elected defined contribution schemes.

The CSS and PSS are defined benefit schemes for the Commonwealth. 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 by the Department of Finance as an administered item.

Notes to and forming part of the financial statements

for the year ended 30 June 2016

The department makes employer contributions to the relevant employee superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the government and accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June 2016 represents outstanding contributions for the final pay fortnight of the year.

1.7 Leases

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

The department has one operating lease; a non-cancellable three year motor vehicle lease of \$22,000 (2015: \$36,000). There is no renewal or purchase option available.

1.8 Financial assets

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

- cash on hand, and
- demand deposits in bank accounts.

Receivables

Trade receivables are classified as 'loans and receivables' and recorded at face value less any impairment. 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.

1.9 Financial liabilities

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). Supplier and other payables are derecognised on payment. Supplier payables are settled within 30 days.

1.10 Contingent liabilities and contingent assets

The department had no quantifiable or unquantifiable contingent assets or liabilities as at 30 June 2016 (2015: nil).

1.11 Acquisition of assets

Purchases of non-financial assets are initially recognised 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 asset threshold was last revised on 1 July 2015. The new

Notes to and forming part of the financial statements

for the year ended 30 June 2016

threshold has been set at a consistent level across all asset classes so that resources continue to be devoted to managing the department's strategic assets. Assets below the increased asset threshold currently recorded on the asset register will be written off at the expiration of their useful lives or when fully depreciated to nil.

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.

1.12 Property, plant and equipment

Revaluations

Following initial recognition at cost, plant and equipment are carried at fair value. Carrying amounts are reviewed every year to determine if an independent valuation is required. The regularity of independent valuations depends 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 reverses a previous revaluation decrement of the same asset class that was previously recognised through operating result. 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. Upon revaluation, any accumulated depreciation is eliminated against the gross carrying amount of the asset. A revaluation of the department's assets was last undertaken as at 30 June 2015.

Depreciation

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the department, using in all cases the straight-line method of depreciation. Heritage and cultural assets are not depreciated.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date.

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

Asset class	2016	2015
Plant and equipment	5 to 15 years	5 to 15 years
Furniture and fittings	5 to 100 years	5 to 100 years

Notes to and forming part of the financial statements

for the year ended 30 June 2016

Impairment

All assets, including software, were assessed for indications of impairment at 30 June 2016. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment loss recognised if the asset's recoverable amount is less than its carrying amount.

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. Gains or losses from disposal of plant and equipment are recognised when control of the asset has passed to the buyer.

1.13 Intangibles

The department's intangibles comprise of internally developed software and purchased 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 life of the department's software is 3 to 7 years (2015: 3 to 7 years).

1.14 Taxation

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

Revenues, expenses and assets are recognised net of GST except:

- (a) where the amount of GST incurred is not recoverable from the Australian Taxation Office, and
- (b) for receivables and payables.

1.15 Events occurring after the reporting period

No events have occurred after balance date that should be brought to account or noted in the 2015–16 financial statements.

Notes to and forming part of the financial statements

for the year ended 30 June 2016

	2016	2015
	\$'000	\$'000

Note 2: Expenses

Note 2A: Employee benefits

Wages and salaries	14,388	13,313
Superannuation		
Defined benefit plans	1,482	1,481
Defined contribution plans	1,152	1,012
Leave and other entitlements	3,347	2,480
Total employee benefits	20,369	18,286

Note 2B: Suppliers

Goods and services

Professional and financial fees	481	532
Facilities and infrastructure	285	371
Recruitment and staff development	71	72
Hire charges and hospitality	184	168
Travel	848	699
Media and communications	231	271
General office	425	438
Printing	236	311
Resources received free of charge	2,016	1,974
Total goods and services	4,777	4,836

Other supplier expenses

Workers compensation	186	270
Total other supplier expenses	186	270
Total supplier expenses	4,963	5,106

Notes to and forming part of the financial statements

for the year ended 30 June 2016

	2016 \$'000	2015 \$'000	Level ^{1 2 3}
Note 3: Fair value measurements			
Non-financial assets			
Property, plant and equipment	430	470	2
Property, plant and equipment	<u>1,189</u>	<u>1,225</u>	3
Total non-financial assets	<u>1,619</u>	<u>1,695</u>	
Total fair value measurements of assets in the statement of financial position	1,619	1,695	

- 1 Level 3 measurements use inputs to estimate fair value where there are no observable market prices for the assets being valued.
- 2 Level 2 measurements use inputs other than market value that are observable for the asset, either directly or indirectly.
- 3 No transfers have occurred between levels.

The future economic benefits of the department's property, plant and equipment are not primarily dependent on their ability to generate cash flows. The department has not disclosed quantitative information about the significant unobservable inputs for the Level 3 measurements in these classes.

All property, plant and equipment is measured at fair value in the statement of financial position. When estimating fair value, market prices (with adjustments) were used where available. Where market prices were not available, depreciated replacement cost was used.

A reconciliation of movements in property, plant and equipment has been included in Note 5.

There has been no change in valuation technique during the period.

	2016 \$'000	2015 \$'000
Note 4: Financial assets		
Appropriation receivable	9,923	10,853
Trade and other receivables	48	47
GST receivable (from ATO)	<u>14</u>	<u>63</u>
Total trade and other receivables	9,985	10,963

Receivables have terms of 30 days (2015: 30 days) and are not overdue.

Notes to and forming part of the financial statements

for the year ended 30 June 2016

Note 5: Non-financial assets

Reconciliation of opening and closing balances of property, plant and equipment and intangibles

	2016		
	\$'000 PP&E	\$'000 Intangibles	\$'000 Total
As at 1 July 2015			
Gross book value	1,695	4,227	5,922
Accumulated depreciation/amortisation	-	(1,197)	(1,197)
Net book value at 1 July 2015	1,695	3,030	4,725
Additions by purchase	14	270	284
Depreciation/amortisation expense	(69)	(513)	(582)
Disposals	(21)	-	(21)
Net book value at 30 June 2016	1,619	2,787	4,406
Net book value at 30 June 2016 represented by:			
Gross book value	1,688	4,497	6,185
Accumulated depreciation/amortisation	(69)	(1,710)	(1,779)
Net book value at 30 June 2016 represented by:	1,619	2,787	4,406
2015			
	\$'000 PP&E	\$'000 Intangibles	\$'000 Total
As at 1 July 2014			
Gross book value	1,665	3,533	5,198
Accumulated depreciation/amortisation	(414)	(767)	(1,181)
Net book value at 1 July 2014	1,251	2,766	4,017
Additions by purchase	181	694	875
Revaluation and impairments through equity	350	-	350
Depreciation/amortisation expense	(87)	(430)	(517)
Net book value at 30 June 2015	1,695	3,030	4,725
Net book value at 30 June 2015 represented by:			
Gross book value	1,695	4,227	5,922
Accumulated depreciation/amortisation	-	(1,197)	(1,197)
Net book value at 30 June 2015 represented by:	1,695	3,030	4,725

Notes to and forming part of the financial statements

for the year ended 30 June 2016

	2016	2015
	\$'000	\$'000

Note 6: Cash flow reconciliation

Reconciliation of net cost of services to net cash from operating activities

Net cost of services	(23,414)	(21,467)
Add revenue from government	21,136	20,257

Adjustments for non-cash items

Depreciation/amortisation	582	517
Loss/(gain) on disposal of non-current assets	3	-

Movements in assets and liabilities

Assets

(Increase) / decrease in net receivables	1,053	1,228
(Increase) / decrease in inventories	(9)	-
(Increase) / decrease in other non financial assets	9	38

Liabilities

Increase / (decrease) in supplier payables	96	(214)
Increase / (decrease) in other payables	(604)	68
Increase / (decrease) in employee provisions	867	217

Net cash from operating activities	(281)	644
---	--------------	------------

Notes to and forming part of the financial statements

for the year ended 30 June 2016

	2016	2015
Note 7: Senior management personnel remuneration		
Short-term employee benefits		
Salary	1,475,548	1,444,488
Total short-term employee benefits	1,475,548	1,444,488
Post-employment benefits		
Superannuation	215,431	214,443
Total post-employment benefits	215,431	214,443
Other long-term employee benefits		
Annual leave	103,431	99,034
Long-service leave	33,615	32,186
Total other long-term benefits	137,046	131,220
Total senior executive remuneration expenses	1,828,025	1,790,151

The total number of senior management personnel, included in the above table, relate to six employees (2015: six).

Notes to and forming part of the financial statements

for the year ended 30 June 2016

	2016	2015
	\$'000	\$'000

Note 8: Financial instruments

Note 8A: Categories of financial instruments

Financial assets

Loans and receivables

Cash and cash equivalents	160	438
Other receivables	48	47

Total financial assets

	208	485
--	-----	-----

Financial liabilities

Financial liabilities measured at amortised cost

Trade creditors and accruals	258	185
------------------------------	-----	-----

Total financial liabilities

	258	185
--	-----	-----

The net fair value of each class of assets and liabilities are at their carrying amounts.

The department derived no interest income from financial assets in either the current or prior year.

Note 8B: Credit risk

The department has no significant exposure to credit risk. At the reporting date, the department's maximum credit risk exposure is in relation to the carrying amount of each class of financial assets as indicated in the statement of financial position \$10.145m (2015: \$11.401m).

Note 8C: Liquidity risk

The department has sufficient available financial assets to meet all financial liabilities at 30 June 2016.

Notes to and forming part of the financial statements

for the year ended 30 June 2016

	2016	2015
	\$'000	\$'000

Note 9: Appropriations

Note 9A: Annual appropriations (recoverable GST exclusive)

Annual appropriation	21,136	20,627
PGPA Act – section 74 receipts	820	1,070
Departmental capital budget (DCB) ¹	367	370
Total appropriation	22,323	22,067
Appropriation applied (current and prior years)	23,252	23,280
Variance	(928)	(1,213)

1 The DCB is appropriated through the *Appropriation (Parliamentary Departments) Act (No. 1)*. It is not separately identified in the Appropriation Act.

Note 9B: Unspent annual appropriations (recoverable GST exclusive)

Departmental

<i>Appropriation (Parliamentary Departments) Act (No. 1) 2014–15</i>	-	11,290
<i>Appropriation (Parliamentary Departments) Act (No. 1) 2015–16</i>	10,083	-
Total	10,083	11,290

Note 9C: Special appropriations (recoverable GST exclusive)

Authority ²

Department of Finance – <i>Parliamentary Entitlements Act 1990</i> (s. 11)	155	172
Department of Finance – <i>Parliamentary Superannuation Act 2004</i> (s. 18)	2,122	1,997
Department of Finance – Commonwealth of Australia Constitution (s. 66)	1,668	1,495
Australian Public Service Commission – <i>Remuneration Tribunal Act 1973</i> (s. 7)	18,998	19,485
Total	22,943	23,149

2 The legislation establishing these special appropriations is administered by the Department of Finance and the Australian Public Service Commission. Arrangements have been entered into with these entities to allow the department to draw upon these appropriations.

Notes to and forming part of the financial statements

for the year ended 30 June 2016

Note 10: Budget variances

The comparison of the unaudited original budget as presented in the 2015–16 PBS to the 2015–16 final outcome as presented in accordance with Australian Accounting Standards is included in the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the cash flow statement. Explanations of major variances are those within the control of the department.

Major variances

The variances for employees and suppliers relate to the higher support required for the sustained levels of committees and Senate activity, with additional employees engaged throughout 2015–16.

The lower balance for property, plant and equipment reflects forecast asset purchases which were deferred.

The department's loss in 2015–16 is reflected in the reduction in equity on the balance sheet.

Other non-cash adjustments, including the reduction in the government 10-year bond rate from 3.01% to 1.98%, increased the department's employee provisions for 2015–16 above that which was originally budgeted.