



# Part 4

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# Independent auditor's report



## INDEPENDENT AUDITOR'S REPORT

### To the Speaker of the House

#### Opinion

In my opinion, the financial statements of the Department of the House of Representatives for the year ended 30 June 2018:

- (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 Department of the House of Representatives as at 30 June 2018 and its financial performance and cash flows for the year then ended.

The financial statements of the Department of the House of Representatives, which I have audited, comprise the following statements as at 30 June 2018 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 Department of the House of Representatives 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* (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 Department of the House of Representatives the Clerk of the House 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 – Reduced Disclosure Requirements and the rules made under that 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 and fair presentation 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 Department of the House of Representatives ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Clerk of the House

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# Independent auditor's report

is also responsible for disclosing matters related to going concern as applicable 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 those charged with governance 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  
Senior Director  
Delegate of the Auditor-General  
Canberra  
24 September 2018

# Certification

## DEPARTMENT OF THE HOUSE OF REPRESENTATIVES

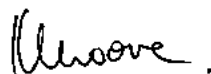
### STATEMENT BY THE CLERK OF THE HOUSE AND CHIEF FINANCE OFFICER

In our opinion, the attached financial statements for the year ended 30 June 2018 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.



D ELDER  
Clerk of the House  
24 September 2018



K MOORE  
Chief Finance Officer  
24 September 2018

## Statement of comprehensive income

for the period ended 30 June 2018

		2018	2017	Original Budget
	Notes	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	1A	19,410	18,762	20,814
Suppliers	1B	4,983	4,572	6,455
Depreciation and amortisation	4A	973	909	1,010
Write-down and impairment of assets	1C	22	10	–
Losses from asset sales		–	11	3
<b>Total expenses</b>		<b>25,388</b>	<b>24,264</b>	<b>28,282</b>
<b>Own-source income</b>				
<b>Own-source revenue</b>				
Sale of goods and rendering of services	2A	52	64	55
Interest	2B	64	–	100
Other revenue	2C	562	443	985
<b>Total own-source revenue</b>		<b>678</b>	<b>506</b>	<b>1,140</b>
<b>Gains</b>				
Other gains	2D	1,986	1,914	1,890
<b>Total gains</b>		<b>1,986</b>	<b>1,914</b>	<b>1,890</b>
<b>Total own-source income</b>		<b>2,664</b>	<b>2,420</b>	<b>3,030</b>
<b>Net cost of services</b>		<b>22,724</b>	<b>21,843</b>	<b>25,252</b>
Revenue from government	2E	24,242	24,159	24,242
<b>Surplus/(deficit) on continuing operations</b>		<b>1,518</b>	<b>2,316</b>	<b>(1,010)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items not subject to subsequent reclassification to net cost of services</b>				
Changes in asset revaluation surplus		–	(17)	–
<b>Total other comprehensive income</b>		<b>–</b>	<b>(17)</b>	<b>–</b>
<b>Total comprehensive income/(loss)</b>		<b>1,518</b>	<b>2,299</b>	<b>(1,010)</b>

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

## Statement of financial position

as at 30 June 2018

		2018	2017	Original Budget
	Notes	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Cash and cash equivalents	3A	410	3,057	522
Trade and other receivables	3B	16,097	14,837	12,437
Other investments	3C	2,546	–	2,601
<b>Total financial assets</b>		<b>19,053</b>	<b>17,895</b>	<b>15,560</b>
<b>Non-financial assets</b>				
Heritage and cultural	4A	419	419	436
Plant and equipment	4A	8,225	7,446	8,869
Computer software	4A	203	1,775	1,634
Inventories	4B	13	13	9
Other non-financial assets	4C	197	156	80
<b>Total non-financial assets</b>		<b>9,057</b>	<b>9,809</b>	<b>11,028</b>
<b>Total assets</b>		<b>28,110</b>	<b>27,703</b>	<b>26,588</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	5A	340	286	336
Other payables	5B	496	843	–
<b>Total payables</b>		<b>836</b>	<b>1,129</b>	<b>336</b>
<b>Provisions</b>				
Employee provisions	6A	6,016	6,310	6,423
<b>Total provisions</b>		<b>6,016</b>	<b>6,310</b>	<b>6,423</b>
<b>Total liabilities</b>		<b>6,852</b>	<b>7,439</b>	<b>6,759</b>
<b>Net assets</b>		<b>21,258</b>	<b>20,265</b>	<b>19,829</b>
<b>EQUITY</b>				
Contributed equity		(10,918)	(10,393)	(9,753)
Reserves		14,192	14,192	14,209
Retained surplus/(accumulated deficit)		17,984	16,466	15,373
<b>Total equity</b>		<b>21,258</b>	<b>20,265</b>	<b>19,829</b>

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

## Statement of changes in equity

for the period ended 30 June 2018

	2018	2017	Original Budget
	\$'000	\$'000	\$'000
<b>CONTRIBUTED EQUITY</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	(10,393)	(11,035)	(10,393)
<b>Transactions with owners</b>			
Departmental capital budget	640	642	640
Transfer of assets to DPS	(1,165)	-	-
<b>Total transactions with owners</b>	<b>(525)</b>	<b>642</b>	<b>640</b>
Transfers between equity components	-	-	-
<b>Closing balance as at 30 June</b>	<b>(10,918)</b>	<b>(10,393)</b>	<b>(9,753)</b>
<b>RETAINED EARNINGS</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	16,466	14,150	16,383
<b>Comprehensive income</b>			
Surplus/(deficit) for the period	1,518	2,316	(1,010)
<b>Total comprehensive income</b>	<b>1,518</b>	<b>2,316</b>	<b>(1,010)</b>
<b>Closing balance as at 30 June</b>	<b>17,984</b>	<b>16,466</b>	<b>15,373</b>
<b>ASSET REVALUATION RESERVE</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	14,192	14,209	14,209
<b>Comprehensive income</b>			
Other comprehensive income	-	(17)	-
<b>Total comprehensive income</b>	<b>-</b>	<b>(17)</b>	<b>-</b>
<b>Closing balance as at 30 June</b>	<b>14,192</b>	<b>14,192</b>	<b>14,209</b>
<b>TOTAL EQUITY</b>			
<b>Opening balance</b>			
Balance carried forward from previous period	20,265	17,324	20,199
<b>Comprehensive income</b>			
Surplus/(deficit) for the period	1,518	2,316	(1,010)
Other comprehensive income	-	(17)	-
<b>Total comprehensive income</b>	<b>1,518</b>	<b>2,299</b>	<b>(1,010)</b>
<b>Transactions with owners</b>			
<b>Contributions by owners</b>			
Departmental capital budget	640	642	640
Transfer of assets to DPS	(1,165)	-	-
<b>Total transactions with owners</b>	<b>(525)</b>	<b>642</b>	<b>640</b>
<b>Closing balance as at 30 June</b>	<b>21,258</b>	<b>20,265</b>	<b>19,829</b>

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



## Cash flow statement

for the period ended 30 June 2018

	2018	2017	Original Budget
Notes	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations	23,080	23,765	26,377
Sale of goods and rendering of services	140	106	55
Interest	–	–	100
Revenue from external sources	71	710	323
Net GST received	118	344	17
Other	98	–	–
<b>Total cash received</b>	<b>23,507</b>	<b>24,925</b>	<b>26,872</b>
<b>Cash used</b>			
Employees	19,558	18,550	20,704
Suppliers	3,324	3,088	4,293
Net GST paid	–	–	219
Other	–	–	71
<b>Total cash used</b>	<b>22,882</b>	<b>21,638</b>	<b>25,287</b>
<b>Net cash from/(used by) operating activities</b>	<b>625</b>	<b>3,287</b>	<b>1,585</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment	0	4	–
<b>Total cash received</b>	<b>0</b>	<b>4</b>	<b>–</b>
<b>Cash used</b>			
Purchase of property, plant and equipment	1,333	1,414	2,230
Purchase of intangibles	33	31	–
Investments	2,546	–	–
<b>Total cash used</b>	<b>3,912</b>	<b>1,445</b>	<b>2,230</b>
<b>Net cash from/(used by) investing activities</b>	<b>(3,912)</b>	<b>(1,441)</b>	<b>(2,230)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity (DCB)	640	642	640
<b>Total cash received</b>	<b>640</b>	<b>642</b>	<b>640</b>
<b>Cash used</b>			
<b>Net cash from/(used by) financing activities</b>	<b>640</b>	<b>642</b>	<b>640</b>
<b>Net increase/(decrease) in cash held</b>	<b>(2,647)</b>	<b>2,487</b>	<b>(5)</b>
Cash and cash equivalents at the beginning of the reporting period	3,057	570	527
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>410</b>	<b>3,057</b>	<b>522</b>

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

## Administered schedule of comprehensive income

for the period ended 30 June 2018

		2018	2017	Original Budget
	Notes	\$'000	\$'000	\$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Suppliers	16	313	324	320
<b>Total expenses</b>		<b>313</b>	324	320
<b>Net (cost of)/contribution by services</b>		<b>(313)</b>	(324)	(320)
<b>Surplus/(deficit)</b>		<b>(313)</b>	(324)	(320)
<b>Total comprehensive income/(loss)</b>		<b>(313)</b>	(324)	(320)

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

## Administered schedule of assets and liabilities

as at 30 June 2018

		2018	2017	Original Budget
	Notes	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Financial assets</b>				
Trade and other receivables	17	2	4	4
<b>Total financial assets</b>		<b>2</b>	4	4
<b>Total assets administered on behalf of government</b>		<b>2</b>	4	4
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	18A	27	26	–
Other payables	18B	2	4	4
<b>Total payables</b>		<b>29</b>	30	4
<b>Government</b>		<b>29</b>	30	4
<b>Net assets/(liabilities)</b>		<b>(27)</b>	(26)	–

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

## Administered reconciliation schedule

	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
<b>Opening assets less liabilities as at 1 July</b>	(26)	–
<b>Net (cost of)/contribution by services</b>		
Expenses		
Payments to entities other than corporate Commonwealth entities	<b>(313)</b>	(324)
<b>Transfers (to)/from the Australian Government</b>		
Appropriation transfers from official public account	<b>312</b>	298
<b>Closing assets less liabilities as at 30 June</b>	<b>(27)</b>	(26)

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

### *Accounting policy*

#### **Administered cash transfers to and from the official public account**

The department does not collect administered revenues. 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 flow statement.

## Administered cash flow statement

for the period ended 30 June 2018

	2018	2017
Notes	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Net GST received	25	23
<b>Total cash received</b>	<u>25</u>	<u>23</u>
<b>Cash used</b>		
Suppliers	336	320
<b>Total cash used</b>	<u>336</u>	<u>320</u>
<b>Net cash from/(used by) operating activities</b>	<u>(311)</u>	<u>(297)</u>
<b>Cash from official public account</b>		
Appropriations	312	298
GST appropriations	24	22
<b>Total cash from official public account</b>	<u>336</u>	<u>320</u>
<b>Cash to official public account</b>		
GST appropriations	(25)	(23)
<b>Total cash to official public account</b>	<u>311</u>	<u>297</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u>–</u>	<u>–</u>

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 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.

## 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) for reporting periods ending on or after 1 July 2015; 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.

## 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 2018.

<b>Note 1 Expenses</b>		
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
<b>1A: Employee benefits</b>		
Wages and salaries	<b>14,733</b>	14,134
Superannuation		
Defined contribution plans	<b>967</b>	846
Defined benefit plans	<b>1,898</b>	2,013
Leave and other entitlements	<b>1,622</b>	1,625
Separation and redundancies	<b>190</b>	143
<b>Total employee benefits</b>	<b>19,410</b>	18,762
<b>1B: Suppliers</b>		
<b>Goods and services supplied or rendered</b>		
Staff-related services	<b>373</b>	440
Travel	<b>1,094</b>	742
Office services	<b>3,092</b>	2,876
Communication	<b>86</b>	105
Corporate expenses	<b>243</b>	266
<b>Total goods and services supplied or rendered</b>	<b>4,888</b>	4,430
Goods supplied	<b>218</b>	330
Services rendered	<b>4,670</b>	4,100
<b>Total goods and services supplied or rendered</b>	<b>4,888</b>	4,430
<b>Other suppliers</b>		
Operating lease rentals	<b>39</b>	62
Workers compensation expenses	<b>56</b>	80
<b>Total other suppliers</b>	<b>95</b>	142
<b>Total suppliers</b>	<b>4,983</b>	4,572
<b>Leasing commitments</b>		
Operating leases 2017–18 included were effectively non-cancellable and comprise agreements for the provision of motor vehicles to senior executives and for departmental use.		
<b>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</b>		
Within 1 year	<b>27</b>	37
Between 1 to 5 years	<b>41</b>	1
<b>Total operating lease commitments</b>	<b>68</b>	38
<b>1C: Write-down and impairment of assets</b>		
Impairment of property, plant and equipment	<b>22</b>	10
<b>Total write-down and impairment of assets</b>	<b>22</b>	10

Note 2 Own-source revenue and gains		
	2018	2017
	\$'000	\$'000
<b>2A: Sale of goods and rendering of services</b>		
Sale of goods	25	26
Rendering of services	27	38
<b>Total sale of goods and rendering of services</b>	<b>52</b>	<b>64</b>
<b>2B: Interest</b>		
Deposits	64	–
<b>Total interest</b>	<b>64</b>	<b>–</b>
<b>2C: Other revenue</b>		
Royalties	36	–
Funding from external sources	520	443
Comcare refunds	6	–
<b>Total other revenue</b>	<b>562</b>	<b>443</b>
<b>2D: Other gains</b>		
Resources received free of charge		
Remuneration of auditors	83	83
Rent of premises	1,869	1,831
Other gain—asset first time recognition	34	–
<b>Total other gains</b>	<b>1,986</b>	<b>1,914</b>
<b>2E: Revenue from government</b>		
Appropriations		
Departmental appropriations	24,242	24,159
<b>Total revenue from government</b>	<b>24,242</b>	<b>24,159</b>



## **Accounting policy**

### **Revenue from the sale of goods**

Revenue from the sale of goods is recognised when:

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

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

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

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance amount. Collectability of debts is reviewed as at 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.

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

### **Revenue from government**

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

# Financial position

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

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

<b>Note 3 Financial assets</b>		
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
<b>3A: Cash and cash equivalents</b>		
Cash on hand or on deposit	<b>410</b>	3,057
<b>Total cash and cash equivalents</b>	<b>410</b>	3,057
<b>3B: Trade and other receivables</b>		
<b>Goods and services receivables</b>		
Goods and services	<b>122</b>	21
<b>Total goods and services receivables</b>	<b>122</b>	21
<b>Appropriations receivables</b>		
Appropriation receivable—existing programs	<b>15,903</b>	14,742
<b>Total appropriations receivables</b>	<b>15,903</b>	14,742
<b>Other receivables</b>		
Cash held by salary packaging providers	<b>34</b>	37
GST input credits receivable	<b>38</b>	38
<b>Total other receivables</b>	<b>72</b>	75
<b>Total trade and other receivables (gross)</b>	<b>16,097</b>	14,837
<b>Less impairment allowance</b>	–	–
<b>Total trade and other receivables (net)</b>	<b>16,097</b>	14,837
<b>3C: Other investments</b>		
Deposits <sup>1</sup>	<b>2,546</b>	–
<b>Total other investments</b>	<b>2,546</b>	–

1. The department has a one-year term deposit of \$2,546,108. The interest rate is 2.55%. The maturity date of the term deposit is 20/07/2018. The department intends to roll over the investment on maturity. 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 invested after the release of a new delegation from the Finance Minister in July 2017.

## Accounting policy

### Financial assets

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

## Note 4 Non-financial assets

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

	Heritage and cultural <sup>1</sup> \$'000	Property, plant and equipment \$'000	Computer software <sup>2</sup> \$'000	Total \$'000
<b>As at 1 July 2017</b>				
Gross book value	419	7,883	3,671	11,972
Accumulated depreciation, amortisation and impairment	–	(437)	(1,896)	(2,332)
<b>Total as at 1 July 2017</b>	<b>419</b>	<b>7,446</b>	<b>1,775</b>	<b>9,640</b>
Additions				
Purchase	–	1,333	33	1,366
Depreciation and amortisation	–	(532)	(441)	(973)
Disposals				
Transfer of assets to DPS <sup>3</sup>	–	(1)	(1,164)	(1,165)
Other	–	(21)	–	(21)
<b>Total as at 30 June 2018</b>	<b>419</b>	<b>8,225</b>	<b>203</b>	<b>8,847</b>
<b>Total as at 30 June 2018 represented by</b>				
Gross book value	419	9,188	950	10,557
Accumulated depreciation, amortisation and impairment	–	(963)	(747)	(1,710)
<b>Total as at 30 June 2018</b>	<b>419</b>	<b>8,225</b>	<b>203</b>	<b>8,847</b>

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

2. The carrying amount of computer software included \$36,245 (2017: \$18,804) of purchased software and \$167,210 (2017: \$1,756,586) of internally generated software.

3. On 1 March 2018 and 1 June 2018 the department transferred assets to the Department of Parliamentary Services as part of the consolidation of ICT across the parliamentary departments. The total net book value by class of the transfers is as follows:

Intangibles (Computer Software) \$1,164,364.57

Property, Plant and Equipment \$700.26

The assets were transferred to the Department of Parliamentary Services for no consideration, and were recognised as a distribution resulting in a reduction in equity of \$1,165,064.83.

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

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

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

**Asset recognition threshold**

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

**Revaluations**

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

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

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

**Depreciation**

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

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

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

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

	2018	2017
Property, plant and equipment	5 to 50 years	5 to 50 years

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

**Impairment**

All assets were assessed for impairment at 30 June 2018. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

**Derecognition**

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

**Accounting policy****Heritage and cultural assets**

The department has the following heritage and cultural assets with an aggregated fair value of \$419,000 (2017: \$419,000).

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

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

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

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the entity's software are 2 to 13 years (2017: 2 to 13 years).

All software assets were assessed for indications of impairment as at 30 June 2018.

	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
<b>4B: Inventories</b>		
<b>Inventories held for sale</b>		
Finished goods	<b>13</b>	13
<b>Total inventories held for sale</b>	<b>13</b>	13
<b>Total inventories</b>	<b>13</b>	13

During 2018, \$2,532 of inventory held for sale was recognised as an expense (2017: \$2,745).

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

**4C: Other non-financial assets**

Prepayments	<b>197</b>	156
<b>Total other non-financial assets</b>	<b>197</b>	156

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		
	2018	2017
	\$'000	\$'000
<b>5A: Suppliers</b>		
Trade creditors and accruals	340	286
<b>Total suppliers</b>	<b>340</b>	<b>286</b>
Settlement was usually made within 30 days.		
<b>5B: Other payables</b>		
Salaries and wages	131	101
Superannuation	23	22
Salary sacrifice payable	34	37
Unearned income <sup>1</sup>	191	682
Input tax credit (GST) payment to the Australian Taxation Office	0	1
Other payables	117	–
<b>Total other payables</b>	<b>496</b>	<b>843</b>

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

# People and relationships

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

<b>Note 6 Employee provisions</b>		
	<b>\$'000</b>	<b>\$'000</b>
<b>6A: Employee provisions</b>		
Leave	<b>6,016</b>	6,310
<b>Total employee provisions</b>	<b>6,016</b>	6,310
<b>Employee provisions expected to be settled</b>		
No more than 12 months	<b>1,720</b>	1,543
More than 12 months	<b>4,296</b>	4,767
<b>Total employee provisions</b>	<b>6,016</b>	6,310

## *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 by the short-hand method as at 30 June 2018. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

### **Superannuation**

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

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

The department makes employer contributions to the 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 they were contributions to defined contribution plans. The liability for superannuation recognised as at 30 June represents outstanding contributions.



### Note 7 Key management personnel remuneration

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

	2018 \$'000	2017 \$'000
<b>Short-term employee benefits</b>		
Salary	1,325	1,269
Motor vehicle allowance	106	75
<b>Total short-term employee benefits</b>	<b>1,431</b>	<b>1,344</b>
<b>Post-employment benefits</b>		
Superannuation	238	201
<b>Total post-employment benefits</b>	<b>238</b>	<b>201</b>
<b>Other long-term employee benefits</b>		
Annual leave	103	93
Long-service leave	31	30
<b>Total other long-term employee benefits</b>	<b>134</b>	<b>123</b>
<b>Total key management personnel remuneration expenses</b>	<b>1,803</b>	<b>1,668</b>

The total number of key management personnel that are included in the above table is 6 (2017: 7).

### Note 8 Related party disclosures

#### Transactions with related parties

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

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

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

# Funding

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

## Note 9 Appropriations Annual appropriations for 2018

	Appropriation Act		PGPA Act		Total appropriation \$'000	Appropriation applied in 2018 (current and prior years) \$'000	Variance <sup>2</sup> \$'000
	Annual appropriation <sup>1</sup> \$'000		Section 74 receipts \$'000				
<b>Departmental</b>							
Operating budget	24,242		476		24,718	(23,557)	1,162
Capital budget	640		–		640	(640)	–
<b>Total departmental</b>	<b>24,882</b>		<b>476</b>		<b>25,358</b>	<b>(24,197)</b>	<b>1,162</b>
<b>Administered</b>							
Operating budget	320		–		320	(312)	8
<b>Total administered</b>	<b>320</b>		<b>–</b>		<b>320</b>	<b>(312)</b>	<b>8</b>

1. In 2017–18, there were no appropriations subject to quarantine and no reductions. The departmental and administered appropriation ceases to be in force on 1 July 2020.

2. The departmental variance relates to:

- lower employee benefits because a number of positions remained vacant throughout the reporting period
- less requirement to travel for the year
- the balance undrawn for accrued expenses payable in 2018–19.

The Administered variance relates to balance undrawn for accrued expenses payable in 2018–19.

## Note 9 Appropriations (continued)

## Annual appropriations for 2017

	Appropriation Act		PGPA Act		Appropriation applied in 2017 (current and prior years) \$'000	Variance <sup>3</sup> \$'000
	Annual appropriation <sup>1</sup> \$'000	Section 74 receipts <sup>2</sup> \$'000	Total appropriation \$'000	Total appropriation \$'000		
<b>Departmental</b>						
Operating budget	24,159	3,576	27,735	(24,794)	2,941	
Capital budget	642	–	642	(642)	–	
<b>Total departmental</b>	<b>24,801</b>	<b>3,576</b>	<b>28,377</b>	<b>(25,436)</b>	<b>2,941</b>	
<b>Administered</b>						
Operating budget	322	–	322	(298)	24	
<b>Total administered</b>	<b>322</b>	<b>–</b>	<b>322</b>	<b>(298)</b>	<b>24</b>	

1. In 2016–17, there were no appropriations subject to quarantine and no reductions. The departmental and administered appropriation ceases to be in force on 1 July 2019.

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

3. The departmental variance relates to the increase in s74 receipts due to the need to recognise the receipt of the special account. The administered variance relates to balance undrawn for accrued expenses payable in 2017–18.

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

	2018 \$'000	2017 \$'000
<b>Departmental</b>		
<i>Appropriation (Parliamentary Departments) Act (No. 1) 2013–14</i>	–	80
<i>Appropriation (Parliamentary Departments) Act (No. 1) 2016–17</i>	–	14,742
<i>Appropriation (Parliamentary Departments) Act (No. 1) 2016–17</i>	–	3,057
– Cash at Bank		
<i>Appropriation (Parliamentary Departments) Act (No. 1) 2017–18</i>	<b>15,903</b>	–
<i>Appropriation (Parliamentary Departments) Act (No. 1) 2017–18</i>	<b>410</b>	–
– Cash at Bank		
<b>Total departmental</b>	<b>16,313</b>	<b>17,879</b>
<b>Administered</b>		
<i>Appropriation (Parliamentary Departments) Act (No. 1) 2016–17</i>	–	26
<i>Appropriation (Parliamentary Departments) Act (No. 1) 2017–18</i>	<b>34</b>	–
<b>Total administered</b>	<b>34</b>	<b>26</b>

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

	Department of Finance (third party access) \$'000	Australian Public Service Commission (third party access) \$'000
<b>2018</b>	<b>\$'000</b>	<b>\$'000</b>
Total receipts	<b>27,948</b>	<b>19,637</b>
Total payments	<b>27,948</b>	<b>19,637</b>
	Department of Finance (third party access) \$'000	Australian Public Service Commission (third party access) \$'000
<b>2017</b>	<b>\$'000</b>	<b>\$'000</b>
Total receipts	7,890	39,641
Total payments	7,890	39,641

Throughout the financial year, the department made payments via special appropriations in accordance with third party access agreements with the Department of Finance (DoF) and the Australian Public Service Commission (APSC). These agreements facilitate payments under the following Acts for the purposes described:

#### Australian Public Service Commission

*Remuneration Tribunal Act 1973* — For the purposes necessary to administer section 7(13) in relation to payment of Members' salaries, remuneration and other allowances referred to in determinations made from time to time by the Remuneration Tribunal.

#### Department of Finance

*Parliamentary Entitlements Act 1990* — For the purposes necessary to administer section 11 of the Act in relation to the transfer of bulk papers and printing and communications entitlement (in respect of postage only).

*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 Parliamentary Business Resources Act 2017 (PBR Act).

The *Parliamentary Business Resources Act 2017* came into effect on 1 January 2018. This replaced the Department's special appropriation arrangements under the *Parliamentary Entitlements Act 1990* and the *Remuneration Tribunal Act 1973*. As a result of this the Department ceased to make third party special appropriation payments on behalf of the Australian Public Service Commission as at 31 December 2017.

Note 12 Special account		
	Inter-Parliamentary Relations Special Account (Departmental)	
	2018	2017
	\$'000	\$'000
<b>Balance brought forward from previous period</b>	–	2,560
<b>Increases</b>	–	51
<b>Total increases</b>	–	51
Available for payments	–	2,611
<b>Decreases</b>		
Departmental		(2,611)
<b>Total departmental</b>	–	(2,611)
<b>Total decreases<sup>1</sup></b>	–	(2,611)
<b>Total balance carried to the next period</b>	–	–
<b>Balance represented by:</b>		
<b>Cash held in entity bank accounts</b>	–	–
<b>Cash held in the official public account</b>	–	–

1. The special account became subject to sun-setting provisions during the 2016–17 financial year.

Note 13 Net cash appropriation arrangements		
	2018	2017
	\$'000	\$'000
<b>Total comprehensive income/(loss) less depreciation/amortisation expenses previously funded through revenue appropriations</b>	<b>2,490</b>	3,208
Plus: depreciation/amortisation expenses previously funded through revenue appropriation	<b>(972)</b>	(909)
<b>Total comprehensive income/(loss)—as per the Statement of Comprehensive Income</b>	<b>1,518</b>	2,299

# Managing uncertainties

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

<b>Note 14 Financial instruments</b>		
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
<b>Categories of financial instruments</b>		
<b>Financial assets</b>		
<b>Held-to-maturity investments</b>		
Term deposit	<b>2,546</b>	–
<b>Total held-to-maturity investments</b>	<b>2,546</b>	–
<b>Loans and receivables</b>		
Cash and cash equivalents	<b>410</b>	3,057
Trade and other receivables	<b>157</b>	58
<b>Total loans and receivables</b>	<b>567</b>	3,115
<b>Total financial assets</b>	<b>3,113</b>	3,115
<b>Financial liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Suppliers	<b>340</b>	286
Other payables	<b>191</b>	682
<b>Total financial liabilities measured at amortised cost</b>	<b>531</b>	968
<b>Total financial liabilities</b>	<b>531</b>	968

## *Accounting policy*

### **Financial assets**

The department classifies its financial assets in the following categories:

- a) financial assets at fair value through profit or loss
- b) held-to-maturity investments
- c) loans and receivables.

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

### **Effective interest method**

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

### **Loans and receivables**

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

**Note 14 Financial instruments (continued)****Impairment of financial assets**

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

**Financial liabilities**

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

**Fair value**

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

**Note 15 Fair value**

	<b>Fair value measurements at the end of the reporting period</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Non-financial assets<sup>1</sup></b>		
Property, plant and equipment <sup>2</sup>	<b>8,225</b>	7,446
Heritage and cultural <sup>2</sup>	<b>419</b>	419

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 2018.

**Accounting policy**

The department tests the procedures of the valuation model as an asset materiality review at least once every 12 months (with a formal revaluation undertaken once every three years). If a particular asset class experiences significant and volatile changes in fair value (i.e. where indicators suggest that the value of the class has changed materially since the previous reporting period), that class is subject to specific valuation in the reporting period, where practicable, regardless of the timing of the last specific valuation. For the period ended 30 June 2018, the department engaged JLL Public Sector Valuations Pty Ltd (JLL) to undertake a materiality review of all plant and equipment assets and confirm that the models developed comply with AASB 13. The materiality assessment carried out by JLL determined that there was no material difference between the carrying values of assets and the fair value of assets.

## Expenses administered on behalf of government

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

Note 16 Administered expenses		
	2018	2017
	\$'000	\$'000
<b>Suppliers</b>		
<b>Goods and services supplied or rendered</b>		
Hospitality services	313	324
<b>Total goods and services supplied or rendered</b>	<b>313</b>	<b>324</b>
<b>Total suppliers</b>	<b>313</b>	<b>324</b>

## Assets and liabilities administered on behalf of government

Note 17 Administered financial assets		
	2018	2017
	\$'000	\$'000
<b>Trade and other receivables</b>		
<b>Other receivables</b>		
GST receivable from the Australian Taxation Office	2	4
<b>Total other receivables</b>	<b>2</b>	<b>4</b>
<b>Total trade and other receivables</b>	<b>2</b>	<b>4</b>
<b>Trade and other receivables expected to be recovered</b>		
No more than 12 months	2	4
<b>Trade and other receivables aged as follows</b>		
Not overdue	2	4
<b>Total trade and other receivables</b>	<b>2</b>	<b>4</b>

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



### Note 18 Administered payables

	2018	2017
	\$'000	\$'000
<b>18A: Suppliers</b>		
Trade creditors and accruals	27	26
<b>Total suppliers</b>	<u>27</u>	<u>26</u>
<b>Suppliers expected to be settled</b>		
No more than 12 months	27	26
<b>Total suppliers</b>	<u>27</u>	<u>26</u>
<b>Settlement was usually within 30 days</b>		

	2018	2017
	\$'000	\$'000
<b>18B: Other payables</b>		
GST appropriation payable to the official public account	2	4
	<u>2</u>	<u>4</u>
<b>Total other payables</b>		
<b>Other payables expected to be settled</b>	2	4
No more than 12 months	2	4
<b>Total other payables</b>	<u>2</u>	<u>4</u>

### Note 19 Administered financial instruments

	2018	2017
	\$'000	\$'000
<b>Categories of financial instruments</b>		
<b>Financial liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	27	26
<b>Total financial liabilities measured at amortised cost</b>	<u>27</u>	<u>26</u>
<b>Total financial liabilities</b>	<u>27</u>	<u>26</u>

# 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 2018.

## Note 20 Departmental budget variances commentary

### Explanations of major variances

### Affected statements and line items

#### Employee benefits

Employee benefits were lower than originally budgeted as a number of positions remained vacant throughout the reporting period due to delays in recruitment processes. This resulted in a lower average staffing level than was budgeted. In addition original budgets predicted the new enterprise agreement and resultant pay rise would come into effect prior to the commencement of the financial year, however the agreement was not enacted until December 2017.

Statement of Comprehensive Income:

- » Employee benefits expense

Statement of Financial Position:

- » Employee provisions
- » Trade and other receivables  
(in respect of undrawn appropriation)

Cash Flow Statement:

- » Operating cash used—employees
- » Operating cash received—appropriations

#### Travel expenses and parliamentary capacity programs expenses and revenue

Travel expenses are driven by activities carried out in support of the parliament and its committees. During the reporting period there was less requirement to travel across committees and the International Parliamentary Relations Office than was forecast. In addition, the work on the parliamentary capacity-building program in Fiji was delayed and consequently the contract was extended resulting in budgeted expenditure being held over until after the completion of the reporting period. Work in support of the Pacific Women's Parliamentary Partnerships program was completed under budget and excess funds were returned to DFAT.

Statement of Comprehensive Income:

- » Suppliers expense
- » Other revenue

Statement of Financial Position:

- » Other payables (unearned income)

Cash Flow Statement:

- » Operating cash used—suppliers
- » Operating cash received—appropriations
- » Operating cash received—revenue from external sources

#### Transfer of assets to DPS

During the reporting period the department transferred computer software assets to DPS under an arrangement to consolidate information and communications technology assets across the parliament. This transfer was not known at the time of budgeting.

Statement of Financial Position:

- » Computer software

Statement of Changes in Equity

- » Contributed equity—transactions with owners

#### Furniture project

Expenditure on the department's furniture replacement project was less than budgeted due to the utilisation of bulk purchasing arrangements resulting in lower per item cost.

Statement of Financial Position:

- » Non-financial assets—plant and equipment

Cash Flow Statement:

- » Investing cash used—purchase of property, plant and equipment