

**Department of Foreign Affairs and Trade**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**1. Departmental Financial Performance**

**1.1 Expenses**

	2019 \$'000	2018 \$'000
<b>Note 1.1A: Employee Benefits</b>		
Wages and salaries	561,590	547,741
Superannuation		
Defined contribution plans	46,161	38,681
Defined benefit plans	42,194	40,634
Leave and other entitlements	74,837	57,788
Fringe benefits expense	118,511	101,049
Separation and redundancies	6,243	8,128
Other employee expenses	3,922	3,511
<b>Total employee benefits</b>	<b>853,458</b>	<b>797,532</b>

**Accounting policy**

Accounting policies for employee benefits are included in Section 6 People and Relationships.

**Note 1.1B: Suppliers**

**Goods and services supplied or rendered**

Passport expenses	125,804	127,966
Property related expenses (excluding rent)	105,921	100,201
Security expenses	80,822	79,642
Information and communication technology	99,406	84,737
Travel expenses	54,227	53,572
Staff related expenses	40,785	37,992
Office expenses	20,926	24,284
Legal and other professional services	12,735	11,362
Contractors	9,855	4,278
Consultants	5,570	5,140
Remuneration of auditors	630	665
Other expenses	17,527	15,915
<b>Total goods and services supplied or rendered</b>	<b>574,208</b>	<b>545,754</b>
Goods supplied	73,346	71,262
Services rendered	500,862	474,492
<b>Total goods and services supplied or rendered</b>	<b>574,208</b>	<b>545,754</b>
<b>Other suppliers</b>		
Operating lease rentals	150,217	146,746
Workers compensation expenses	3,431	1,851
<b>Total other suppliers</b>	<b>153,648</b>	<b>148,597</b>
<b>Total suppliers</b>	<b>727,856</b>	<b>694,351</b>

**Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:**

Within 1 year	155,533	138,743
Between 1 to 5 years	357,542	346,732
More than 5 years	302,610	336,566
<b>Total operating lease commitments</b>	<b>815,685</b>	<b>822,041</b>

DFAT operating lease commitments of \$815.685m (2018: \$822.041m) includes property leases and other minor leases relating to plant and equipment.

DFAT currently has 765 (2018: 782) property related commitments. Property related commitments expected to be paid is \$814.591m (2018: \$819.772m) which is inclusive of outgoings of \$41.045m (2018: \$40.624m).

Commitments are GST or VAT inclusive where relevant. GST / VAT included in the total contractual commitments in place for operating leases payable expected to be recovered is \$45.231m (2018: \$49.525m).

DFAT has in place a number of sub-lease arrangements for the above operating lease commitments. Sub-lease revenue expected to be received is \$150.987m (2018: \$136.730m) which is inclusive of outgoings of \$8.224m (2018: \$7.543m).

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	<b>2019</b>	2018
	<b>\$'000</b>	\$'000
<b><u>Note 1.1C: Impairment loss allowance on financial instruments</u></b>		
Write-down of financial assets	21	86
Movement in impairment loss allowance	<u>(12)</u>	<u>111</u>
<b>Total impairment on financial instruments</b>	<b><u>9</u></b>	<b><u>197</u></b>

**Note 1.1D: Write-down and Impairment of Other Assets**

Write-down of leasehold improvements	695	1,541
Write-down of plant and equipment	2,031	5,795
Write-down of intangibles	555	99
Impairment of non-current assets held for sale	1,676	-
Write-down of assets under construction	5	422
Write-off of inventories	<u>138</u>	<u>66</u>
<b>Total write-down and impairment of other assets</b>	<b><u>5,100</u></b>	<b><u>7,923</u></b>

**Accounting policy**

Accounting policies for financial assets are included at Note 3.1: Financial Assets. Accounting policies for non-financial assets are included at Note 3.2: Non-Financial Assets.

**Note 1.1E: Other Expenses**

Act of grace payments	<u>3,903</u>	<u>-</u>
<b>Total other expenses</b>	<b><u>3,903</u></b>	<b><u>-</u></b>