1. Departmental Financial Performance

1.1 Expenses

	2018 $'000	2017 $'000
Note 1.1A: Employee Benefits		
Wages and salaries	**547,741**	540,945
Superannuation		
Defined contribution plans	**38,681**	36,212
Defined benefit plans	**40,634**	40,544
Leave and other entitlements	**57,788**	48,078
Fringe benefits expense	**101,049**	98,637
Separation and redundancies	**8,128**	11,373
Other employee expenses	**3,511**	2,775
Total employee benefits	**797,532**	778,564

Accounting policy

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

	2018 $'000	2017 $'000
Note 1.1B: Suppliers		
Goods and services supplied or rendered		
Passport expenses	**127,966**	118,280
Property related expenses (excluding rent)	**100,201**	94,336
Security expenses	**79,642**	78,195
Information and communication technology	**84,737**	89,415
Travel expenses	**53,572**	59,281
Staff related expenses	**37,992**	42,209
Office expenses	**24,284**	22,994
Legal and other professional services	**11,362**	12,747
Contractors	**4,278**	6,203
Consultants	**5,140**	5,180
Remuneration of auditors	**665**	665
Other expenses	**15,915**	18,234
Total goods and services supplied or rendered	**545,754**	547,739
Goods supplied	**71,262**	64,092
Services rendered	**474,492**	483,647
Total goods and services supplied or rendered	**545,754**	547,739
Other suppliers		
Operating lease rentals	**146,746**	147,308
Workers compensation expenses	**1,851**	3,315
Total other suppliers	**148,597**	150,623
Total suppliers	**694,351**	698,362
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	**138,743**	127,296
Between 1 to 5 years	**346,732**	314,034
More than 5 years	**336,566**	359,437
Total operating lease commitments	**822,041**	800,767

DFAT currently has 782 (2017: 757) property related commitments.

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 $49.525m (2017: $45.660m).

DFAT has in place 351 (2017: 358) property related sub-lease rental income arrangements for the above operating lease commitments. Sub-lease revenue expected to be received is $136.730m (2017: $104.630m).

	2018 $'000	2017 $'000
Note 1.1C: Write-down and Impairment of Assets		
Write-down of leasehold improvements	**1,541**	924
Write-down of plant and equipment	**5,795**	3,754
Write-down of intangibles	**99**	212
Write-down of assets under construction	**422**	7,462
Write-down of financial assets	**86**	89
Write-off of inventories	**66**	-
Movement in impairment allowance	**111**	(33)
Total write-down and impairment of assets	**8,120**	12,408

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.

1.2 Income

Note 1.2A: Sale of Goods and Rendering of Services		
Sale of goods	**733**	665
Rendering of services	**138,185**	134,451
Total sale of goods and rendering of services	**138,918**	135,116

Accounting policy

Revenue from the sale of goods is recognised when:

a) the risks and rewards of ownership have been transferred to the buyer, and

b) DFAT retains no managerial involvement or effective control over the goods.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date, determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction. The revenue is recognised when:

a) the amount of revenue, stage of completion and transaction costs incurred can be reliably measured, and

b) it is probable that the economic benefits of the transaction will flow to DFAT.

Note 1.2B: Other Revenue		
Foreign tax refunds	**4,577**	5,219
Sponsorship revenue	**1,149**	1,710
Resources received free of charge	**683**	665
Other revenue	**139**	6,919
Total other revenue	**6,548**	14,513

Accounting policy

Resources received free of charge are recognised as revenue 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.

Sponsorship revenue is recognised as revenue at the fair value of the sponsorship received or receivable when the probable economic benefits of the transaction will flow to DFAT.

Foreign tax refunds are recognised as revenue at the fair value of the foreign tax refund when the probable economic benefits of the transaction will flow to DFAT.