



Australian Government  
Independent Parliamentary  
Expenses Authority

**ipea**  
Independent Parliamentary  
Expenses Authority

A photograph of the Australian Parliament House at night, illuminated from within. The building's iconic three-legged spire is prominent against the dark sky. The Australian flag flies from the top of the spire. The building's facade is lit up, and the lights are reflected in a pool of water in the foreground. A green rectangular border frames the text below.

# Annual Report

2016-17



**Independent Parliamentary  
Expenses Authority**

# **Annual Report**

2016–17

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Further information about the Independent Parliamentary Expenses Authority and an online version of this report are available on the IPEA website ([www.ipea.gov.au](http://www.ipea.gov.au)).

The annual report is available at [www.ipea.gov.au](http://www.ipea.gov.au)

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# Letter of transmittal



**Australian Government**  
**Independent Parliamentary  
Expenses Authority**

Senator the Hon Scott Ryan  
Special Minister of State  
Parliament House  
CANBERRA ACT 2600

Dear Minister

I am very pleased to present our first annual report for the Independent Parliamentary Expenses Authority (IPEA) for the financial year 2016–17.

This report has been prepared in accordance with all applicable obligations of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) including section 46, which requires that you table the report in Parliament. The report reflects the matters dealt with and legislation administered by the entity as at 30 June 2017.

The report includes IPEA's audited financial statements as required by section 43(4) of the PGPA Act.

As required by section 10 of the *Public Governance, Performance and Accountability Rule 2014*, I certify that:

- › the entity has in place appropriate fraud prevention, detection, investigation and reporting mechanisms that meet its specific needs; and
- › I have introduced measures to ensure there are controls in place to deal with any fraud relating to the entity.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Leonie McGregor', written over a light grey circular stamp.

Leonie McGregor  
**Acting Chief Executive Officer**

23 October 2017

cc: Senator the Hon. Mathias Cormann, Minister for Finance

## About this report

This is the Independent Parliamentary Expenses Authority's (IPEA) report to the Special Minister of State for the financial year ending 30 June 2017. The report has been prepared according to parliamentary reporting requirements and legislative requirements.

The report is a mechanism of accountability to the Parliament of Australia in relation to services provided. It also provides information for the community and stakeholders.

IPEA is part of the Australian Government's Finance portfolio and is committed to maintaining accountability and transparency in its activities and continually improving its reporting.

### Guide to this report

**Part 1 – Overview:** In this part of the report, the Chief Executive Officer reviews the significant issues and achievements from the establishment of IPEA on 3 April 2017 to 30 June 2017 and reflects on the challenges for the year ahead.

**Part 2 – Performance:** This part of the report provides an overview of IPEA's purpose, role and functions; outcomes as set out in the Portfolio Budget Statements; the organisation and organisational structure. It also includes IPEA's Annual Performance Statement, which reflects the actual results achieved against IPEA's 2016–17 performance criteria, and are reported in the Department of Finance's 2016–17 Portfolio Budget Statements and Corporate Plan.

**Part 3 – Management and Accountability:** This part of the report provides information about IPEA's governance arrangements and frameworks; external scrutiny; human resources management, environmental performance and financial management.

**Part 4 – Financial Statements:** This part contains IPEA's audited financial statements for 2016–17.

The **appendices** provide additional information on specific areas of the entity, as required under legislation.

At the end of the report are a list of abbreviations and acronyms, a glossary, a checklist detailing the location of the requirements used to compile the report, and an index.

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# Message from the Chair of the Authority



It is my pleasure to introduce the first annual report for the Independent Parliamentary Expenses Authority (IPEA).

IPEA was established as part of reforms to the framework of parliamentarians' work expenses following the review by John Conde AO and David Tune PSM into parliamentary expenses in 2016 and an announcement by the Prime Minister on 13 January 2017. During the period of its operation as an executive agency, from 3 April 2017 until 1 July 2017, I and the other Advisers oversaw the establishment of the Authority and provided strategic guidance on governance and interim arrangements.

With assistance from the Department of Finance, IPEA was able to successfully commence operating as a statutory authority on 1 July 2017. Leonie McGregor from the Department of Finance has been our interim CEO and has provided excellent guidance and drive to enable this to happen.

The establishment of IPEA, the passage of the *Independent Parliamentary Expenses Authority Act 2017*, and the development of the necessary regulations which is underway, will be important steps in establishing a new expenses framework for parliamentarians and their staff. IPEA is keen to see the new framework in operation and assist parliamentarians to undertake their important roles within the context of building public trust and confidence in the expense system.

IPEA will be responsible for advice on and administration of travel expenses. The Department of Finance will continue with responsibility for advice, support and administration of non-travel related work expenses and IPEA will audit all work expenses.

Considerable challenges lie ahead notably the actual implementation of the framework following the passage of relevant regulations and the development of a modern technology system to support more efficient lodging and processing of expenses and more current disclosure of them.

The Members of the Authority representing a diverse range of skills and backgrounds will continue to provide an independent perspective on IPEA's governance and operations.

I look forward to continuing to work with the CEO and IPEA staff as the Authority develops.

A handwritten signature in black ink that reads "Jillian Segal". The signature is fluid and cursive.

Ms Jillian Segal AM

**Chair**  
**Independent Parliamentary Expenses Authority**

23 October 2017



# Part 1: Overview

Photo: The lawn leading to the top of Parliament House in Canberra, Nick D

# Chief Executive Officer's review



Welcome to our first annual report.

On 13 January 2017, the Prime Minister, the Hon Malcolm Turnbull MP, announced changes to the management of parliamentarians' work expenses which included the establishment of a compliance, reporting and transparency body that would be responsible for monitoring and administering these expenses. IPEA subsequently began operating as an interim executive agency from 3 April 2017, and from 1 July 2017 began operations as a statutory authority.

During the period between April and June, our staff worked hard to ensure that we would be in a position to deliver on the Government's commitment.

## Our achievements

IPEA faced a number of challenges on 3 April 2017:

- › Finalisation of the machinery of government change and the establishment of IPEA while continuing to provide parliamentarians and their staff with responsive and high quality advice and service; and to put in place the necessary arrangements and capabilities to enable IPEA to perform its full range of functions, including:
  - Advising parliamentarians and their staff on work expenses and related matters, particularly travel related expenses
  - Reporting on all work expenses
  - Monitoring the travel related expenses of parliamentarians and their staff
  - Administration of travel expenses and allowances for parliamentarians and their staff including processing these claims, and
  - Auditing of work expenses claims of parliamentarians and their staff.

The machinery of government change progressed smoothly, and we moved quickly to engage with key stakeholders, and recruit qualified and experienced staff. We also established processes for meetings with the Advisers to the Authority, who were engaged until 30 June 2017. These Advisers provided support and advice on our functions as set out in the *Independent Parliamentary Expenses Authority Act 2017*. On IPEA's establishment as a statutory authority on 1 July 2017, these Advisers were appointed Members of the Authority.

By 30 June 2017, we developed into a fully functioning small agency with 54 staff and we had processed over 37,000 claims and answered over 7,000 enquiries by phone and email. We will continue to refine and improve how IPEA delivers its services. To 30 June 2017, we had received 37,918 travel claims for expenses and had processed 97 per cent of these within agreed timeframes and publicly released more than 300 expenditure reports.

In the future we will undertake audit and assurance activities in relation to all work expenses. We will have a range of activities to support this function including certification processes, post payment checking, and more targeted and thematic audits which will be further developed in 2017–18.

## Our priorities for the year

Our key priorities for the coming year include:

- › Updating our Information Communications Technology (ICT) environment to create a system which improves IPEA's administration, advisory, reporting and audit functions
- › Fostering positive relationships with key stakeholders including parliamentarians, their staff and the broader Australian community
- › The best possible and timely delivery of services by clearly communicating what it is that we do, and how we do it
- › Effective implementation of the new legislative framework
- › Implementing a robust and comprehensive audit and assurance program, and
- › Continuing to move towards more regular reporting of all expenditure of parliamentarians and their staff.

## Our financial performance

We reported an overall operating surplus of \$0.6m for the period in which it operated in 2016-17. This result is mainly due to lower than expected employee and supplier expenses for the period. Further details on our financial performance are available on pages 23 to 46.

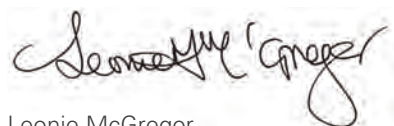
## Our people

IPEA places a high priority on our people and we have a strong and capable team. As a small agency, we will continue to focus on attracting talented and highly adaptable employees who are able to operate in a dynamic work environment.

I would like to acknowledge the assistance and support of officers in the Department of Finance, particularly the IPEA Taskforce and the Ministerial and Parliamentary Services Division, who assisted in the establishment of IPEA as an executive agency and its subsequent transition to a statutory authority.

I also acknowledge the patience and support of parliamentarians and their staff throughout this transitional period as we worked to establish new processes and systems.

Finally, I would like to also commend the efforts of our hard working and dedicated staff who have conducted themselves professionally during a period of significant change and have been committed to ensuring the success of IPEA. We have been very well supported by the Advisers, and I would like to take this opportunity to thank them all for their guidance and assistance. Their contribution has been vital to our successful establishment over a short period of time.



Leonie McGregor  
**Acting Chief Executive Officer**

23 October 2017

# Organisational overview of IPEA

This section provides an overview of IPEA.

## Our aspiration and purpose

IPEA's core objectives are to process, monitor, administer, audit and report on parliamentarians' work expenses. IPEA also provides clear advice to parliamentarians and their staff on travel and work related expenses to support them in undertaking their duties, requiring that public funds be spent appropriately and in compliance with the statutory requirements.

## Outcomes and programs

As at 30 June 2017, IPEA has one outcome which is outlined in the 2017–18 Portfolio Budget Statements. The table below shows our outcome and program structure as at 30 June 2017.

**Outcome 1** – Support for current and former Parliamentarians and others as required by the Australian Government through the delivery of, independent oversight and advice on, work resources and travel resources.

**Program 1.1** – Independent Parliamentary Expenses Authority – Travel Oversight and Reporting. IPEA provides services to Parliamentarians and their staff and publically reports on their expenditure.

## Our role and functions

IPEA's role and functions reflect those functions prescribed in the *Independent Parliamentary Expenses Act 2017* (IPEA Act), and include:

- › Provide clear advice to parliamentarians and their staff on travel and work related expenses to help support them in their respective roles, and
- › Provide independent oversight of the work expenses provided to current and former parliamentarians and their staff through our auditing and reporting functions.

As an organisation, IPEA will strive to deliver our primary functions, which relate to advice, reporting and audit. These functions include:

- › Providing personal advice to parliamentarians and MOP(S) Act employees on travel expenses, allowances, and related expenses
- › Monitoring parliamentarians and MOP(S) Act employees regarding travel expenses, allowances, and related expenses
- › Administering travel expenses, allowances, and related expenses, including processing of these claims
- › Publicly reporting on work expenses under the applicable framework, and
- › Auditing work expense claims.

## Our executive and business groups

From 3 April 2017 to 30 June 2017, IPEA's executive comprised the Chief Executive Officer and two Branch Managers. IPEA is organised into four functional areas:

**Travel Advice and Administration Branch** provided a number of services to parliamentarians and others which transferred from the Department of Finance to IPEA on its establishment.

These functions included:

- › Processing of travel allowance and travel expense claims, both domestic and overseas, for parliamentarians, Members of Parliament (Staff) Act employees and others
- › Provision of advice relating to travel matters to parliamentarians and their staff
- › Managing of travel related budgets for all parliamentarians.

**Transparency and Reporting Branch** comprised five key functions, including:

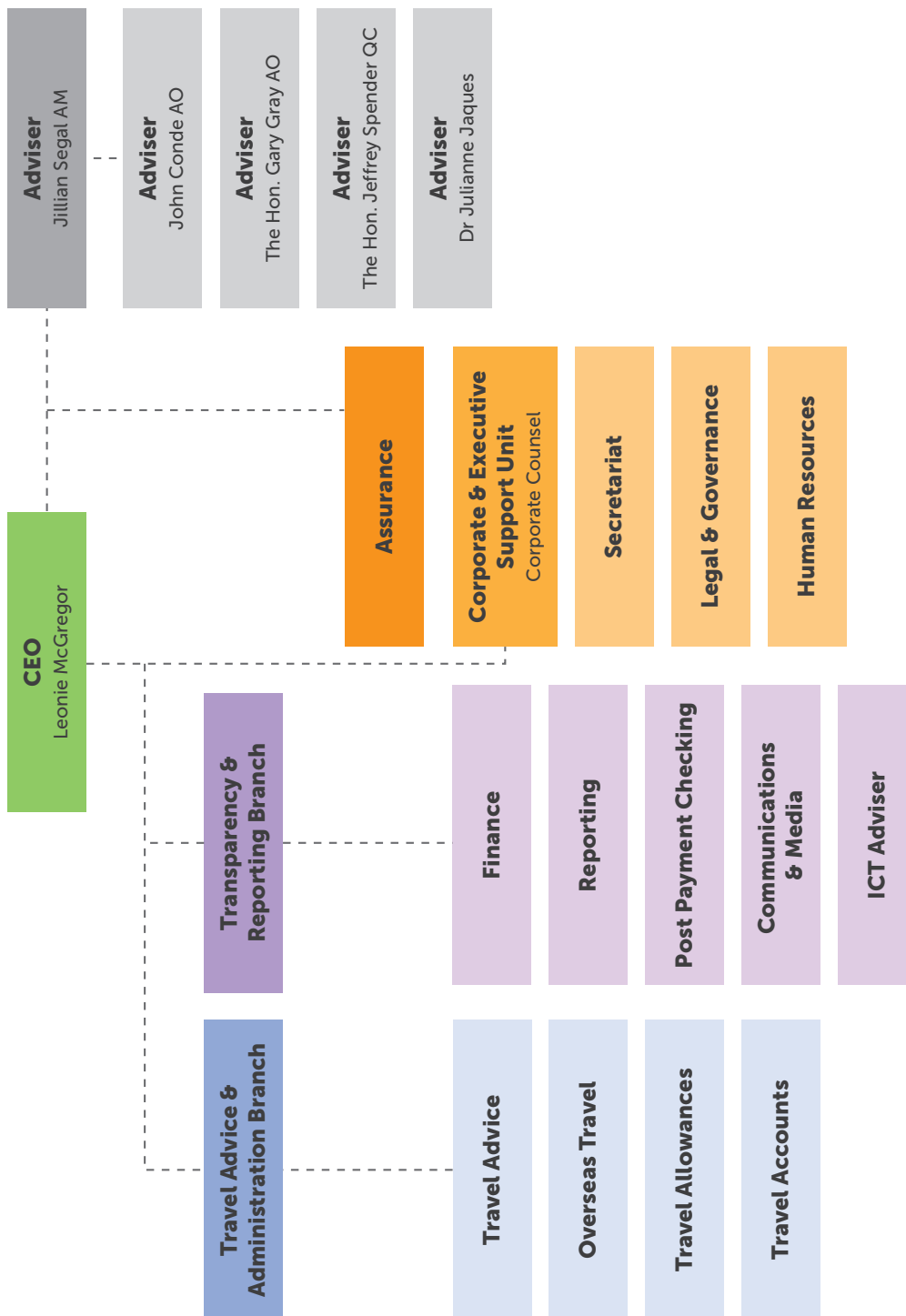
- › Development and release of various reports for parliamentarians in relation to expenses incurred
- › Post payment checking of travel related claims
- › Communications and media services including the IPEA website and media responses
- › Finance services to support the smooth running of the Authority
- › ICT Services.

**Corporate and Executive Support** provided IPEA with a range of corporate functions including legal services, governance, human resource management and secretariat support for the Advisers.

**Assurance** was responsible for IPEA's process to deal with concerns of possible misuse of work expenses in accordance with IPEA's statutory functions and responsibilities, and was responsible for development and implementation of IPEA's audit and assurance program.

IPEA's organisational structure as at 30 June 2017 is shown at Figure 1 on page 7.

Figure 1: IPEA's Organisational Structure at 30 June 2017





# Part 2: Performance

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Photo: Great Hall, Parliament of Australia, JJ Harrison



# Summary of performance and highlights

## Priorities

Our key priorities between 3 April 2017 and 30 June 2017 were:

- › Delivering the key functions of IPEA as an executive agency.
- › Supporting parliamentarians and their staff through the provision of administration and advice on travel related work expenses.
- › Auditing and reporting of work expenses.
- › Transitioning resources and functions to the new statutory authority for a 1 July 2017 commencement.

## Achievements

IPEA's key achievements from 3 April 2017 to 30 June 2017 were:

### Services to parliamentarians and others

- › The achievement of all performance targets highlighting the organisation's strong focus on the delivery of high quality services to our clients (refer to the "Annual Performance Statement" on pages 10 and 11).
- › The release of approximately 306 final expenditure reports.
- › The development and provision of approximately 230 Monthly Management Reports by the 15th day of each month.
- › Management of 37,918 claims for travel expenses of which 97 per cent were processed within agreed timeframes.
- › Development of approximately 140 customised reporting products to support administration, quality assurance and audit.
- › Support for parliamentarians to transition to the new Parliamentary Business Resources (PBR) framework.

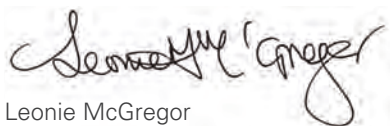
### Corporate activities

- › Appointment of the Advisers of the Authority, who met twice, in May and June 2017.
- › Establishment of a number of governance arrangements during the period including IPEA's Accountable Authority Instructions, financial delegations and personnel delegations. In addition, work began to develop and establish other governance arrangements for IPEA including establishing an Audit and Risk Committee and developing a Risk Management Framework.
- › Development of IPEA's 2017–18 to 2020–21 Corporate Plan which was published in August 2017.
- › Establishment of a Memorandum of Understanding (MOU) with the Department of Finance that governs the relationship between the two agencies and the delivery of support services.

# Annual performance statements

## Introductory statement

I, as the accountable authority of the Independent Parliamentary Expenses Authority, present the 2016–17 Annual Performance Statement of the Independent Parliamentary Expenses Authority, as required under section 39(1)(a) of the *Public Governance Performance and Accountability Act 2013* (PGPA Act). In my opinion, the Annual Performance Statements are based on properly maintained records, accurately reflect the performance of the organisation, and comply with section 39 (2) of the PGPA Act.



Leonie McGregor  
Acting Chief Executive Officer

10 October 2017

**Purpose:** Administer and advise on travel related work expenses, and provide independent oversight of the work expenses provided to current and former parliamentarians and their staff through its reporting and auditing functions.

## Results

**Performance criterion:** Services to Ministers, Office Holders, Senators, Members and their staff meet agreed service standards.

**Criterion Source:** Outcome 3, Department of Finance, Portfolio Budget Statements 2016–17, page 55 and the Department of Finance 2016–17 Corporate Plan

### Results against performance criterion:

For the period from 3 April 2017 to 30 June 2017:

Target 1 – *95 per cent of client contacts acknowledged within 24 hours and responded to within agreed timeframes*

- › Of the total number of daily contacts made to IPEA, 95 per cent of these contacts were responded to within the agreed service standard of 24 hours.

Target 2 – *95 per cent of payments (including payroll) will be made within agreed timeframes.*

- › IPEA made payments to parliamentarians and their staff for travel related expenses. During the financial year 37,918 claims for travel expenses were received from parliamentarians and their staff and 97 per cent of these met the performance target.

Target 3 – *100 per cent of Monthly Management Reports are being distributed by the 15th of each month*

- › IPEA achieved its target of distributing 100 per cent of Monthly Management Reports to each member of Parliament and five former prime Ministers by the 15th of each month during the period.

## Overarching analysis of performance against IPEA's purpose

IPEA was established as an executive agency from 3 April 2017, taking on a number of activities that were previously performed by the Department of Finance, as well as being asked to introduce a range of new functions over time. Those activities transferred from the Department of Finance and remained unchanged for the period IPEA operated as an executive agency.

In preparing its Annual Performance Statement, IPEA is acquitting its performance only against the performance criteria reported in the Department of Finance's Portfolio Budget Statements and Corporate Plan for 2016–17.

In 2016–17, IPEA achieved all of its performance targets as set out in the Department of Finance's 2016–17 Portfolio Budget Statements and Corporate Plan 2016–17. These results were achieved at a time when IPEA was planning and developing governance and staffing arrangements, and preparing to transition to a statutory authority.

IPEA's corporate plan was under development during the period covered by this Annual Performance Statement. That plan is now available on the IPEA website at [www.ipea.gov.au](http://www.ipea.gov.au).



# Part 3: Management and accountability

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Photo: Canberra from Mount Ainslie, Jason Tong

# Corporate governance

This section discusses IPEA's support services and governance arrangements, which provide a framework to ensure the organisation is accountable and effective.

IPEA was a budget funded executive agency that was established on 3 April 2017 within the Finance portfolio. IPEA is a non-corporate Commonwealth entity under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and an executive agency under section 65 of the *Public Service Act 1999*; with roles, responsibilities and powers established under the IPEA Act.

The Chief Executive Officer is IPEA's accountable authority and is therefore responsible for its performance and compliance with regulatory requirements. The responsible Minister is the Special Minister of State, Senator the Hon. Scott Ryan.

## IPEA's key corporate services

IPEA's corporate teams which provided specialist advice, services and expertise from 3 April 2017 to 30 June 2017 are:

- › Corporate Counsel
- › Governance
- › Secretariat
- › Chief Financial Officer
- › Reporting
- › Communications
- › ICT.

The corporate functions that were delivered in house were supplemented by a number of corporate services that were purchased from, and delivered by, the Department of Finance in 2016–17 through a Memorandum of Understanding.

# Our internal governance arrangements

## IPEA leadership

From April 2017, IPEA's key internal governance groups comprised of:

- › IPEA's Senior Management Team including the Chief Executive Officer, Branch Heads, Chief Financial Officer, Corporate Counsel and Director of Assurance. This group met weekly to consider strategic and operational issues.
- › IPEA's Leadership Team comprised of all officers from the Executive Level 1 classification and above and was chaired by the Chief Executive Officer. This Team met fortnightly to discuss operational issues and the meeting provided a forum where the Chief Executive Officer and the SES could raise and discuss strategic issues that affected IPEA.

## The Advisers

The IPEA Act provides that IPEA is guided by the Members of the Authority. The Members are appointed by the Governor-General, and comprise a Chair and at least two, but not more than three other Members. During IPEA's operation as an executive agency, five Advisers were engaged, prior to their official appointment as Members of the Authority on 1 July 2017.

From IPEA's establishment on 3 April 2017 to 30 June 2017, the Advisers were:

- › Ms Jillian Segal AM
- › Mr John Conde AO
- › The Hon Gary Gray AO
- › Dr Julianne Jaques, and
- › The Hon Jeffrey Spender QC.

The role of the Advisers was to provide support and advice to the CEO on the functions as set out in the Public Service (Establishment of the Independent Parliamentary Expenses Authority) Order 2017. These functions included to audit and report on parliamentarians' work expenses, and provide advice to parliamentarians and their staff in relation to travel expenses.

The Advisers met twice in 2016–17, to discuss a range of issues relating to the establishment and governance of IPEA. From 1 July 2017, the Advisers became the Members of the Authority.



## Ms Jillian Segal AM

Ms Segal has a broad range of experience both in the public and private sectors particularly in the fields of governance, remuneration and audit. She is currently a Non-Executive Director of the Garvan Institute of Medical Research, Deputy Chancellor of UNSW Australia, Chair of the General Sir John Monash Foundation, a Trustee of the Sydney Opera House and Chair of AICC (NSW).

Ms Segal has a BA LL.B from the University of New South Wales and an LL.M from Harvard Law School. She started her legal career as Associate to The Right Honourable Sir Anthony Mason, then a Justice at the High Court of Australia.

Ms Segal went on to become a Commissioner and later Deputy Chair of the Australian Securities and Investments Commission (ASIC), after which she became a review member of the Dawson Review into the Trade Practices Act. In 2003 she set out to pursue a non-executive career. Since that time, she has held a range of corporate and government advisory board positions.

Ms Segal was awarded a Centenary Medal in 2003 for services to society through business leadership, and appointed a Member of the Order of Australia in 2005 for services to business law.



## Mr John Conde AO

As President of the Remuneration Tribunal, Mr Conde serves as a Member of IPEA.

Mr Conde was appointed as a member of the Remuneration Tribunal in 1998. He is Chairman of several boards, including Bupa Australia Health Pty Ltd, the McGrath Foundation and Cooper Energy. He is Deputy Chairman of Whitehaven Coal Limited and a Director of Dexu Property Group.

In 2015-16, Mr Conde was Co-Chair of the Review Committee that prepared the review: *An Independent Parliamentary Entitlements System*, the findings of which formed the basis for the establishment of IPEA.



### **The Hon Gary Gray AO**

Mr Gray was National Secretary of the Australian Labor Party from 1993-2000. He served as a Federal Parliamentarian from 2007-16 and as Special Minister of State and Minister for the Public Service and Integrity from 2010 until 2013, and Minister for Resources and Energy, Minister for Tourism and Minister for Small Business in 2013.

Mr Gray's business background includes Executive Director at the WA Institute of Medical Research, Senior Executive of Australia's largest oil and gas company, Woodside Energy, which he represented before governments and customers on four continents, and his current role as Senior Executive at Mineral Resources Ltd in Perth. He was awarded the Centenary Medal in 2001 and he became an Officer in the Order of Australia in 2003. He is a director on the boards of the ASC Pty Ltd and Hillman Primary School in Rockingham WA.



### **Dr Julianne Jaques**

Dr Jaques is a commercial barrister and chartered accountant with extensive experience in public administration, corporate governance and audit. Dr Jaques served as a senior taxation adviser to the Assistant Treasurer from 1999-2001. In recent years she has been briefed by the Commissioner for Taxation on a number of significant matters relating to Project Wickenby.

Dr Jaques is a current member of the Tax Institute Victorian State Council and Professional Development Committee, the Tax Bar Association Committee, the Tax Practitioners Board and the Board of Taxation. She holds Bachelor of Economics and Laws degrees from Monash University, and a Doctorate in Juridical Science from the University of Melbourne.



### **The Hon Jeffrey Spender QC**

Mr Spender is a former Judge of the Federal Court of Australia, having served from 1984-2010. He practised at the Queensland Bar from 1967-1984, and was appointed Queen's Counsel in 1983.

Mr Spender served as a presidential member of the Administrative Appeals Tribunal, and as an additional judge of the Supreme Court of the Australian Capital Territory.



## Risk

In 2016–17, IPEA commenced development of a Risk Management Framework, which complies with the requirements of section 16 of the PGPA Act and the International Standard for Risk Management – principles and guidelines (ISO 31000:2009). In addition, IPEA's governance is built on the foundations of the IPEA Act 2017, the *Public Governance, Performance and Accountability Act 2013*, the *Public Service Act 1999* and the Australian Public Service Code of Conduct.

IPEA will apply risk management principles that are fit for purpose. IPEA will strive to deliver efficient and effective decision-making and planning, manage uncertainty and manage its resources to obtain desired outcomes.

Within IPEA's operating environment, it will pursue opportunities, adopt new technology, achieve objectives and meet its responsibilities. In terms of risk management, IPEA is not tolerant of:

- › dishonest, deceptive or fraudulent conduct
- › the unauthorised disclosure of official information, and
- › dangers to the health, safety and wellbeing of IPEA's staff.

## Fraud

During 2016–17, IPEA began development of a fraud control plan that complies with the Commonwealth Fraud Control Guidelines.

In 2016–17, IPEA implemented reasonable measures to minimise the incidence of fraud, and it continues to implement strategies that raise awareness and prevent fraud, as set out in its Accountable Authority Instructions.

## Ethical standards

IPEA promotes ethical standards and behaviour, and builds upon the Australian Public Service values, emphasising:

- › Independence
- › Impartiality
- › Transparency
- › Responsiveness
- › Professionalism.

IPEA created and maintained a safe, healthy and productive workplace, free from discrimination, harassment and other forms of harmful behaviour in 2016–17. Under the purchaser provider arrangements in place with the Department of Finance, training was made available in the areas of mental health, first aid, expected behaviours, and health and wellbeing. Regular training and information on obligations under the Public Service Act were also made available to staff.

During 2016–17 there were no reports of bullying and/or harassment in IPEA.

There were no formal internal complaints or Public Interest Disclosures received in 2016–17.

During 2016–17, there were no breaches of the Australian Public Service Code of Conduct and there were no requests to review a human resource decision.

## **Provision of corporate services to IPEA**

Between 3 April 2017 and 30 June 2017, IPEA had a shared services arrangement with the Department of Finance, which was managed via a Memorandum of Understanding between the two agencies. Under this arrangement, the Department of Finance provided IPEA with a range of corporate services.

## External scrutiny

During 2016–17, there were no external reports regarding IPEA by the Australian National Audit office, the Commonwealth Ombudsman or the Australian Information Commissioner. IPEA was not subject to any reviews or judicial decisions and was also not subject to substantial legal action. Information about IPEA's involvement with Parliamentary Committees and the Information Publication Scheme is provided below.

### Senate Finance and Public Administration Legislation Committee

IPEA appeared before the Senate Finance and Public Administration Legislation Committee in 2016-17 for the 2017-18 Budget Estimates hearings in May 2017. At the hearing IPEA provided evidence in relation to its establishment and operations.

### Information Publication Scheme

Entities subject to the *Freedom of Information Act 1982* are required to publish information to the public as part of the Information Publication Scheme. This requirement is in Part II of the Act and has replaced the former requirement to publish a section 8 statement in an annual report. Each agency must display on its website a plan showing what information it publishes in accordance with the scheme's requirements. Between 3 April 2017 and 30 June 2017, IPEA used the freedom of information arrangements provided by the Department of Finance, available at: [www.finance.gov.au/foi/information\\_publication\\_scheme.html](http://www.finance.gov.au/foi/information_publication_scheme.html)

## Our people

### Overview of IPEA's employment arrangements

As at 30 June 2017, IPEA had a total of 54 employees engaged on either an ongoing or non-ongoing basis. In order to perform IPEA's functions effectively, the recruitment of employees with appropriate skills and experience was a high priority during the period from 3 April to 30 June 2017. The following table sets out IPEA's employment numbers and expenditure as at 30 June 2017. Further workforce statistics are set out in Appendix B.

**Table 1. IPEA staffing statistics, as at 30 June 2017**

<b>Employment numbers</b>	
Total number of employees (headcount)*	54
Total number of employees (headcount excluding casuals)	54
Total employee expenditure (including casuals)	\$1,557,000
<b>Diversity of the workforce (excluding casuals)</b>	
Women	31
People with a disability	4
Aboriginal and Torres Strait Islanders	0
Employees who speak English as a second language	1
<b>Training and education</b>	
Total number of employees undertaking supported studies	7

\*The CEO is a statutory appointment and therefore is not included as an employee of IPEA.

### Remuneration and employment conditions

IPEA's non-SES employees were employed under the IPEA Agency Determination 2017/01, made under section 24(1) of the *Public Service Act 1999*. In addition to setting remuneration, this instrument provided employees with other employment conditions such as leave, flexible working arrangements, studies assistance and access to professional memberships.

IPEA's SES employee was employed under an individual determination made in accordance with section 24(1) of the *Public Service Act 1999*. Many of these conditions aligned with those set out in the IPEA Agency Determination 2017/01.

The CEO's salary is determined by the Remuneration Tribunal (Determination 2017/03).

The following table shows the employment instruments covering IPEA employees. Further information, including salary ranges are set out in Appendix B.

**Table 2. Employees' coverage under employment instruments, as at 30 June 2017**

<b>Employment instruments</b>	
Number of employees covered by a non-SES s24(1) determination	53
Number of employees covered by an SES s24(1) determination	1
Number of employees covered by another employment instrument	0

\*The CEO is a statutory appointment and therefore is not included as an employee of IPEA.

## Non-salary benefits

IPEA provided employees with benefits of a non-salary nature in addition to those set out in the *IPEA Agency Determination 2017/01*. These included:

- › access to in-house, and external learning and development opportunities
- › access to an online learning management system
- › studies assistance in the form of study leave and financial reimbursement
- › access to coaching and mentoring opportunities
- › contributions to professional memberships and subscriptions
- › salary sacrificing arrangements for a range of benefits including superannuation and motor vehicles
- › workstation assessments for all employees
- › an Employee Assistance Program providing confidential counselling and other services for employees and their families
- › access to an in-house gymnasium
- › flexible working arrangements including the ability to work from home on a case-by-case basis
- › access to a workplace giving program, enabling charitable donations through payroll deductions.

## Performance management

All IPEA employees participated in IPEA's Performance Management System, which is designed to:

- › strengthen the performance culture in IPEA
- › support employees and managers to achieve IPEA's objectives and perform IPEA's functions to a high standard
- › set expectations, provide regular feedback and develop required skills, knowledge and experience across IPEA, and
- › recognise high performance and effectively identify and manage unsatisfactory performance.

IPEA's Performance Management System involves the development of an annual Performance Agreement. This agreement is between Managers and their employees, and it involves regular feedback conversations throughout the period (including a performance rating at the conclusion of the performance period).

IPEA's Performance Management System also focuses on professional development for employees and it is supported by a range of formal learning and development opportunities including:

- › coaching and mentoring
- › in-house and external courses and training
- › an online learning management system, including specific training for APS employees
- › external online learning opportunities
- › studies assistance
- › job sharing and higher duties.

IPEA employees had access to learning and development opportunities, including face-to-face and online options, delivered by the Department of Finance.

IPEA does not provide performance pay.

## **Environmental performance**

From 3 April 2017 to 30 June 2017, IPEA was located at One Canberra Avenue, Forrest, ACT, where all facilities and environmental management activities were provided and undertaken by the Department of Finance. Further information on environmental performance is available in the Department of Finance's *2016–17 Annual Report*.

# Financial management

## Financial performance

This section provides an overview of IPEA's financial performance from 3 April 2017 to 30 June 2017, for both departmental and administered activities.

IPEA's financial statements are presented in Part 4. The Australian National Audit Office (ANAO) issued an unqualified audit opinion for the statements on 28 September 2017.

IPEA was established by an order under the *Public Service Act 1999* to operate as an executive agency from 3 April 2017 to 30 June 2017. On 1 July 2017, all functions, appropriations, assets, liabilities and commitments of the executive agency were transferred to IPEA when it was established as a statutory authority under the IPEA Act 2017.

### Departmental activities

Departmental resourcing includes assets, liabilities, revenues and expenses that IPEA controls directly and uses to produce outcomes on behalf of the Government.

IPEA recorded an operating surplus of \$0.6 million. Operating expenses were \$2.1 million and consisted of employee benefits of \$1.6 million and supplier expenses of \$0.5 million.

Own-source revenue was \$0.4 million which relates to resources received free of charge for services provided to IPEA by the Department of Finance, including property and IT services and by ANAO for auditors' remuneration.

Revenue from Government for the period 3 April 2017 to 30 June 2017 was \$2.2 million.

**Table 3: Departmental financial performance**

	<b>30 June 2017</b>
	<b>\$'000</b>
Employee benefits	1,557
Suppliers	520
<b>Total expenses</b>	<b>2,077</b>
Own-source revenue	407
<b>Net (cost of) services</b>	<b>(1,670)</b>
Revenue from government	2,227
<b>Total comprehensive income</b>	<b>557</b>

### Administered activities

Administered items are assets, liabilities, revenues and expenses that are managed or overseen by IPEA on behalf of the Government.

IPEA incurred \$16.0 million of expenses on behalf of the Government on work related travel expenses for current and former parliamentarians and their staff.

**Table 4: Administered financial performance**

	<b>30 June 2017 \$'000</b>
Expenses administered on behalf of the Government	15,997

## Significant non-compliance with finance law

IPEA did not report any significant issues relating to non-compliance with the finance law to the Finance Minister under Section 19(1)(e) of the PGPA Act in 2016-17.

## Asset management

IPEA did not own any assets in 2016-17. All assets used by IPEA in 2016-17 were provided as part of a purchaser provider arrangement with the Department of Finance.

## Grants

IPEA did not manage any grant programs in 2016-17.

## Procurement

IPEA's approach to procuring goods and services, including consultancies, is consistent with, and reflects the principles of, the Commonwealth Procurement Rules. These rules are applied to activities through IPEA's Accountable Authority Instructions.

IPEA did not have any contracts of \$100,000 or more (inclusive of GST) during the period 3 April 2017 to 30 June 2017.

No contracts in excess of \$10,000 (inclusive of GST), or standing offers, were exempted by the CEO of IPEA from being published on AusTender on the basis that they would disclose exempt matters under the *Freedom of Information Act 1982*.

### *Initiatives to support small business*

IPEA supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises and small enterprise participation statistics are available on the Department of Finance's website.

IPEA's support for small business includes the Commonwealth contracting suite for low-risk procurement valued under \$200,000, and processes to facilitate on-time payment of suppliers, including the use of credit cards.



## Consultancies

IPEA engages consultants when it requires specialist expertise or when independent review or assessment is required. Decisions to engage consultants during 2016–17 were made in accordance with the PGPA Act and related regulations, including the Commonwealth Procurement Rules and relevant internal policies.

During the period 3 April 2017 to 30 June 2017, IPEA engaged six consultancies involving total actual expenditure of \$35,300.

Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies are available on the AusTender website ([www.tenders.gov.au](http://www.tenders.gov.au)).



# Part 4: Financial statements

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Photo: Parliament House, Canberra, John O'Neill



## INDEPENDENT AUDITOR'S REPORT

To the Special Minister of State

### Opinion

In my opinion, the financial statements of the Independent Parliamentary Expenses Authority for the year ended 30 June 2017:

- (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 Independent Parliamentary Expenses Authority as at 30 June 2017 and its financial performance and cash flows for the year then ended.

The financial statements of the Independent Parliamentary Expenses Authority, which I have audited, comprise the following statements as at 30 June 2017 and for the year then ended:

- Statement by the Chief Executive Officer and Chief Financial 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 Independent Parliamentary Expenses Authority 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* to the extent that they are not in conflict with the *Auditor-General Act 1997* (the Code). 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 Independent Parliamentary Expenses Authority the Chief Executive Officer 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 Chief Executive Officer is also responsible for such internal control as the Independent Parliamentary Expenses Authority 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 Chief Executive Officer is responsible for assessing the Independent Parliamentary Expenses Authority's 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 Chief Executive Officer 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**

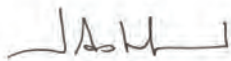
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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

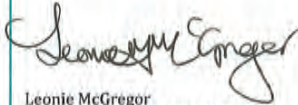


Jocelyn Ashford  
Senior Executive Director  
Delegate of the Auditor-General  
Canberra  
28 September 2017

**STATEMENT BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

In our opinion, the attached financial statements for the period ended 30 June 2017 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 Independent Parliamentary Expenses Authority will be able to pay its debts as and when they fall due.



Leonie McGregor  
Acting Chief Executive Officer

28 September 2017



Craig Maconachie  
Chief Financial Officer

28 September 2017

**Statement of Comprehensive Income**

*for the period 3 April 2017 to 30 June 2017*

	Notes	2017 \$'000
<b>NET COST OF SERVICES</b>		
<b>Expenses</b>		
Employee benefits	1.1A	1,557
Suppliers	1.1B	520
<b>Total expenses</b>		<u>2,077</u>
<b>Own-source revenue</b>		
Resources received free of charge	1.2A	407
<b>Total own-source revenue</b>		<u>407</u>
<b>Net (cost of) services</b>		<u>(1,670)</u>
Revenue from Government	1.2B	2,227
<b>Surplus</b>		<u>557</u>
<b>Total comprehensive income</b>		<u>557</u>

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

**Statement of Financial Position**

*as at 30 June 2017*

	Notes	2017 \$'000
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	2.1A	-
Trade and other receivables	2.1B	<u>2,068</u>
<b>Total financial assets</b>		<u>2,068</u>
<b>Non-financial assets</b>		
Prepayments		<u>5</u>
<b>Total non-financial assets</b>		<u>5</u>
<b>Total assets</b>		<u>2,073</u>
<b>LIABILITIES</b>		
<b>Payables</b>		
Trade creditors and accruals		68
Other payables	2.2A	<u>48</u>
<b>Total payables</b>		<u>116</u>
<b>Provisions</b>		
Employee provisions	5.1A	<u>1,400</u>
<b>Total provisions</b>		<u>1,400</u>
<b>Total liabilities</b>		<u>1,516</u>
<b>Net assets</b>		<u>557</u>
<b>EQUITY</b>		
Retained surplus		<u>557</u>
<b>Total equity</b>		<u>557</u>

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

**Statement of Changes in Equity**

*for the period 3 April 2017 to 30 June 2017*

	2017
	\$'000
<b>RETAINED EARNINGS</b>	
<b>Opening balance</b>	-
<b>Comprehensive income</b>	
Surplus for the period	557
<b>Total comprehensive income</b>	557
<b>Closing balance as at 30 June</b>	557
<b>TOTAL EQUITY</b>	
<b>Closing balance as at 30 June</b>	557

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



**Cash Flow Statement**

*for the period 3 April 2017 to 30 June 2017*

	2017
	\$'000
	<b>Notes</b>
<b>OPERATING ACTIVITIES</b>	
<b>Cash received</b>	
Appropriations	1,197
Section 74 receipts	1,027
<b>Total cash received</b>	<b>2,224</b>
<b>Cash used</b>	
Employees	1,141
Suppliers	50
Net GST paid	6
Section 74 receipts transferred to OPA	1,027
<b>Total cash used</b>	<b>2,224</b>
<b>Net cash from operating activities</b>	<b>-</b>
<b>Net increase in cash held</b>	<b>-</b>
Cash and cash equivalents at the beginning of the reporting period	-
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>-</b>
	2.1A

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

**Administered Schedule of Comprehensive Income**

*for the period 3 April 2017 to 30 June 2017*

	2017
	\$'000
<b>NET COST OF SERVICES</b>	
<b>Expenses</b>	
Travel - Parliamentary entitlements	6,588
Travel - Parliamentary staff	9,001
Fringe benefits tax	408
<b>Total expenses</b>	<b>15,997</b>
<b>Net (cost of) services</b>	<b>(15,997)</b>
<b>Total comprehensive (loss)</b>	<b>(15,997)</b>

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

**Administered Schedule of Assets and Liabilities**

*as at 30 June 2017*

	Notes	2017 \$'000
<b>ASSETS</b>		
<b>Financial assets</b>		
Cash and cash equivalents	3.1A	-
Trade and other receivables	3.1B	128
<b>Total financial assets</b>		<b>128</b>
<b>Total assets administered on behalf of Government</b>		<b>128</b>
<b>LIABILITIES</b>		
<b>Payables</b>		
Trade creditors and accruals		4,502
<b>Total payables</b>		<b>4,502</b>
<b>Provisions</b>		
Provisions	5.1B	418
<b>Total provisions</b>		<b>418</b>
<b>Total liabilities administered on behalf of Government</b>		<b>4,920</b>
<b>Net (liabilities)</b>		<b>(4,792)</b>

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

**Administered Reconciliation Schedule**

	2017 \$'000
<b>Opening assets less liabilities</b>	-
<b>Net (cost of) services</b>	<b>(15,997)</b>
<b>Transfers from the Australian Government</b>	
Appropriation transfers from Official Public Account	
Annual appropriations	8,725
Special appropriations	
<i>Parliamentary Entitlements Act 1990</i>	6,941
Appropriation transfers to OPA	
Transfers to OPA	(6)
Restructuring	(4,455)
<b>Closing assets less liabilities as at 30 June</b>	<b>(4,792)</b>

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

**Accounting Policy**

*Administered Cash Transfers to and from the Official Public Account*

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

**Administered Cash Flow Statement**

*for the period 3 April 2017 to 30 June 2017*

	Notes	2017 \$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash used</b>		
Travel		15,611
Net GST paid		49
<b>Total cash used</b>		<u>15,660</u>
<b>Net cash (used by) operating activities</b>		<u>(15,660)</u>
<b>Cash from Official Public Account</b>		
Appropriations		15,666
<b>Total cash from official public account</b>		<u>15,666</u>
<b>Cash to Official Public Account</b>		
Appropriations		(6)
<b>Total cash to official public account</b>		<u>(6)</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	3.1A	<u>-</u>

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

## Overview

### Objectives of the Independent Parliamentary Expenses Authority

The Independent Parliamentary Expenses Authority (IPEA) is an Australian Government controlled entity. It is a not-for-profit entity. The objective of IPEA is to administer and advise on travel related work expenses, and provide independent oversight of the work expenses administered by the Department of Finance for current and former Parliamentarians and their staff through its auditing and reporting functions.

An order under the *Public Service Act 1999* established IPEA as an executive agency on 3 April 2017. IPEA operated as an executive agency from 3 April 2017 to 30 June 2017 and these financial statements are for the period of 3 April 2017 to 30 June 2017.

IPEA was established as a statutory authority by the *Independent Parliamentary Expenses Authority Act 2017* (IPEA Act) on 1 July 2017. The going concern assumption has been applied in preparing these financial statements and is considered appropriate as all functions, appropriations, assets, liabilities and commitments of the executive agency were transferred to IPEA statutory authority upon the abolition of the executive agency.

The continued existence of IPEA in its present form and with its present programmes is dependent on Government policy and on continuing funding by Parliament for IPEA's administration and programmes.

IPEA is structured to meet the following outcome:

Outcome 1: Support for current and former Parliamentarians and others as required by the Australian Government through the delivery of, independent oversight and advice on, work resources and travel resources.

IPEA activities contributing toward these outcomes are classified as either departmental or administered. Departmental activities involve the use of assets, liabilities, income and expenses controlled or incurred by IPEA in its own right. Administered activities involve the management or oversight by IPEA, on behalf of the Government, of items controlled or incurred by the Government.

IPEA conducts the following administered activities on behalf of the Government:

- Advising parliamentarians on travel expenses, allowances, and related expenses;
- Monitoring parliamentarians' use of travel expenses, allowances, and related expenses;
- Administering travel expenses, allowances, and related expenses, including processing of these claims;
- Reporting on work expenses under the existing parliamentary work expenses framework;
- Auditing of work expenses under the existing parliamentary work expenses framework; and
- Making rulings about travel expenses and allowances, where authorised by a law to do so.

## Overview

### The Basis of Preparation

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.

### New Accounting Standards

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

### Taxation

IPEA 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, 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

IPEA was established by an order under the *Public Service Act 1999* to operate as an executive agency from 3 April 2017 to 30 June 2017. On 1 July 2017 all functions, appropriations, assets, liabilities and commitments of the executive agency were transferred to IPEA statutory authority established by the IPEA Act.

## Financial Performance

This section analyses the financial performance of IPEA for the period ended 30 June 2017.

### 1.1 Expenses

2017  
\$'000

#### **1.1A: Employee Benefits**

Wages and salaries	957
Superannuation	
Defined contribution plans	63
Defined benefit plans	108
Leave and other entitlements	429
<b>Total employee benefits</b>	<u>1,557</u>

#### **1.1B: Suppliers**

##### **Goods and services supplied or rendered**

Property related expenses	123
Professional services	88
Organisational support services	129
Workers compensation	18
IT services	98
Auditor's remuneration	57
Other	7
<b>Total goods and services supplied or rendered</b>	<u>520</u>

### 1.2 Own-Source Revenue and Revenue from Government

2017  
\$'000

#### **Own-Source Revenue**

##### **1.2A: Resources Received Free of Charge**

##### **Resources received free of charge**

Property related expenses	123
Organisation support services	129
IT services	98
Auditor's remuneration	57
<b>Total own-source revenue</b>	<u>407</u>

##### **Accounting Policy**

##### *Resources Received Free of Charge*

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. Resources received free of charge are recorded as either revenue or gains depending on their nature.

#### **Revenue from Government**

##### **1.2B: Revenue from Government**

##### Appropriations

Annual appropriation	2,227
<b>Total revenue from Government</b>	<u>2,227</u>

##### **Accounting Policy**

##### *Revenue from Government*

Amounts appropriated for departmental appropriations for the period (adjusted for any formal additions and reductions) are recognised as Revenue from Government when IPEA 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 IPEA's 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.

### 2.1 Financial Assets

2017  
\$'000

#### **2.1A: Cash and Cash Equivalents**

Cash on hand or on deposit	-
<b>Total cash and cash equivalents</b>	<b>-</b>

Cash is available at call and held on deposit with the Commonwealth Bank of Australia.

#### **2.1B: Trade and Other Receivables**

Appropriation receivable	2,057
GST receivable	6
Goods and services receivable	5
<b>Total trade and other receivables</b>	<b>2,068</b>

#### **Accounting Policy**

##### Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

##### Impairment of Financial Assets

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

### 2.2 Payables

2017  
\$'000

#### **2.2A: Other Payables**

Salaries and wages	33
Superannuation	6
Other	9
<b>Total other payables</b>	<b>48</b>

## Assets and Liabilities Administered on Behalf of the Government

This section analyses assets used to conduct operations and the operating liabilities incurred as a result. IPEA does not control these assets and liabilities but administers them on behalf of the Government. Unless otherwise noted, the accounting policies adopted are consistent with those applied for departmental reporting.

### 3.1 Administered - Financial Assets

	2017
	\$'000
<b>3.1A: Cash and Cash Equivalents</b>	
Cash on hand or on deposit	-
<b>Total cash and cash equivalents</b>	<b>-</b>
<b>3.1B: Trade and Other Receivables</b>	
GST receivable	49
Trade receivables	81
<b>Total goods and services receivables</b>	<b>130</b>
<b>Less impairment allowance</b>	<b>(2)</b>
<b>Total trade and other receivables (net)</b>	<b>128</b>

## Funding

This section identifies IPEA's funding structure.

### 4.1 Appropriations

#### 4.1A: Annual Appropriations ('Recoverable GST exclusive')

##### Annual Appropriations for 2017

	2017 \$'000
<b>Departmental</b>	
<b>Ordinary annual services</b>	
Annual Appropriation	
Section 75 transfers of PGPA Act <sup>1</sup>	2,227
Section 74 receipts of PGPA Act <sup>2</sup>	1,027
<b>Total appropriation</b>	<u>3,254</u>
Less: Appropriation applied in 2017	<u>(1,197)</u>
<b>Variance<sup>3</sup></b>	<u>2,057</u>
<b>Administered</b>	
Annual Appropriation	
Section 75 transfers of PGPA Act <sup>1</sup>	9,221
Section 74 receipts of PGPA Act	48
<b>Total appropriation</b>	<u>9,269</u>
Less: Appropriation applied in 2017	<u>(8,773)</u>
<b>Variance</b>	<u>496</u>

1. IPEA received transfers of appropriations from the Department of Finance under Section 75 of the PGPA Act as a result of an Administrative Arrangement Order that established IPEA as an executive agency on 3 April 2017.

2. IPEA received receipts of \$1,026,871 to fund employee provisions for employees transferred to IPEA from the Department of Finance on 3 April 2017.

3. Variance in 2016-17 is due to funds received for employee provisions transferred to IPEA on 3 April 2017 and lower than anticipated employee and supplier expenditure during the establishment phase of IPEA.

#### 4.1B: Unspent Annual Appropriations ('Recoverable GST exclusive')

	2017 \$'000
<b>Departmental</b>	
Appropriation Act (No. 1) 2016-17	2,063
<b>Total departmental</b>	<u>2,063</u>
<b>Administered</b>	
Appropriation Act (No. 1) 2016-17	496
<b>Total administered</b>	<u>496</u>

#### 4.1C: Special Appropriations ('Recoverable GST exclusive')

	Appropriation applied 2017 \$'000
<b>Administered</b>	
<i>Parliamentary Entitlements Act 1990</i>	6,941
<b>Total special appropriations applied</b>	<u>6,941</u>

No entities spent money from the Consolidated Revenue Fund on behalf of IPEA.

## 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.

### 5.1 Employee Provisions

2017  
\$'000

#### **5.1A: Employee Provisions**

Leave	1,400
<b>Total employee provisions</b>	<b>1,400</b>

#### **Accounting policy**

Liabilities for 'short-term employee benefits and termination benefits expected within twelve months of the end of 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 IPEA's employer superannuation contribution rates 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 the shorthand method as at 30 June 2017. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### Superannuation

IPEA's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), or 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.

IPEA makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. IPEA 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.

#### **5.1B: Administered Provisions**

Post retirement travel	418
<b>Total administered provisions</b>	<b>418</b>

Provision is for former parliamentarians who retire on or after 1 July 2017 being eligible to travel at Commonwealth expense for a maximum of three economy class return trips within the first three months after his or her retirement from the Parliament. The provision is restricted to travel between the former parliamentarian's home base and either Canberra or a location or locations where the parliamentarian had a publicly funded electorate office. The provision cannot be used by any person other than the former parliamentarian.

## 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.

### 5.2 Key Management Personnel Remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. IPEA has determined the key management personnel to be the Chief Executive Officer, the Branch Manager - Travel Advice and Administration, and the Branch Manager - Transparency and Reporting. Key management personnel remuneration is reported in the table below:

	2017 \$'000
Short-term employee benefits	156
Post-employment benefits	26
Other long-term employee benefits	13
<b>Total key management personnel remuneration expenses<sup>1</sup></b>	<b>195</b>

The total number of key management personnel that are included in the above table is 3.

1. The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

### 5.3 Related Party Disclosures

#### Related party relationships:

IPEA is an Australian Government controlled entity. Related parties to IPEA are the Key Management Personnel and their close family members, Cabinet Ministers and other Australian Government entities.

#### 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 have not been separately disclosed in this note.

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

## Other Information

### 6.1 Restructuring

IPEA is a new independent authority with responsibilities relating to work expenses of parliamentarians and their staff. IPEA received transfers of appropriations from the Department of Finance under section 75 of the PGPA Act as a result of an order under the *Public Service Act 1999* that established IPEA as an executive agency on 3 April 2017. IPEA operated as an executive agency from 3 April 2017 to 30 June 2017. IPEA operates as a statutory authority from 1 July 2017.

IPEA is responsible for the following functions:

- Advising parliamentarians on travel expenses, allowances, and related expenses;
- Monitoring parliamentarians' use of travel expenses, allowances, and related expenses;
- Administering travel expenses, allowances, and related expenses, including processing of these claims;
- Reporting on work expenses under the existing parliamentary work expenses framework;
- Auditing of work expenses under the existing parliamentary work expenses framework; and
- Making rulings about travel expenses and allowances, where authorised by a law to do so.

In respect of the functions assumed, the net book value of assets of assets and liabilities transferred to IPEA and the income and expenses assumed were as follows:

	2017 \$'000
<b>FUNCTIONS ASSUMED</b>	
<b>Assets recognised</b>	
Receivable	1,027
<b>Total assets recognised</b>	<b>1,027</b>
<b>Liabilities recognised</b>	
Employee provisions	1,027
<b>Total liabilities recognised</b>	<b>1,027</b>
<b>Net assets recognised</b>	<b>-</b>
<b>Income assumed</b>	
Recognised by the receiving entity	2,634
Recognised by the losing entity	5,076
<b>Total income assumed</b>	<b>7,710</b>
<b>Expenses assumed</b>	
Recognised by the receiving entity	2,077
Recognised by the losing entity	5,076
<b>Total expenses assumed</b>	<b>7,153</b>

#### Administered

	2017 \$'000
<b>FUNCTIONS ASSUMED</b>	
<b>Assets recognised</b>	
Trade and other receivables	109
Less: provision for doubtful debts	(2)
<b>Total assets recognised</b>	<b>107</b>
<b>Liabilities recognised</b>	
Trade creditors and accruals	3,945
Employee provisions	617
<b>Total liabilities recognised</b>	<b>4,562</b>
<b>Net (liabilities) recognised</b>	<b>(4,455)</b>
<b>Expenses assumed</b>	
Recognised by the receiving entity	15,997
Recognised by the losing entity	44,751
<b>Total expenses assumed</b>	<b>60,748</b>



# Appendices

Photo: Australian Senate, Parliament of Australia, JJ Harrison

## **A. Relationship between our purpose and our outcome**

This section is intended to provide information that maps IPEA's Portfolio Budget Statements 2016–17 to the Corporate Plan 2016–17.

IPEA is unable to provide this information as it was not in existence for the entire 2016–17 year, having been established on 3 April 2017. This information will be reported by IPEA in the 2017–18 Annual Report.



## B. Workforce statistics

All IPEA employees are located in Forrest, ACT.

### Staff profile (by headcount)

Ongoing and non-ongoing employee numbers by substantive classification and gender (as at 30 June 2017)

Classification*	Male	Female	Ongoing	Non-ongoing	Total
SES Band 1	1	-	1	-	1
EL2	2	3	4	1	5
EL1	4	4	8	-	8
APS6	5	4	8	1	9
APS5	2	5	7	-	7
APS4	2	8	10	-	10
APS3	6	6	12	-	12
APS2	1	1	-	2	2
APS1	-	-	-	-	-

\*The CEO is a statutory appointment and not included as an employee of IPEA.

### Attendance type (by headcount)

Ongoing and non-ongoing employee numbers by attendance type (as at 30 June 2017)

Classification	Male	Female	Full-time	Part-time	Total
Ongoing	21	29	44	6	50
Non-ongoing	2	2	4	-	4
Total	23	31	48	6	54

\*The CEO is a statutory appointment whose salary is determined by the Remuneration Tribunal.

### Indigenous employees (by headcount)

Ongoing and non-ongoing Aboriginal and Torres Strait Islander employee numbers (as at 30 June 2017)

Ongoing	0
Non-ongoing	0
Total	0

**Remuneration by classification**

Actual salary ranges by classification (as at 30 June 2017)

<b>Classification</b>	<b>Minimum salary (\$)</b>	<b>Maximum salary (\$)</b>
SES Band 1	163,712	163,712
EL2	126,308	157,345
EL1	103,457	133,471
APS6	79,925	104,139
APS5	72,648	81,516
APS4	65,145	74,353
APS3	57,755	66,623
APS2	51,957	59,461
APS1	45,249	52,185

\*The CEO is a statutory appointment whose salary is determined by the Remuneration Tribunal.

## C. Work health and safety

This appendix outlines IPEA's work health and safety performance in accordance with Part 4 of the *Work Health and Safety Act 2011* (WHS Act).

### Initiatives

In 2016–17, IPEA undertook the following activities to meet its obligations under the WHS Act:

- › consultation with employees on WHS matters, particularly regarding changes in relation to the establishment of IPEA
- › online access to WHS training and information
- › provision of workstation assessments and ergonomic equipment, including sit/stand workstations
- › access to an Employee Assistance Program including confidential counselling and other services, and
- › promotion of a healthy lifestyle through access to an in-house gymnasium, by supporting active travel to work and other wellbeing initiatives.

### Comcare premium

IPEA's 2016–17 Comcare premium was 1.07 per cent of its payroll for its employees. This premium rate came into effect on 3 April 2017.

### Notifiable incidents

Between 3 April 2017 and 30 June 2017, there were no incidents involving IPEA employees required to be reported to Comcare in accordance with section 38 of the WHS Act.

### Investigations and notices

Under the WHS Act, IPEA is required to provide statistics of any investigations or notices given at the workplace it manages. No investigations were conducted and no notices were given during the period from 3 April 2017 to 30 June 2017.

### Disability reporting mechanisms

Since 1994, non-corporate Commonwealth entities have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at [www.apsc.gov.au](http://www.apsc.gov.au). From 2010–11, entities have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020, which sets out a 10 year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level two-yearly report will track progress against each of the six outcome areas of the strategy and present a picture of how people with disability are faring. The first of these reports was published in 2014, and can be found at [www.dss.gov.au](http://www.dss.gov.au).

## **D. Advertising and market research**

IPEA did not undertake any form of advertising or market research activities in 2016-17.

## E. Entity resources and expenses by outcome

<b>Entity resource statement 2016–17</b>			
	Actual available appropriation for 2016–17 \$'000	Payments made 2016–17 \$'000	Balance remaining 2016–17 \$'000
	(a)	(b)	(a) – (b)
<b>Ordinary annual services</b>			
Sec 75 transfers of PGPA Act <sup>1</sup>	2,227	1,197	1,030
Sec 74 receipts of PGPA Act <sup>2</sup>	1,027	-	1,027
<b>Total</b>	3,254	1,197	2,057
<b>Administered expenses</b>			
Outcome 1 <sup>3</sup>	9,269	8,773	
<b>Total</b>	9,269	8,773	
<b>Total ordinary annual services</b>	<b>A</b> 12,523	9,970	
<b>Special appropriations</b>			
<b>Special appropriations limited by criteria/entitlement</b>			
<i>Parliamentary Entitlement Act 1990</i>		6,941	
<b>Total special appropriations</b>	<b>B</b>	6,941	
<b>Total resourcing and payments A+B</b>	12,523	16,911	
<b>Total net resourcing and payments</b>	12,523	16,911	

<sup>1</sup> IPEA received transfers of appropriations from the Department of Finance under Section 75 of the PGPA Act as a result of an Administrative Arrangement Order that established IPEA as an executive agency on 3 April 2017.

<sup>2</sup> IPEA received receipts of \$1,026,871 to fund employee provisions for employees transferred to IPEA from the Department of Finance on 3 April 2017.

<sup>3</sup> Includes section 75 transfers of PGPA Act and section 74 receipts of PGPA Act.

**Expenses by outcomes**

**Expenses for outcome 1, 2016–17**

**Outcome 1: Support for current and former parliamentarians and others as required by the Australian Government through the delivery of, independent oversight and advice on, work resources and travel resources.**

Budget* 2016–17	Actual expenses 2016–17	Variation 2016–17
\$'000	\$'000	\$'000
(a)	(b)	(a) – (b)

**Program 1.1: Independent Parliamentary Expenses Authority - Travel Oversight and Reporting**

Administered expenses

Ordinary annual services (Appropriation Act No. 1)

Members of Parliament Staff Travel costs	9,221	9,001	220
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Special appropriations

<i>Parliamentary Entitlements Act 1990</i>	9,520	6,996	2,524
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Departmental expenses

Departmental appropriation <sup>1</sup>	2,227	1,670	557
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Expenses not requiring appropriation in the budget year	420	407	13
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<b>Total for Program 1.1</b>	<b>21,388</b>	<b>18,074</b>	<b>3,314</b>
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<b>Total expenses for Outcome 1</b>	<b>21,388</b>	<b>18,074</b>	<b>3,314</b>
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2016–17

**Average staffing level (number)**

11

\* Full-year budget, including any subsequent adjustment made to the 2016–17 budget at Additional Estimates.

<sup>1</sup> Departmental appropriation combines Section 75 transfers of PGPA Act and Section 74 receipt of PGPA Act.

## Abbreviations and acronyms

Term	
APS	<i>Australian Public Service</i>
EL	<i>Executive Level</i>
FTE	<i>Full Time Equivalent</i>
IPEA	<i>Independent Parliamentary Expenses Authority</i>
IPEA Act 2017	<i>Independent Parliamentary Expenses Act 2017</i>
MOP(S) Act	<i>Members of Parliament Staff Act 1984</i>
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
SES	<i>Senior Executive Service</i>
WHS Act	<i>Work Health and Safety Act 2011</i>

## Glossary

<b>Term</b>	<b>Meaning</b>
Accountable authority instructions	Instructions issued to manage the affairs of an entity to promote the efficient, effective, economical and ethical use of commonwealth resources.
Administered items	Items that are usually managed by an entity on behalf of the government. Entities do not have control over these items, which are normally related to activities governed by eligibility rules and conditions established by legislation (for example, grants, subsidies and benefit payments).
Appropriation	Public monies the parliament authorises the Australian Government to withdraw from the consolidated Revenue Fund for specified purposes.
AusTender	The central web based facility for the publication of Australian Government procurement information, including business opportunities, annual procurement plans and procurement plans awarded.
Comcover	The Australian Government's self-managed general insurance fund.
Commonwealth Procurement Rules	Rules representing the Government policy framework under which Commonwealth entities undertake their own procurement in line with both Australia's international obligations and good practice. They enable agencies to design processes that are robust and transparent, and instil confidence in the Australian Government's procurement.
Consultancy services	Services delivered under a contract for services, distinguished by the nature of the work performed. A consultant is a person or organisation providing professional, independent and expert advice or services. Typically the term is used to describe the application of expert skills to investigate or diagnose a defined issue or problem; carry out defined research, reviews or evaluations; or provide independent advice, information or creative solutions to assist an entity in management decision-making.
Enterprise Agreement	An employment agreement made directly between an employer and employees.
Fraud	Dishonestly obtaining a benefit, or causing a loss, by deception or other means. Accountable authorities of Commonwealth entities must take all reasonable measures to prevent, detect and deal with fraud in accordance with section 10 of the <i>Public Governance, Performance and Accountability Rule 2014</i> .
Full time equivalent (FTE)	The average number of effective FTE employees in an entity. Part time employees are converted to full time equivalent.
Headcount	The actual number of employees employed in an agency.
Non-ongoing staff member	A person engaged as an employee under section 22 (2) (b) of the <i>Public Service Act 1999</i> .



<b>Term</b>	<b>Meaning</b>
Ongoing staff member	A person engaged as an ongoing employee under section 22 (2)(a) of the <i>Public Service Act 1999</i>
Outcome	The Government's objectives in each portfolio area. Outcomes are desired results, impacts or consequences for the Australian community influenced by the actions of the Australian Government. Actual outcomes are the results or impacts actually achieved.
Performance information	Evidence about performance that is collected and used systematically. It relates to appropriateness, effectiveness and efficiency and the extent to which an outcome can be attributed to an intervention.
Portfolio Budget Statements	Statements that inform parliamentarians and the public of the proposed allocation of resources to government outcomes. They also assist the Senate standing committees with their examination of the government's budget. Portfolio Budget Statements are tabled in parliament on budget night and published as budget-related papers.
Programs	Action taken by the Government to deliver the stated outcomes.
Purposes	In the context of the PGPA Act, purposes include the objectives, functions or role of the entity. Finance's purposes are established in the Corporate Plan 2015–16.
Resource Management Framework	Governs how the Commonwealth public sector uses and manages public resources. The PGPA Act is the cornerstone of the framework.
Risk management	The systematic application of management through policies, procedures and practices to clearly identify, analyse, evaluate, treat and monitor risks associated with those opportunities. Risk is broadly defined as the effect of uncertainty on objectives or the impacts of unforeseen events or undesirable outcomes.
Rules	In the context of the PGPA Act, legislative instruments made by the Finance Minister under sections 101 to 105 of the PGPA Act prescribing matters: <ul style="list-style-type: none"> <li>• required or permitted by the PGPA Act or</li> <li>• necessary or convenient to be prescribed for carrying out or giving effect to the PGPA Act.</li> </ul>

## List of requirements

The requirements for non-corporate Commonwealth entities' annual reports are prescribed by Subdivision A of Division 3A of the *Public Governance, Performance and Accountability Rule 2014*. The subdivision is made for section 46(3) of the *Public Governance, Performance and Accountability Act 2013*. The requirements for content to be included in entities' annual reports were approved on behalf of the parliament by the Joint Committee of Public Accounts and Audit in May 2016.

The following table shows where the information specified by the requirements can be found in this report.

The table below, from Schedule 2 of the PGPA Rule, details the information to be included in agency Annual Reports.

<b>PGPA Rule Reference</b>	<b>Location in Report</b>	<b>Description</b>	<b>Requirement</b>
<b>17AD(g) Letter of transmittal</b>			
17AI	iii	A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report.	Mandatory
<b>17AD(h) Aids to access</b>			
17AJ(a)	5	Table of contents.	Mandatory
17AJ(b)	63	Alphabetical index.	Mandatory
17AJ(c)	55	Glossary of abbreviations and acronyms.	Mandatory
17AJ(d)	57	List of requirements.	Mandatory
17AJ(e)	ii	Details of contact officer.	Mandatory
17AJ(f)	ii	Entity's website address.	Mandatory
17AJ(g)	ii	Electronic address of report.	Mandatory
<b>17AD(a) Review by accountable authority</b>			
17AD(a)	3	A review by the accountable authority of the entity.	Mandatory
<b>17AD(b) Overview of the entity</b>			
17AE(1)(a)(i)	5	A description of the role and functions of the entity.	Mandatory
17AE(1)(a)(ii)	6	A description of the organisational structure of the entity.	Mandatory
17AE(1)(a)(iii)	5	A description of the outcomes and programs administered by the entity.	Mandatory
17AE(1)(a)(iv)	5	A description of the purposes of the entity as included in corporate plan.	Mandatory
17AE(1)(b)	NA	An outline of the structure of the portfolio of the entity.	If applicable, Mandatory

<b>PGPA Rule Reference</b>	<b>Location in Report</b>	<b>Description</b>	<b>Requirement</b>
17AE(2)	NA	Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change.	If applicable, Mandatory
<b>17AD(c) Report on the Performance of the entity</b>			
<i>Annual performance Statements</i>			
17AD(c)(i); 16F	10	Annual performance statement in accordance with paragraph 39(1) (b) of the Act and section 16F of the Rule.	Mandatory
<i>17AD(c)(ii) Report on Financial Performance</i>			
17AF(1)(a)	23	A discussion and analysis of the entity's financial performance.	Mandatory
17AF(1)(b)	53	A table summarising the total resources and total payments of the entity.	Mandatory
17AF(2)	NA	If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity's future operation or financial results.	If applicable, Mandatory.
<b>17AD(d) Management and Accountability</b>			
<i>Corporate Governance</i>			
17AG(2)(a)	17	Information on compliance with section 10 (fraud systems)	Mandatory
17AG(2)(b)(i)	iii	A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared.	Mandatory
17AG(2)(b)(ii)	iii	A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place.	Mandatory
17AG(2)(b)(iii)	iii	A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity.	Mandatory
17AG(2)(c)	14	An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance.	Mandatory

<b>PGPA Rule Reference</b>	<b>Location in Report</b>	<b>Description</b>	<b>Requirement</b>
17AG(2)(d) – (e)	NA	A statement of significant issues reported to Minister under paragraph 19(1) (e) of the Act that relates to noncompliance with Finance law and action taken to remedy noncompliance.	If applicable, Mandatory
<i>External Scrutiny</i>			
17AG(3)	19	Information on the most significant developments in external scrutiny and the entity's response to the scrutiny.	Mandatory
17AG(3)(a)	19	Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity.	If applicable, Mandatory
17AG(3)(b)	19	Information on any reports on operations of the entity by the Auditor-General (other than report under section 43 of the Act), a Parliamentary Committee, or the Cwth Ombudsman.	If applicable, Mandatory
17AG(3)(c)	19	Information on any capability reviews on the entity that were released during the period.	If applicable, Mandatory
<i>Management of Human Resources</i>			
17AG(4)(a)	20,21,22	An assessment of the entity's effectiveness in managing and developing employees to achieve entity objectives.	Mandatory
17AG(4)(b)	49	Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following: <ul style="list-style-type: none"> <li>• Statistics on staffing classification level;</li> <li>• Statistics on full-time employees;</li> <li>• Statistics on part-time employees;</li> <li>• Statistics on gender;</li> <li>• Statistics on staff location;</li> <li>• Statistics on employees who identify as Indigenous.</li> </ul>	Mandatory
17AG(4)(c)	20	Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <i>Public Service Act 1999</i> .	Mandatory
17AG(4)(c)(i)	21	Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c).	Mandatory
17AG(4)(c)(ii)	50	The salary ranges available for APS employees by classification level.	Mandatory
17AG(4)(c)(iii)	21	A description of non-salary benefits provided to employees.	Mandatory
17AG(4)(d)(i)	22	Information on the number of employees at each classification level who received performance pay.	If applicable, Mandatory

PGPA Rule Reference	Location in Report	Description	Requirement
17AG(4)(d)(ii)	22	Information on aggregate amounts of performance pay at each classification level.	If applicable, Mandatory
17AG(4)(d)(iii)	22	Information on the average amount of performance payment, and range of such payments, at each classification level.	If applicable, Mandatory
17AG(4)(d)(iv)	22	Information on aggregate amount of performance payments.	If applicable, Mandatory
<i>Assets Management</i>			
17AG(5)	NA	An assessment of effectiveness of assets management where asset management is a significant part of the entity's activities.	If applicable, Mandatory
<i>Purchasing</i>			
17AG(6)	24	An assessment of entity performance against the <i>Commonwealth Procurement Rules</i> .	Mandatory
<i>Consultants</i>			
17AG(7)(a)	25	A summary statement detailing the number of new contracts engaging consultants entered into during the period; the total actual expenditure on all new consultancy contracts entered into during the period (inclusive of GST); the number of ongoing consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST).	Mandatory
17AG(7)(b)	25	A statement that " <i>During [reporting period], [specified number] new consultancy contracts were entered into involving total actual expenditure of \$[specified million]. In addition, [specified number] ongoing consultancy contracts were active during the period, involving total actual expenditure of \$[specified million].</i> "	Mandatory
17AG(7)(c)	25	A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged.	Mandatory
17AG(7)(d)	25	A statement that " <i>Annual reports contain information about actual expenditure on contracts for consultancies. Information on the value of contracts and consultancies is available on the AusTender website.</i> "	Mandatory

<b>PGPA Rule Reference</b>	<b>Location in Report</b>	<b>Description</b>	<b>Requirement</b>
<i>Australian National Audit Office Access Clauses</i>			
17AG(8)	NA	If an entity entered into a contract with a value of more than \$100 000 (inclusive of GST) and the contract did not provide the Auditor-General with access to the contractor's premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract.	If applicable, Mandatory
<i>Exempt contracts</i>			
17AG(9)	24	If an entity entered into a contract or there is a standing offer with a value greater than \$10 000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters.	If applicable, Mandatory
<i>Small business</i>			
17AG(10)(a)	24	A statement that "[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance's website."	Mandatory
17AG(10)(b)	24	An outline of the ways in which the procurement practices of the entity support small and medium enterprises.	Mandatory
17AG(10)(c)	NA	If the entity is considered by the Department administered by the Finance Minister as material in nature—a statement that "[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury's website."	If applicable, Mandatory
<i>Financial Statements</i>			
17AD(e)	26	Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act.	Mandatory

<b>PGPA Rule Reference</b>	<b>Location in Report</b>	<b>Description</b>	<b>Requirement</b>
<b>17AD(f)</b>	<b>Other Mandatory Information</b>		
17AH(1)(a)(i)	52	If the entity conducted advertising campaigns, a statement that <i>"During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity's website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance's website."</i>	If applicable, Mandatory
17AH(1)(a)(ii)	NA	If the entity did not conduct advertising campaigns, a statement to that effect.	If applicable, Mandatory
17AH(1)(b)	24	A statement that <i>"Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity's website]."</i>	If applicable, Mandatory
17AH(1)(c)	51	Outline of mechanisms of disability reporting, including reference to website for further information.	Mandatory
17AH(1)(d)	19	Website reference to where the entity's Information Publication Scheme statement pursuant to Part II of FOI Act can be found.	Mandatory
17AH(1)(e)	NA	Correction of material errors in previous annual report	If applicable, Mandatory
17AH(2)	22, 51, 52,48	Information required by other legislation	Mandatory

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