

# **INDEPENDENT PARLIAMENTARY EXPENSES AUTHORITY**

## **ENTITY RESOURCES AND PLANNED PERFORMANCE**



# INDEPENDENT PARLIAMENTARY EXPENSES AUTHORITY

<b>SECTION 1: ENTITY OVERVIEW AND RESOURCES .....</b>	<b>134</b>
1.1 Strategic direction statement .....	134
1.2 Entity resource statement .....	135
1.3 Budget measures.....	136
<b>SECTION 2: OUTCOMES AND PLANNED PERFORMANCE .....</b>	<b>137</b>
2 Changes to outcome and program structures since the last portfolio statement .....	137
2.1 Budgeted expenses and performance for Outcome 1 .....	138
<b>SECTION 3: BUDGETED FINANCIAL STATEMENTS.....</b>	<b>142</b>
3.1 Budgeted financial statements.....	142
3.2 Budgeted financial statements tables.....	143

# **INDEPENDENT PARLIAMENTARY EXPENSES AUTHORITY**

## **Section 1: Entity overview and resources**

### **1.1 STRATEGIC DIRECTION STATEMENT**

The Independent Parliamentary Expenses Authority (IPEA) is a new independent authority with responsibilities relating to work expenses of parliamentarians and their staff.

The 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.

Between 3 April and 1 July 2017 the IPEA will operate as an executive agency. From 1 July 2017 the IPEA will become a statutory authority.

## 1.2 ENTITY RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to IPEA for its operations and to deliver programs and services on behalf of the government.

The table summarises how resources will be applied by outcome (government strategic policy objectives) and by administered (on behalf of the government or the public) and departmental (for IPEA's operations) classification.

Information in this table is presented on a resourcing (i.e. funding available) basis, whilst the 'Budgeted Expenses by Outcome' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

**Table 1.1: Independent Parliamentary Expenses Authority resource statement — Budget estimates for 2017-18 as at Budget May 2017**

	2016-17 Estimated actual \$'000	2017-18 Estimate \$'000
<b>Departmental</b>		
Annual appropriations - ordinary annual services (a)		
Departmental appropriation	2,227	10,142
<i>Total departmental annual appropriations</i>	2,227	10,142
<b>Total departmental resourcing</b>	<b>2,227</b>	<b>10,142</b>
<b>Administered</b>		
Outcome 1	9,221	34,362
<i>Total administered annual appropriations</i>	9,221	34,362
<i>Total administered special appropriations (b)</i>	9,520	31,475
<b>Total administered resourcing</b>	<b>18,741</b>	<b>65,837</b>
<b>Total resourcing for Independent Parliamentary Expenses</b>	<b>20,968</b>	<b>75,979</b>
	2016-17	2017-18
<b>Average staffing level (number)</b>	16	66

Prepared on a resourcing (that is, appropriations available) basis.

(f) Appropriation Bill (No.1) 2017-18.

(g) For further information on special appropriations, please refer to *Budget Paper No.4 – Agency Resourcing*.

Please also refer to Table 2.1.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations and special appropriations.

The IPEA received transfers of appropriations from the Department of Finance under Section 75 of the PGPA as a result of an Administrative Arrangement Order that established the IPEA as an Executive agency on 3 April 2017. IPEA will operate as an Executive agency from 3 April 2017 to 30 June 2017. IPEA will operate as a statutory authority from 1 July 2017.

Note: All figures shown above are GST exclusive – these may not match figures in the cash flow statement.

### 1.3 BUDGET MEASURES

Budget measures in Part 1 relating to IPEA are detailed in *Budget Paper No. 2* and are summarised below.

**Table 1.2: Independent Parliamentary Expenses Authority 2017-18 Budget Measures**

**Part 1: Measures announced since the 2016-17 Mid-Year Economic and Fiscal Outlook (MYEFO)**

	Program	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000
<b>Expense measures</b>						
Independent Parliamentary Expenses	1.1					
Authority - establishment						
Departmental expenses		954	3,068	3,053	3,052	3,069
<b>Total</b>		<b>954</b>	<b>3,068</b>	<b>3,053</b>	<b>3,052</b>	<b>3,069</b>
<b>Total expense measures</b>						
Departmental		954	3,068	3,053	3,052	3,069
<b>Total</b>		<b>954</b>	<b>3,068</b>	<b>3,053</b>	<b>3,052</b>	<b>3,069</b>

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

## Section 2: Outcomes and planned performance

Government outcomes are the intended results, impacts or consequences of actions by the government on the Australian community. Commonwealth programs are the primary vehicle by which government entities achieve the intended results of their outcome statements. Entities are required to identify the programs which contribute to government outcomes over the Budget and forward years.

Each outcome is described below together with its related programs. The following provides detailed information on expenses for each outcome and program, further broken down by funding source.

**Note:**

Performance reporting requirements in the Portfolio Budget Statements are part of the enhanced Commonwealth performance framework established by the *Public Governance, Performance and Accountability Act 2013*. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements – included in Annual Reports – to provide an entity's complete performance story.

The IPEA was established on 3 April 2017 as an Executive Agency and from 1 July 2017 will operate as a Statutory Authority. At the time of the publication of the Portfolio Budget Statements, the corporate plan for IPEA is under development.

An annual performance statement has not yet been completed as IPEA is a new entity.

## 2. CHANGES TO OUTCOME AND PROGRAM STRUCTURES

**Table 2: Changes to the Outcome and Program Structures since the last portfolio statement**

<b>New Outcome Statement</b>	<i>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.</i>
Description of change:	Change of name to outcome in Budget 2017-18.
Old Outcome Statement:	<i>Support for Parliamentarians and others as required by the Australian Government through the delivery of, and advice on, entitlements and targeted assistance.</i>

## 2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

**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.

### Linked programs

<b>Department of Finance</b>
<b>Programs</b> <ul style="list-style-type: none"><li>• <b>Program 3.1 – Ministerial and Parliamentary Services</b></li></ul>
<b>Contribution to Outcome 1 made by linked programs</b> <p>The IPEA administers and advises on travel related work expenses, and provides independent oversight of the work expenses administered by the Department of Finance for current and former Parliamentarians and their staff.</p>

### Budgeted expenses for Outcome 1

This table shows how much IPEA intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.



**Table 2.1.1: Budgeted expenses for Outcome 1**

**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.**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>Program 1.1: Independent Parliamentary Expenses Authority - Travel Oversight and Reporting</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Members of Parliament Staff Travel Costs	9,221	34,362	34,894	35,435	35,984
Special appropriations					
<i>Parliamentary Retirement Travel Act 2002</i>	-	445	494	544	593
<i>Parliamentary Entitlements Act 1990</i>	9,520	31,030	31,465	36,105	32,352
<b>Administered total</b>	<b>18,741</b>	<b>65,837</b>	<b>66,853</b>	<b>72,084</b>	<b>68,929</b>
Departmental expenses					
Departmental appropriation	2,227	10,142	9,971	9,968	10,025
Expenses not requiring appropriation in the Budget year (a)	420	-	-	-	-
<b>Departmental total</b>	<b>2,647</b>	<b>10,142</b>	<b>9,971</b>	<b>9,968</b>	<b>10,025</b>
<b>Total expenses for Program 1.1</b>	<b>21,388</b>	<b>75,979</b>	<b>76,824</b>	<b>82,052</b>	<b>78,954</b>
<b>Outcome 1 Totals by appropriation type</b>					
Administered expenses					
Ordinary annual services (Appropriation Bill No. 1)					
Special appropriations	9,520	31,475	31,959	36,649	32,945
<b>Administered total</b>	<b>18,741</b>	<b>65,837</b>	<b>66,853</b>	<b>72,084</b>	<b>68,929</b>
Departmental expenses					
Departmental appropriation	2,227	10,142	9,971	9,968	10,025
Expenses not requiring appropriation in the Budget year (a)	420	-	-	-	-
<b>Departmental total</b>	<b>2,647</b>	<b>10,142</b>	<b>9,971</b>	<b>9,968</b>	<b>10,025</b>
<b>Total expenses for Outcome 1</b>	<b>21,388</b>	<b>75,979</b>	<b>76,824</b>	<b>82,052</b>	<b>78,954</b>
<b>Average staffing level (number)</b>					
	2016-17	2017-18			
	16	66			

(a) Expenses not requiring appropriation in the Budget year is made up of resources provided free of charge by the Department of Finance.

**Note:** Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

**Table 2.1.2: Performance Criteria for Outcome 1**

Table 2.1.2 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2017-18 Budget measures have created new programs or materially changed existing programs.

<b>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.</b>		
<b>Program 1.1 – Independent Parliamentary Expenses Authority – Travel Oversight and Reporting</b> The IPEA provides services to Parliamentarians and their staff and publically reports on their expenditure.		
<b>Delivery</b>	The IPEA's objective is to 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 auditing and reporting functions.	
<b>Performance information: Program 1.1 - Independent Parliamentary Expenses Authority – Travel Oversight and Reporting</b>		
<b>Year</b>	<b>Performance criteria</b>	<b>Targets</b>
2016-17	<ul style="list-style-type: none"> <li>Services to Ministers, Office-holders, Senators, Members and their staff meet agreed service standards.</li> </ul>	<ul style="list-style-type: none"> <li>95% of client contacts acknowledged within 24 hours and responded to within agreed timeframes.</li> <li>95% of payments will be made within agreed timeframes.</li> <li>100% of Monthly Management Reports are being distributed by the 15th of each month.</li> </ul>
2017-18	<ul style="list-style-type: none"> <li>Services to Ministers, Office-holders, Senators, Members and their staff meet agreed service standards.</li> </ul>	<ul style="list-style-type: none"> <li>95% of client contacts acknowledged within 24 hours and responded to within agreed timeframes.</li> <li>95% of payments will be made within agreed timeframes.</li> <li>100% of Monthly Management Reports are being distributed by the 15th of each month.</li> <li>100% of Parliamentary expenditure reports will be compiled and published within agreed timeframes.</li> <li>100% of audits of individual Parliamentarian's expenses are being completed within agreed timeframes.</li> </ul>

Table continues on next page

**Table 2.1.2: Performance criteria for Outcome 1 (continued)**

<b>Performance information: Program 1.1 - Independent Parliamentary Expenses Authority – Travel Oversight and Reporting</b>		
<b>Year</b>	<b>Performance Criteria</b>	<b>Targets</b>
2018-19 and beyond	<ul style="list-style-type: none"> <li>Services to Ministers, Office-holders, Senators, Members and their staff meet agreed service standards.</li> </ul>	<ul style="list-style-type: none"> <li>As per 2017-18</li> </ul>
<b>Purposes</b>	Provide independent monitoring, auditing and reporting of the work expenses paid to current and former parliamentarians and their staff. Deliver services relating to the administration of travel expenses, allowances, and related expenses including advice on, and processing of, these claims.	
<b>Material changes to Program 1.1 resulting from the following measures:</b>		
Measure title – Independent Parliamentary Expenses Authority – establishment.		

## Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2017-18 budget year, including the impact of budget measures and resourcing on financial statements.

### **3.1 BUDGETED FINANCIAL STATEMENTS**

#### **3.1.1 Differences between entity resourcing and financial statements**

No material differences exist between entity resourcing and the financial statements.

#### **3.1.2 Explanatory notes and analysis of budgeted financial statements**

The departmental and administered financial statements of IPEA reflect the transfer of resourcing under section 75 of the PGPA Act as a result of an Administrative Arrangement Order that came into effect from 3 April 2017. From the 3 April until 30 June 2017 IPEA will be the interim authority and will operate as an Executive Agency. The IPEA will be established a separate statutory authority from 1 July 2017.

#### **Budgeted Statement of Comprehensive Income – Departmental**

IPEA is forecasting a break even result 2016-17 and across the forward estimates.

#### **Balance Sheet – Departmental**

IPEA's balance sheet reflects its status as a new entity that is in its establishment stage. The value of assets and liabilities reported reflect the transfer of employees to IPEA as a result of the Machinery of Government change. At the time of its establishment, IPEA held no non-financial assets.

#### **Schedule of budgeted income and expenses – Administered**

IPEA is budgeting to spend \$18.7m in administered expenses in 2016-17 increasing to \$65.8m in 2017-18 on work and travel expenses for current and former parliamentarians and others. The movement between financial years reflects the full year impact of these expenses in 2017-18.

#### **Budgeted Statement of Comprehensive Income – Administered**

On its establishment as a new entity, the administered assets and liabilities administered on behalf of the government are budgeted to be \$0.1m and \$4.6m respectively in 2016-17 and \$0.1m and \$7.6m respectively in 2017-18. These amounts reflect the balances agreed as part of the Machinery of Government change, noting that 2016-17 reflects a part year impact only.

### 3.2 BUDGETED FINANCIAL STATEMENTS TABLES

**Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>EXPENSES</b>					
Employee benefits	1,724	7,196	7,061	7,059	7,099
Suppliers	923	2,946	2,910	2,909	2,926
<b>Total expenses</b>	<b>2,646</b>	<b>10,142</b>	<b>9,971</b>	<b>9,968</b>	<b>10,025</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
<b>Gains</b>					
Other	420	-	-	-	-
<b>Total gains</b>	<b>420</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total own-source income</b>	<b>420</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (cost of)/contribution by services</b>	<b>(2,227)</b>	<b>(10,142)</b>	<b>(9,971)</b>	<b>(9,968)</b>	<b>(10,025)</b>
Revenue from Government	2,227	10,142	9,971	9,968	10,025
<b>Total comprehensive income/(loss) attributable to the Australian Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**Table 3.2: Budgeted departmental balance sheet (as at 30 June)**

	2016-17	2017-18	2018-19	2019-20	2020-21
	Estimated	Budget	Forw ard	Forw ard	Forw ard
	actual		estimate	estimate	estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Trade and other receivables	1,123	1,123	1,123	1,123	1,123
<b>Total financial assets</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>
<b>Total assets</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employee provisions	1,123	1,123	1,123	1,123	1,123
<b>Total provisions</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>
<b>Total liabilities</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>	<b>1,123</b>
<b>Net assets</b>	-	-	-	-	-
<b>EQUITY*</b>					
Retained surplus (accumulated deficit)	-	-	-	-	-
<b>Total equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

\*'Equity' is the residual interest in assets after deduction of liabilities.

**Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2017-18)**

The IPEA does not have any changes in equity.

**Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	2,227	10,142	9,971	9,968	10,025
Other	1,123	1,123	-	-	-
<b>Total cash received</b>	<b>3,350</b>	<b>11,265</b>	<b>9,971</b>	<b>9,968</b>	<b>10,025</b>
<b>Cash used</b>					
Employees	1,724	7,196	7,061	7,059	7,099
Suppliers	503	2,946	2,910	2,909	2,926
s74 Retained revenue receipts transferred to OPA	1,123	1,123	-	-	-
<b>Total cash used</b>	<b>3,350</b>	<b>11,265</b>	<b>9,971</b>	<b>9,968</b>	<b>10,025</b>
<b>Net cash from/(used by) operating activities</b>	-	-	-	-	-
<b>Net increase/(decrease) in cash held</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>	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

**Table 3.5: Departmental capital budget statement (for the period ended 30 June)**

Table 3.5 is not included as at the time of implementing the Machinery of Government change IPEA did not have any budgeted capital expenditure.

**Table 3.6: Statement of asset movements (Budget year 2017-18)**

The IPEA has no budgeted non-financial assets.

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forw ard estimate \$'000	2019-20 Forw ard estimate \$'000	2020-21 Forw ard estimate \$'000
<b>EXPENSES</b>					
Suppliers	18,741	65,837	66,853	72,084	68,929
<b>Total expenses administered on behalf of Government</b>	<b>18,741</b>	<b>65,837</b>	<b>66,853</b>	<b>72,084</b>	<b>68,929</b>
<b>LESS:</b>					
<b>OWN-SOURCE INCOME</b>					
Own-source revenue	-	-	-	-	-
<b>Total own-source revenue administered on behalf of Government</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (cost of)/contribution by services</b>	<b>(18,741)</b>	<b>(65,837)</b>	<b>(66,853)</b>	<b>(72,084)</b>	<b>(68,929)</b>
<b>Total comprehensive income/(loss)</b>	<b>(18,741)</b>	<b>(65,837)</b>	<b>(66,853)</b>	<b>(72,084)</b>	<b>(68,929)</b>

Prepared on Australian Accounting Standards basis.



**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Trade and other receivables	108	108	108	108	108
<b>Total financial assets</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>
<b>Total assets administered on behalf of Government</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>108</b>
<b>LIABILITIES</b>					
<b>Payables</b>					
Suppliers	3,945	3,945	3,945	3,945	3,945
<b>Total payables</b>	<b>3,945</b>	<b>3,945</b>	<b>3,945</b>	<b>3,945</b>	<b>3,945</b>
<b>Provisions</b>					
Other provisions	619	3,619	3,619	3,619	3,619
<b>Total provisions</b>	<b>619</b>	<b>3,619</b>	<b>3,619</b>	<b>3,619</b>	<b>3,619</b>
<b>Total liabilities administered on behalf of Government</b>	<b>4,564</b>	<b>7,564</b>	<b>7,564</b>	<b>7,564</b>	<b>7,564</b>
<b>Net assets/(liabilities)</b>	<b>(4,456)</b>	<b>(7,456)</b>	<b>(7,456)</b>	<b>(7,456)</b>	<b>(7,456)</b>

Prepared on Australian Accounting Standards basis.

**Table 3.9: Schedule of budgeted administered cash Flows (for the period ended 30 June)**

	2016-17 Estimated actual \$'000	2017-18 Budget \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000	2020-21 Forward estimate \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash used</b>					
Suppliers	18,741	65,837	66,853	72,084	68,929
<b>Total cash used</b>	<b>18,741</b>	<b>65,837</b>	<b>66,853</b>	<b>72,084</b>	<b>68,929</b>
<b>Net cash from/(used by) operating activities</b>	<b>(18,741)</b>	<b>(65,837)</b>	<b>(66,853)</b>	<b>(72,084)</b>	<b>(68,929)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(18,741)</b>	<b>(65,837)</b>	<b>(66,853)</b>	<b>(72,084)</b>	<b>(68,929)</b>
Cash and cash equivalents at beginning of reporting period					
Cash from Official Public Account for:					
- Appropriations	18,741	65,837	66,853	72,084	68,929
<b>Total cash from Official Public Account</b>	<b>18,741</b>	<b>65,837</b>	<b>66,853</b>	<b>72,084</b>	<b>68,929</b>
<b>Cash and cash equivalents at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Prepared on Australian Accounting Standards basis.

**3.10: Administered capital budget statement (for the period ended 30 June)**

The IPEA has no budgeted capital administered on behalf of the Government.

**Table 3.11: Statement of administered asset movements (Budget year 2017-18)**

The IPEA has no budgeted non-financial assets administered on behalf of the Government.