



## Part 4

### Financial statements

# Contents

Independent auditor’s report _____	34
Statement by the Parliamentary Budget Officer and Chief Financial Officer _____	36
Statement of comprehensive income _____	37
Statement of financial position _____	38
Statement of changes in equity _____	39
Cash flow statement _____	40
Schedule of commitments _____	41
Notes to and forming part of the financial statements _____	42



## INDEPENDENT AUDITOR'S REPORT

### To the President of the Senate and the Speaker of the House of Representatives

I have audited the accompanying financial statements of the Parliamentary Budget Office for the year ended 30 June 2014, which comprise: a Statement by the Parliamentary Budget Officer and Chief Financial Officer; Statement of Comprehensive Income; Statement of Financial Position; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; and Notes to and forming part of the financial statements, including a Summary of Significant Accounting Policies.

#### *Parliamentary Budget Officer's Responsibility for the Financial Statements*

The Parliamentary Budget Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards, and for such internal control as is necessary to enable the preparation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parliamentary Budget Office's preparation of the financial statements that give a true and fair view 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 Parliamentary Budget Office's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Parliamentary Budget Officer, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

GPO Box 707 CANBERRA ACT 2601  
19 National Circuit BARTON ACT 2600  
Phone (02) 6203 7300 Fax (02) 6203 7777

***Independence***

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

***Opinion***

In my opinion, the financial statements of the Parliamentary Budget Office:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Parliamentary Budget Office's financial position as at 30 June 2014 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Carla Jago  
Executive Director

Delegate of the Auditor-General

Canberra  
26 September 2014

# PARLIAMENTARY BUDGET OFFICE

## STATEMENT BY THE PARLIAMENTARY BUDGET OFFICER AND CHIEF FINANCIAL OFFICER

### Certification of financial statements

In our opinion, the attached financial statements for the year ended 30 June 2014 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*, as amended.



Phil Bowen PSM FCPA  
Parliamentary Budget Officer

26 September 2014



Jenny Jacobs CPA  
Chief Financial Officer

26 September 2014

## Statement of Comprehensive Income

for the period ended 30 June 2014

	Notes	2014 \$	2013 \$
<b>NET COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits	3A	5,175,644	2,538,508
Supplier	3B	1,655,290	2,090,487
Depreciation and amortisation	3C	159,604	6,828
<b>Total expenses</b>		<b>6,990,538</b>	<b>4,635,823</b>
<b>Own-source income</b>			
<b>Gains</b>			
Other gains	4A	291,422	184,923
<b>Total gains</b>		<b>291,422</b>	<b>184,923</b>
<b>Total own-source income</b>		<b>291,422</b>	<b>184,923</b>
<b>NET COST OF SERVICES</b>			
		<b>6,699,116</b>	<b>4,450,900</b>
Revenue from Government	4B	8,274,000	6,191,000
<b>Surplus attributable to the Australian Government</b>		<b>1,574,884</b>	<b>1,740,100</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation reserves		50,305	-
<b>Total other comprehensive income</b>		<b>50,305</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE AUSTRALIAN GOVERNMENT</b>		<b>1,625,189</b>	<b>1,740,100</b>

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

## Statement of Financial Position

as at 30 June 2014

	Notes	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	6A	11,077	21,637
Other receivables	6B	1,949,129	3,088,068
<b>Total financial assets</b>		<b>1,960,206</b>	<b>3,109,705</b>
<b>Non-financial assets</b>			
Property, plant and equipment	7A,B	2,040,551	392,227
Intangibles	7C,D	1,135,977	651,431
Other non-financial assets	7E	15,340	51,228
<b>Total non-financial assets</b>		<b>3,191,868</b>	<b>1,094,886</b>
<b>Total assets</b>		<b>5,152,074</b>	<b>4,204,591</b>
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	8A	325,370	1,069,567
Other payables	8B	145,509	135,962
<b>Total payables</b>		<b>470,879</b>	<b>1,205,529</b>
<b>Provisions</b>			
Employee provisions	9	1,431,688	1,258,962
<b>Total provisions</b>		<b>1,431,688</b>	<b>1,258,962</b>
<b>Total liabilities</b>		<b>1,902,567</b>	<b>2,464,491</b>
<b>Net assets</b>		<b>3,249,507</b>	<b>1,740,100</b>
<b>EQUITY</b>			
Asset revaluation reserve		50,305	-
Retained earnings		3,199,202	1,740,100
<b>Total Equity</b>		<b>3,249,507</b>	<b>1,740,100</b>

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

**Statement of Changes in Equity**  
as at 30 June 2014

	Retained earnings		Asset revaluation reserve		Total equity	
	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$
<b>Opening balance as at 1 July 2013</b>	1,740,100	-	-	-	1,740,100	-
Adjustment for ICT transfer <sup>(a)</sup>	(115,782)	-	-	-	(115,782)	-
<b>Adjusted Opening Balance</b>	1,624,318	-	-	-	1,624,318	-
Surplus for the period	1,574,884	1,740,100	-	-	1,574,884	1,740,100
Other comprehensive income	-	-	50,305	-	50,305	-
<b>Total comprehensive income</b>	1,574,884	1,740,100	50,305	-	1,625,189	1,740,100
<b>Closing balance as at 30 June 2014</b>	3,199,202	1,740,100	50,305	-	3,249,507	1,740,100
<b>Closing balance attributable to the Australian Government</b>	3,199,202	1,740,100	50,305	-	3,249,507	1,740,100

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

(a) During 2014 the Presiding Officers endorsed the consolidation of Information and Communication Technology (ICT) across the parliamentary departments. In accordance with this decision the PBO transferred its ICT hardware assets at net book value to the Department of Parliamentary Services for no consideration, recognising a reduction in equity. Refer to Note 10 - Restructuring.



## Cash Flow Statement

for the period ended 30 June 2014

	Notes	2014 \$	2013 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		9,421,398	3,150,547
Net GST received		76,192	49,233
Other <sup>(a)</sup>		274,421	899,830
<b>Total cash received</b>		<b>9,772,011</b>	<b>4,099,610</b>
<b>Cash used</b>			
Employees		4,993,832	2,079,500
Suppliers		2,430,788	947,987
<b>Total cash used</b>		<b>7,424,620</b>	<b>3,027,487</b>
<b>Net cash from operating activities</b>	11	<b>2,347,391</b>	<b>1,072,123</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of property, plant and equipment		1,770,134	399,055
Purchase of intangibles		587,817	651,431
<b>Total cash used</b>		<b>2,357,951</b>	<b>1,050,486</b>
<b>Net cash used by investing activities</b>		<b>(2,357,951)</b>	<b>(1,050,486)</b>
<b>Net (decrease) / increase in cash held</b>		<b>(10,560)</b>	<b>21,637</b>
Cash at the beginning of the reporting period		21,637	-
<b>Cash at the end of the reporting period</b>	6A	<b>11,077</b>	<b>21,637</b>

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

- (a) Non-appropriation receipts are required to be returned to the Official Public Account. They increase the PBO's available appropriation under section 31 of the *Financial Management and Accountability Act 1997* and when subsequently drawn down for use by the PBO they are recorded as ordinary appropriations.

## Schedule of Commitments

as at 30 June 2014

	2014	2013
	\$	\$
<b>BY TYPE</b>		
<b>Commitments receivable</b>		
Net GST receivable on commitments	(6,978)	-
<b>Total commitments receivable</b>	<b>(6,978)</b>	<b>-</b>
<b>Other commitments</b>		
Other	83,645	-
<b>Total other commitments</b>	<b>83,645</b>	<b>-</b>
<b>NET COMMITMENTS</b>	<b>76,667</b>	<b>-</b>
<b>BY MATURITY</b>		
<b>Commitments receivable</b>		
<b>Other commitments receivable</b>		
One year or less	(6,978)	-
<b>Total other commitments receivable</b>	<b>(6,978)</b>	<b>-</b>
<b>Other commitments</b>		
One year or less	83,645	-
<b>Total other commitments</b>	<b>83,645</b>	<b>-</b>
<b>NET COMMITMENTS BY MATURITY</b>	<b>76,667</b>	<b>-</b>

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

## Notes to and forming part of the financial statements

for the period ended 30 June 2014

Note 1: Summary of significant accounting policies .....	43
Note 2: Events after the reporting period .....	48
Note 3: Expenses .....	49
Note 4: Own-source income .....	50
Note 5: Fair value measurements .....	50
Note 6: Financial assets .....	52
Note 7: Non-financial assets .....	52
Note 8: Payables .....	55
Note 9: Provisions .....	55
Note 10: Restructuring .....	56
Note 11: Cash flow reconciliation .....	56
Note 12: Contingent assets and liabilities .....	56
Note 13: Senior Executive remuneration .....	57
Note 14: Remuneration of auditors .....	59
Note 15: Financial instruments .....	59
Note 16: Financial assets reconciliaiton .....	61
Note 17: Appropriations .....	62
Note 18: Compensation and debt relief .....	64
Note 19: Section 83 of the Constitution – generic payments .....	64
Note 20: Reporting of outcomes .....	64

## Note 1: Summary of significant accounting policies

### 1.1. Objectives of the PBO

The purpose of the Parliamentary Budget Office (PBO) is to inform the parliament by providing independent non-partisan analysis of the budget cycle, fiscal policy and the financial implications of proposals. The PBO's single outcome reflects this purpose. The PBO is structured to meet its outcome.

The PBO's activities contributing towards this outcome are classified as departmental. Departmental activities involve the use of assets, liabilities, revenues and expenses controlled or incurred by the department in its own right.

### 1.2. Basis of preparation of the financial report

The financial statements are general purpose financial statements and are required by section 49 of the *Financial Management and Accountability Act 1997*.

The financial statements have been prepared in accordance with:

- a. Finance Minister's Orders (FMOs) for reporting periods ending on or after 1 July 2011, and
- b. Australian Accounting Standards and Interpretations 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 and values are rounded to the nearest dollar unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FMOs, assets and liabilities are recognised in the balance sheet when and only when it is probable that future economic benefits will flow to the PBO or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

### 1.3. Significant accounting judgments and estimates

In the process of applying the accounting policies listed in this note, the PBO has made the following judgements that have a significant impact on the amounts recorded in the financial statements.

The calculation of leave provisions involved actuarial assumptions based on the likely tenure of existing staff, patterns of leave claims and payouts, future salary movements and future discount rates (refer to Note 1.8 – *Employee benefits* for further information).

No other accounting assumptions and estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### **1.4. Changes in Australian Accounting Standards**

##### **Adoption of new Australian Accounting Standard requirements**

No accounting standard has been adopted earlier than the application date as stated in the standard.

The following new standards, revised standards, interpretations and amending standards issued prior to the sign-off date were applicable to the current reporting period and had a financial impact on the PBO:

##### **Standards**

AASB 13 Fair Value Measurement  
AASB 119 Employee Benefits

Other new standards, revised standards, interpretations and amending standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a financial impact, and are not expected to have a future financial impact on the operations of the PBO.

##### **Future Australian Accounting Standard requirements**

The following new standards, revised standards, interpretations and amending standards were issued by the Australian Accounting Standards Board prior to the sign-off date, are applicable to future reporting periods and are not expected to have a material financial impact on the PBO for future reporting periods:

##### **Standards**

AASB 9 Financial Instruments  
AASB 1031 Materiality  
AASB 1055 Budgetary Reporting

Other new standards, revised standards, interpretations and amending standards that were issued prior to the sign-off date and are applicable to future reporting periods are not expected to have a future financial impact on the PBO.

#### **1.5. Revenue**

##### **Revenue from Government**

Amounts appropriated for departmental appropriations for the year (adjusted for any formal additions and reductions) are recognised as Revenue from Government when the PBO 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.

## 1.6. Gains

### Resources received free of charge

Resources received free of charge are recognised as gains when and only when 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 and relate to services provided by the Australian National Audit Office (ANAO) and the Department of Parliamentary Services (DPS).

### Sale of assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

## 1.7. Transactions with the Government as owner

Net assets relinquished to another Government entity are adjusted at their book value directly against contributed equity. Where there exists no contributed equity balance, the adjustment is made directly against retained earnings.

## 1.8. Employee benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119 Employee Benefits) due within twelve months of the end of reporting period are measured at their nominal amounts. There were no termination benefits during 2013-14.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured at the present value of the defined benefit obligation at the end of the reporting period.

### Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the PBO is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the PBO'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 work of an actuary as at 30 June 2014. The estimate of the present value of the liability takes into account an estimate of attrition rates and pay increases through promotion and inflation.

## **Separation and redundancy**

No provision has been made for separation and redundancy benefit payments during the year.

## **Superannuation**

The Parliamentary Budget Office's staff are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS), the PSS accumulation plan (PSSap) or other funds held outside the Commonwealth.

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The PBO makes employer contributions to employees' superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The PBO 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 for the final fortnight of the year.

## **1.9. Fair value measurement**

The PBO deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period.

## **1.10. Cash**

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount. Any interest receivable is credited to revenue as it accrues. The PBO maintains bank accounts with the Reserve Bank of Australia for administration of the receipt and payment of monies.

## **1.11. Other financial instruments**

### **Loans and receivables**

Other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance date. These are classified as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is usually recognised by applying the effective interest rate. Collectability of debts is reviewed regularly throughout the year and at balance date. Provisions are made when collection of the debt is judged to be less rather than more likely. Credit terms are net 30 days.

## **Trade creditors**

Trade creditors and accruals are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced). Settlement is usually made net 30 days.

## **1.12. Impairment of financial assets**

Financial assets are assessed for impairment at the end of each reporting period. No indicators of impairment were identified as at 30 June 2014.

## **1.13. Contingent liabilities and contingent assets**

Contingent liabilities and contingent assets are not recognised in the balance sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

## **1.14. Property, plant and equipment**

### **Asset recognition threshold**

Purchases of property, plant and equipment (including fit-out of accommodation within Parliament House) are recognised initially at cost in the balance sheet, except for purchases costing less than \$2,000 which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total), and as at 30 June are reported at fair value.

### **Revaluations**

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

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

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

The PBO performed a valuation of property, plant and equipment assets on 30 June 2014. The valuation was performed by independent qualified valuers Preston Rowe Paterson NSW Pty Limited and was based on valuing the assets at fair value. Preston Rowe Paterson NSW Pty Limited confirmed that the net asset values materially reflected their fair value at 30 June 2014.



## Depreciation

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

Depreciation rates (useful lives) and residual values are determined at the initial recognition of the asset.

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

	2014	2013
Property, plant and equipment	10-40 years	3-30 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 3C.

## Impairment

All assets were assessed for impairment at 30 June 2014, with no indications of impairment.

### 1.15. Intangibles

The PBO's intangibles comprise internally developed software for internal use. These assets are reported at cost.

The asset has been assessed for indications of impairment as at 30 June 2014. No indicators of impairment were identified as at 30 June 2014.

The amortisation rate that applies to the intangible asset is based on the following useful life:

	2014	2013
Intangibles – Computer software	7 years	n/a

### 1.16. Taxation

The PBO is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST:

- a. except where the amount of GST incurred is not recovered from the Australian Taxation Office; and
- b. except for receivables and payables.

## Note 2: Events after the reporting period

There were no events following the reporting period that impact on the PBO's financial statements for the year ended 30 June 2014.

### Note 3: Expenses

	2014	2013
	\$	\$
<b>Note 3A: Employee benefits</b>		
Wages and salaries	4,046,534	1,888,955
Superannuation		
Defined benefit plans	373,629	224,372
Defined contribution plans	319,180	159,234
Leave and other entitlements	436,301	265,947
<b>Total employee benefits</b>	<b>5,175,644</b>	<b>2,538,508</b>
<b>Note 3B: Suppliers</b>		
<b>Goods and services</b>		
Professional services	284,806	107,276
Enhanced capability	364,618	575,031
Corporate services outsourced	422,792	438,286
Employee related	55,287	102,443
Temporary accommodation and DPS relocation	23,849	516,354
Accommodation expenses	248,970	154,923
Travel	51,617	25,152
Other	166,146	153,837
<b>Total goods and services</b>	<b>1,618,085</b>	<b>2,073,302</b>
<b>Goods and services are made up of:</b>		
Provision of goods from		
Related parties	39	85,518
External parties	60,180	18,533
Rendering of services from		
Related parties	795,924	1,727,498
External parties	720,027	241,753
<b>Total goods and services</b>	<b>1,576,170</b>	<b>2,073,302</b>
<b>Other supplier expenses</b>		
Workers compensation expenses	37,205	17,185
<b>Total other supplier expenses</b>	<b>37,205</b>	<b>17,185</b>
<b>Total supplier expenses</b>	<b>1,655,290</b>	<b>2,090,487</b>
<b>Note 3C: Depreciation and amortisation</b>		
<b>Depreciation</b>		
Property, plant and equipment	56,333	6,828
<b>Total depreciation</b>	<b>56,333</b>	<b>6,828</b>
<b>Amortisation</b>		
Intangibles	103,271	-
<b>Total amortisation</b>	<b>103,271</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>159,604</b>	<b>6,828</b>

## Note 4: Own-source income

	2014	2013
	\$	\$
<b>Note 4A: Other gains</b>		
Resources received free of charge	290,970	184,923
Other	452	-
<b>Total other gains</b>	<b>291,422</b>	<b>184,923</b>
<b>Note 4B: Revenue from Government Appropriations</b>		
Departmental appropriation	7,574,000	6,191,000
Departmental special appropriation	700,000	-
<b>Total revenue from Government</b>	<b>8,274,000</b>	<b>6,191,000</b>
<b>Total income</b>	<b>8,565,422</b>	<b>6,375,923</b>

## Note 5: Fair value measurements

The following tables provide an analysis of assets that are measured at fair value. The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly.

Level 3: Unobservable inputs for the asset.

The PBO's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1. During the period no asset transferred between the above levels.

### Note 5A: Fair value measurements at the end of the reporting period by hierarchy for assets in 2014

	Fair Value	Level 3 Inputs
	\$	\$
<b>Non-financial assets</b>		
Property, plant and equipment	2,040,551	2,040,551
<b>Total non-financial assets</b>	<b>2,040,551</b>	<b>2,040,551</b>
<b>Total fair value measurements of assets in the statement of financial position</b>	<b>2,040,551</b>	<b>2,040,551</b>

The highest and best use of all non-financial assets are the same as their current use.

**Note 5B: Valuation technique and inputs for Level 3 fair value measurements**

<b>Valuation technique - cost approach</b>	<b>Fair Value</b>
	<b>\$</b>
<b>Inputs - unobservable</b>	
Property, plant and equipment	<b>2,040,551</b>
<b>Total non-financial assets</b>	<b>2,040,551</b>

During the period, valuation services from Preston Rowe Patterson (PRP) NSW Pty Limited were procured and the valuation models used by PRP are reflected in the above disclosure. PRP has provided assurance that the model developed is in accordance with AASB13 Fair Value Measurement.

The significant unobservable inputs used in the fair value measurement of the assets are the estimated useful lives. Changes to the useful lives would result in a change to the reported fair value.

**Note 5C: Reconciliation for recurring Level 3 fair value measurements**

	<b>Fair Value</b>
	<b>\$</b>
<b>Property plant and equipment</b>	
Opening balance	<b>392,227</b>
Purchases	<b>1,770,134</b>
Sales - ICT consolidation	<b>(115,782)</b>
Revaluation increment	<b>50,305</b>
Depreciation charge	<b>(56,333)</b>
<b>Total property plant and equipment</b>	<b>2,040,551</b>
<b>Total non-financial assets at fair value</b>	<b>2,040,551</b>

## Note 6: Financial assets

	2014	2013
	\$	\$
<b>Note 6A: Cash and cash equivalents</b>		
Cash on hand or on deposit	11,077	21,637
<b>Total cash and cash equivalents</b>	<b>11,077</b>	<b>21,637</b>
<b>Note 6B: Other receivables</b>		
<b>Appropriations receivable</b>		
Departmental appropriation	1,893,055	3,040,453
<b>Net GST receivable from the ATO</b>	<b>2,988</b>	<b>11,529</b>
<b>Other receivables</b>		
Related entities	53,086	36,086
<b>Total other receivables</b>	<b>1,949,129</b>	<b>3,088,068</b>
<b>Receivables are aged as follows:</b>		
Not overdue	1,949,129	3,088,068
<b>Total receivables</b>	<b>1,949,129</b>	<b>3,088,068</b>

Other receivables have terms of 30 days (2013: 30 days).

## Note 7: Non-financial assets

	2014	2013
	\$	\$
<b>Note 7A: Property, plant and equipment</b>		
<b>Property, plant and equipment</b>		
Work in progress	-	399,055
Fair value	2,280,551	-
Accumulated depreciation	(240,000)	(6,828)
<b>Total property, plant and equipment</b>	<b>2,040,551</b>	<b>392,227</b>

No indicators of impairment were found for property, plant and equipment. No other property, plant and equipment are expected to be sold or disposed of within the next 12 months.

### Revaluations of non-financial assets

All revaluations were conducted in accordance with the revaluation policy stated at Note 1.14.

Revaluation increment for property plant and equipment was \$50,305.

All increments were transferred to the asset revaluation by asset class and included in the equity section of the statement of financial position.

## Note 7: Non-financial assets (continued)

### Note 7B: Reconciliation of the opening and closing balances of property, plant and equipment

#### Reconciliation of the opening and closing balances of property, plant and equipment for 2014

	Property, plant and equipment \$	Total \$
<b>As at 1 July 2013</b>		
Gross book value	399,055	399,055
Accumulated depreciation and impairment	(6,828)	(6,828)
<b>Total as at 1 July 2013</b>	<b>392,227</b>	<b>392,227</b>
<b>Additions</b>		
Purchase	1,770,134	1,770,134
Net revaluation increment	50,305	50,305
Restructuring*	(115,782)	(115,782)
<b>Depreciation</b>	<b>(56,333)</b>	<b>(56,333)</b>
<b>Total as at 30 June 2014</b>	<b>2,040,551</b>	<b>2,040,551</b>
<b>Total as at 30 June 2014 represented by:</b>		
Gross book value	2,280,551	2,280,551
Accumulated depreciation and impairment	(240,000)	(240,000)
<b>Total as at 30 June 2014</b>	<b>2,040,551</b>	<b>2,040,551</b>

\* During 2014 the Presiding Officers endorsed the consolidation of ICT across the parliamentary departments. In accordance with this decision the PBO transferred its ICT hardware assets at net book value to the Department of Parliamentary Services for no consideration, recognising a reduction in equity. Refer to Note 10 - Restructuring.

#### Reconciliation of the opening and closing balances of property, plant and equipment for 2013

	Property, plant and equipment \$	Total \$
<b>As at 1 July 2012</b>		
Gross book value	-	-
Accumulated depreciation and impairment	-	-
<b>Total as at 1 July 2012</b>	<b>-</b>	<b>-</b>
<b>Additions</b>		
Purchase	399,055	399,055
<b>Depreciation</b>	<b>(6,828)</b>	<b>(6,828)</b>
<b>Total as at 30 June 2013</b>	<b>392,227</b>	<b>392,227</b>
<b>Total as at 30 June 2013 represented by:</b>		
Gross book value	399,055	399,055
Accumulated depreciation and impairment	(6,828)	(6,828)
<b>Total as at 30 June 2013</b>	<b>392,227</b>	<b>392,227</b>

## Note 7: Non-Financial Assets (continued)

	2014	2013
	\$	\$
<b>Note 7C: Intangibles</b>		
<b>Computer software</b>		
Internally developed - in progress	-	651,431
Internally developed - in use	1,239,248	-
Accumulated amortisation	(103,271)	-
<b>Total computer software</b>	<b>1,135,977</b>	<b>651,431</b>
<b>Total intangibles</b>	<b>1,135,977</b>	<b>651,431</b>

No indicators of impairment were found for the intangibles. The intangibles are not expected to be sold or disposed of within the next 12 months.

## Note 7D: Reconciliation of the opening and closing balances of intangibles

### Reconciliation of the opening and closing balances of intangibles for 2014

	Computer software (internally developed)	Total
	\$	\$
<b>As at 1 July 2013</b>		
Gross book value	651,431	651,431
Accumulated amortisation and impairment	-	-
<b>Total as at 1 July 2013</b>	<b>651,431</b>	<b>651,431</b>
<b>Additions</b>		
Purchase	587,817	587,817
<b>Amortisation</b>	<b>(103,271)</b>	<b>(103,271)</b>
<b>Total as at 30 June 2014</b>	<b>1,135,977</b>	<b>1,135,977</b>
<b>Total as at 30 June 2014 represented by:</b>		
Gross book value	1,239,248	1,239,248
Accumulated amortisation and impairment	(103,271)	(103,271)
<b>Total as at 30 June 2014</b>	<b>1,135,977</b>	<b>1,135,977</b>

### Reconciliation of the opening and closing balances of intangibles for 2013

	Computer software (internally developed)	Total
	\$	\$
<b>As at 1 July 2012</b>		
Gross book value	-	-
Accumulated amortisation and impairment	-	-
<b>Total as at 1 July 2012</b>	<b>-</b>	<b>-</b>
<b>Additions</b>		
Purchase	651,431	651,431
<b>Amortisation</b>	<b>-</b>	<b>-</b>
<b>Total as at 30 June 2013</b>	<b>651,431</b>	<b>651,431</b>
<b>Total as at 30 June 2013 represented by:</b>		
Gross book value	651,431	651,431
Accumulated amortisation and impairment	-	-
<b>Total as at 30 June 2013</b>	<b>651,431</b>	<b>651,431</b>

## Note 7: Non-financial assets (continued)

	2014	2013
	\$	\$
<b>Note 7E: Other non-financial assets</b>		
Prepayments	15,340	51,228
<b>Total other non-financial assets</b>	<b>15,340</b>	<b>51,228</b>
<b>Other non-financial assets expected to be recovered in:</b>		
No more than 12 months	15,340	47,214
More than 12 months	-	4,014
<b>Total other non-financial assets</b>	<b>15,340</b>	<b>51,228</b>

No indicators of impairment were found for non-financial assets.

## Note 8: Payables

	2014	2013
	\$	\$
<b>Note 8A: Suppliers</b>		
Trade creditors and accruals		
Related entities	282,859	954,170
External entities	42,511	115,397
<b>Total suppliers</b>	<b>325,370</b>	<b>1,069,567</b>

All supplier payables are expected to be settled within 12 months

### Note 8B: Other payables

Wages and salaries	118,655	115,883
Superannuation	20,918	15,877
Other	5,936	4,202
<b>Total other payables</b>	<b>145,509</b>	<b>135,962</b>

All other payables are expected to be settled within 12 months

Settlement is usually made within 30 days.

## Note 9: Provisions

	2014	2013
	\$	\$
<b>Employee provisions</b>		
Leave	1,431,688	1,258,962
<b>Total employee provisions</b>	<b>1,431,688</b>	<b>1,258,962</b>
<b>Employee provisions are expected to be settled</b>		
No more than 12 months	377,683	461,300
More than 12 months	1,054,005	797,662
<b>Total employee provisions</b>	<b>1,431,688</b>	<b>1,258,962</b>



## Note 10: Restructuring

During 2014 the Presiding Officers endorsed the consolidation of ICT across the parliamentary departments. In accordance with this decision the PBO transferred its ICT hardware assets at net book value (\$115,782) to the Department of Parliamentary Services for no consideration, recognising a reduction in equity.

## Note 11: Cash flow reconciliation

	2014	2013
	\$	\$
<b>Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement</b>		
<b>Cash and cash equivalents as per</b>		
Cash flow statement	11,077	21,637
Statement of financial position	11,077	21,637
<b>Discrepancy</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of net cost of services to net cash from operating activities</b>		
Net cost of services	(6,699,116)	(4,450,900)
Revenue from Government	8,274,000	6,191,000
<b>Adjustments for non-cash items</b>		
Depreciation / amortisation	159,604	6,828
<b>Changes in assets/liabilities</b>		
(Increase) / decrease in other receivables	1,138,939	(3,088,068)
(Increase) / decrease in other non financial assets	35,888	(51,228)
Increase / (decrease) in supplier payables	(744,197)	1,069,567
Increase / (decrease) in other payables	9,547	135,962
Increase / (decrease) in employee provisions	172,726	1,258,962
<b>Net cash from operating activities</b>	<b>2,347,391</b>	<b>1,072,123</b>

## Note 12: Contingent assets and liabilities

As at 30 June 2014, the PBO did not have any contingent assets or contingent liabilities.

## Note 13: Senior Executive remuneration

### Note 13A: Senior Executive remuneration expenses for the reporting period

Total remuneration includes actual salary, all allowances, an employer superannuation component, leave accrued during the period and fringe benefits tax.

	2014	2013
	\$	\$
<b>Short-term employee benefits</b>		
Salary	1,133,344	731,302
Allowances	-	198
<b>Total short-term employee benefits</b>	<b>1,133,344</b>	<b>731,500</b>
<b>Post-employment benefits</b>		
Superannuation	160,184	92,860
<b>Total post-employment benefits</b>	<b>160,184</b>	<b>92,860</b>
<b>Other long-term benefits</b>		
Annual leave accrued	93,639	57,642
Long-service leave	30,530	30,944
<b>Total other long-term benefits</b>	<b>124,169</b>	<b>88,586</b>
<b>Total senior executive remuneration expenses</b>	<b>1,417,697</b>	<b>912,946</b>

1. Note 13A is prepared on an accrual basis.

2. Note 13A excludes acting arrangements and part-year service where total remuneration expensed as a senior executive was less than \$195,000.

**Note 13B: Average annual reportable remuneration paid to substantive senior executives during the reporting period**  
**Average annual reportable remuneration paid to substantive senior executives in 2014**

Average annual reportable remuneration	Substantive senior executives	Reportable salary <sup>2</sup>	Contributed superannuation <sup>3</sup>	Reportable allowances <sup>4</sup>	Bonus paid <sup>5</sup>	Total reportable remuneration
No.	No.	\$	\$	\$	\$	\$
	3	77,175	11,906	-	-	89,081
less than \$195,000	3	180,185	29,116	-	-	209,301
\$195,000 to \$224,999	2	225,735	37,687	-	-	263,422
\$255,000 to \$284,999	1	398,043	29,462	-	-	427,505
<b>Total</b>	<b>9</b>					

Total reportable remuneration (including part-time arrangements):

less than \$195,000	3	77,175	11,906	-	-	89,081
\$195,000 to \$224,999	3	180,185	29,116	-	-	209,301
\$255,000 to \$284,999	2	225,735	37,687	-	-	263,422
\$405,000 to \$434,999	1	398,043	29,462	-	-	427,505
<b>Total</b>	<b>9</b>					

**Average annual reportable remuneration paid to substantive senior executives in 2013**

Average annual reportable remuneration	Substantive senior executives	Reportable salary <sup>2</sup>	Contributed superannuation <sup>3</sup>	Reportable allowances <sup>4</sup>	Bonus paid <sup>5</sup>	Total reportable remuneration
No.	No.	\$	\$	\$	\$	\$
less than \$195,000	4	84,999	11,576	-	-	96,575
\$225,000 to \$254,999	2	201,300	32,533	99	-	233,932
\$375,000 to \$404,999	1	357,518	26,014	-	-	383,532
<b>Total</b>	<b>7</b>					

Total reportable remuneration (including part-time arrangements):

less than \$195,000	4	84,999	11,576	-	-	96,575
\$225,000 to \$254,999	2	201,300	32,533	99	-	233,932
\$375,000 to \$404,999	1	357,518	26,014	-	-	383,532
<b>Total</b>	<b>7</b>					

1. This table reports substantive senior executives who received remuneration during the reporting period. Each row is an averaged figure based on headcount for individuals in the band.

2. Reportable salary includes the following:

- gross payments (less any bonuses paid, which are separated out and disclosed in the 'bonus paid' column)
- reportable fringe benefits (at the net amount prior to 'grossing up' for tax purposes)
- reportable employer superannuation contributions and
- exempt foreign employment in come

3. The 'contributed superannuation' amount is the average cost to the entity for the provision of superannuation benefits to substantive senior executives in that reportable remuneration band during the reporting period.

4. 'Reportable allowances' are the average actual allowances paid as per the 'total allowances' line on individuals' payment summaries.  
 5. 'Bonus paid' represents average actual bonuses paid during the reporting period in that reportable remuneration band. The 'bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the entity during the financial year.

### Note 13C: Other Highly Paid Staff

During the reporting period, there were no employees whose salary plus performance bonus were \$195,000 or more, that are not reported in Note 13B - Average annual reportable remuneration paid to substantive executives during the reporting period.

### Note 14: Remuneration of auditors

	2014	2013
	\$	\$
Financial statement audit services were provided free of charge by the Australian National Audit Office (ANAO)		
Fair value of the services provided was:		
Financial statement audit services	42,000	30,000
<b>Total of fair value of services provided</b>	<b>42,000</b>	<b>30,000</b>

### Note 15: Financial instruments

#### Note 15A: Categories of financial instruments

	2014	2013
	\$	\$
<b>Financial assets</b>		
Loans and receivables		
Cash and cash equivalents	11,077	21,637
Other receivables	53,086	36,086
<b>Total financial assets</b>	<b>64,163</b>	<b>57,723</b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
Trade creditors	325,370	1,069,567
<b>Total financial liabilities</b>	<b>325,370</b>	<b>1,069,607</b>

#### Note 15B: Credit Risk Exposures

The PBO is exposed to minimal credit risk as its financial assets are cash and other receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount was equal to the amount of other receivables. The PBO has assessed the risk of default on payment as being minimal.

Other government agencies make up the PBO's debtors. To aid the PBO to manage its credit risk there are internal policies and procedures that guide employees on debt recovery techniques that are to be applied.

## Note 15: Financial instruments (continued)

### Credit quality of financial assets not past due or individually determined as impaired

	2014	2013
	\$	\$
Cash and cash equivalents	11,077	21,637
Other receivables	53,086	36,086
<b>Total</b>	<b>64,163</b>	<b>57,723</b>

### Note 15C: Liquidity risk

The PBO's financial liabilities are payables. The exposure to liquidity risk is based on the notion that the PBO could encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to the appropriation funding mechanisms available to the PBO and internal policies and procedures in place to ensure there are appropriate resources to meet its financial obligations. In addition, the PBO has no past experience of default.

### Maturity of non-derivative financial liabilities in 2014

	On demand 2014 \$	Within 1 year 2014 \$	1 to 2 years 2014 \$	2 to 5 years 2014 \$	More than 5 years 2014 \$	Total 2014 \$
<b>Liabilities at amortised cost</b>						
Trade creditors	-	325,370	-	-	-	325,370
<b>Total</b>	<b>-</b>	<b>325,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>325,370</b>

### Maturity of non-derivative financial liabilities in 2013

	On demand 2013 \$	Within 1 year 2013 \$	1 to 2 years 2013 \$	2 to 5 years 2013 \$	More than 5 years 2013 \$	Total 2013 \$
<b>Liabilities at amortised cost</b>						
Trade creditors	-	1,069,567	-	-	-	1,069,567
<b>Total</b>	<b>-</b>	<b>1,069,567</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,069,567</b>

The PBO had no derivative financial liabilities in either 2014 or 2013.

### Note 15D: Market Risk

The financial instruments held by the PBO did not result in an exposure to any market risk such as 'currency risk' and 'other price risk'.

## Note 16: Financial assets reconciliation

		2014	2013
	Notes	\$	\$
<b>Total financial assets per statement of financial position</b>		<b>1,960,206</b>	3,109,705
<b>less non-financial instrument components</b>			
Appropriation receivable		<b>1,893,055</b>	3,040,453
GST receivable		<b>2,988</b>	11,529
<b>Total non-financial instrument components</b>		<b>1,896,043</b>	3,051,982
<b>Total financial assets as per financial instruments note</b>	15A	<b>64,163</b>	57,723

**Note 17: Appropriations**

**Note 17A: Annual appropriations ('recoverable GST exclusive')**

**Annual appropriations ('recoverable GST exclusive') 2014**

	Appropriation Act				FMA Act			Appropriation applied in 2014	
	Annual appropriation	Appropriations reduced <sup>1</sup>	AFM	Section 30	Section 31	Section 32	Total appropriation	(current and prior years)	Variance <sup>2</sup>
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Departmental Ordinary annual services	7,702,000	-	-	-	274,654	-	7,976,654	(6,072,522)	1,904,132
<b>Total departmental</b>	<b>7,702,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>274,654</b>	<b>-</b>	<b>7,976,654</b>	<b>(6,072,522)</b>	<b>1,904,132</b>

1. Appropriations reduced under Appropriation (Parliamentary Departments) Acts (No. 1) 2013-14 sections 11 and 12. Departmental appropriations do not lapse at financial year-end. However, the Parliamentary Budget Officer may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.
2. The \$1.9m variance between the appropriation provided and applied is largely due to retained funding for future leave entitlements and capital purchases.

**Annual appropriations ('recoverable GST exclusive') 2013**

	Appropriation Act				FMA Act			Appropriation applied in 2013	
	Annual appropriation	Appropriations reduced <sup>1</sup>	AFM	Section 30	Section 31	Section 32	Total appropriation	(current and prior years)	Variance <sup>2</sup>
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Departmental Ordinary annual services	6,063,000	-	-	-	899,830	-	6,962,830	(4,028,740)	2,934,090
<b>Total departmental</b>	<b>6,063,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>899,830</b>	<b>-</b>	<b>6,962,830</b>	<b>(4,028,740)</b>	<b>2,934,090</b>

1. Appropriations reduced under Appropriation (Parliamentary Departments) Acts (No. 1) 2012-13 sections 11 and 12. Departmental appropriations do not lapse at financial year-end. However, the Parliamentary Budget Officer may decide that part or all of a departmental appropriation is not required and request the Finance Minister to reduce that appropriation. The reduction in the appropriation is effected by the Finance Minister's determination and is disallowable by Parliament.
2. The \$2.934m variance between the appropriation provided and applied is largely due to staffing and activity reflecting the establishment phase of the PBO.

### Note 17: Appropriations (continued)

Reconciliation of appropriation to revenues from Government		2014	2013
	Notes	\$	\$
<b>Annual appropriation</b>			
Ordinary annual services		7,702,000	6,063,000
Section 31 FMA receipts		274,654	899,830
<b>Total appropriation</b>	17A	<b>7,976,654</b>	<b>6,962,830</b>
less non-revenue recognition components			
Unspent section 31 receipts		(274,654)	(899,830)
Measure announced in 2013-14 Budget (appropriated in 2013-14 recognised in 2012-13)		(128,000)	128,000
<b>Total non-revenue recognition components</b>		<b>(402,654)</b>	<b>(771,830)</b>
Plus special appropriation receipts		700,000	-
<b>Total revenue from Government</b>	4B	<b>8,274,000</b>	<b>6,191,000</b>

### Note 17B: Unspent departmental annual appropriations ('recoverable GST exclusive')

	2014	2013
	\$	\$
Authority		
Appropriation (Parliamentary Departments) Act (No. 1)	1,904,132	-
Appropriation (Parliamentary Departments) Act (No. 1)	-	2,934,090
<b>Total</b>	<b>1,904,132</b>	<b>2,934,090</b>

### Note 17C: Special appropriations applied ('recoverable GST exclusive')

Authority	Type	Purpose	Appropriation applied	
			2014	2013
			\$	\$
<i>Parliamentary Service Act 1999</i>	Limited amount	To provide an appropriation for payments in relation to the Parliamentary Budget Officer or the Parliamentary Budget Office.	700,000	-
<b>Total special appropriations applied</b>			<b>700,000</b>	<b>-</b>



## Note 18: Compensation and debt relief

No 'Act of Grace' expenses were incurred during the reporting period (2013: Nil).

No waivers of amounts owing to the Australian Government were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997* (2013: Nil).

No ex-gratia payments were provided for during the reporting period (2013: Nil).

No payments were provided in special circumstances relating to employment pursuant to section 66 of the *Parliamentary Service Act 1999* during the reporting period (2013: Nil).

## Note 19: Section 83 of the Constitution - generic payments

During 2012-13 legal advice was received from the former Department of Finance and Deregulation that indicated that in some agencies there could be breaches of Section 83 of the Australian Constitution under certain circumstances with payments for long service leave, goods and services tax and payments under determinations of the Remuneration Tribunal.

During 2013-14 the PBO has reviewed its processes and controls over payments for these items and assesses the risk of a breach to be low.

The PBO is not aware of any specific breaches during 2013-14.

The Australian Government continues to have regard to developments in case law, including the High Court's most recent decision on Commonwealth expenditure in *Williams v Commonwealth* [2014] HCA 23, as they contribute to the larger body of law relevant to the development of Commonwealth programs. In accordance with its general practice, the Government will continue to monitor and assess risk and decide on any appropriate actions to respond to risks of expenditure not being consistent with constitutional or other legal requirements.

## Note 20: Reporting of outcomes

### Net Cost of Outcome Delivery

	Outcome 1	
	2014	2013
	\$	\$
<b>Departmental</b>		
Expenses	<b>6,990,538</b>	4,635,823
Own source income	<b>291,422</b>	184,923
<b>Net cost of outcome</b>	<b>6,699,116</b>	4,450,900