Appropriation (Parliamentary Departments) Bill (No. 1) 2012–2013

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Economics Section

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Appropriation (Parliamentary Departments) Bill (No. 1) 2012–2013

Date introduced: 8 May 2012

House: House of Representatives (Section 53 of the Constitution requires that Bills appropriating revenue or imposing taxation originate in the House)

Portfolio: Finance and Deregulation

Commencement: Royal Assent

Links: The links to the Bill, its Explanatory Memorandum and second reading speech can be found on the Bill's home page, or through http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation. When Bills have been passed and have received Royal Assent, they become Acts, which can be found at the ComLaw website at http://www.comlaw.gov.au/.

Purpose

To appropriate from the Consolidated Revenue Fund $174.5 million for expenditure in relation to the three parliamentary departments and the Parliamentary Budget Office.

Main issues

The two Chamber departments and the Department of Parliamentary Services will receive less appropriation in 2012–13 than they did in 2011–12. The Parliamentary Budget Office has commenced operations, and will be appropriated to directly for the first time in 2012–13.¹

Table 1 provides a summary of the appropriation.

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Table 1: Comparison of proposed 2012–2013 appropriations with actual available appropriations for 2011–2012

<table>
<thead>
<tr>
<th></th>
<th>2011–2012 $m</th>
<th>2012–13 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of the Senate</td>
<td>21.569</td>
<td>21.141</td>
</tr>
<tr>
<td>Department of the House of Representatives</td>
<td>23.253</td>
<td>22.691</td>
</tr>
<tr>
<td>Department of Parliamentary Services</td>
<td>136.053</td>
<td>124.635</td>
</tr>
<tr>
<td>Parliamentary Budget Office</td>
<td>-</td>
<td>6.083</td>
</tr>
<tr>
<td>Total: Parliamentary Departments</td>
<td>180.875</td>
<td>174.550</td>
</tr>
</tbody>
</table>

Source: information extracted from Schedule 1 of the Bill.

For a general discussion of Appropriation Bills, see—for example—Bills Digest No. 136, 2011–12 ‘Appropriation Bill (No. 6) 2011–2012’.  

Funding pressures

Although the chamber Departments and the Department of Parliamentary Services have previously received some financial supplementation to help service increased chamber and committee activity in the 43rd Parliament, operational budgets appear to remain constrained.

The Department of the House of Representatives’ Portfolio Budget Statements (PBS) states:

The Department’s activity levels reflect the parliamentary cycle, with significant variations in activity over the three years of a parliament. The financial year 2012-13 is at the end of the current parliamentary cycle and traditionally activity levels across all areas of operations of the Department start to decline as committees finalise their inquiries and other activity levels decrease. However, early indications suggest that the activity levels could remain high for much of the 2012-13 year. In addition to these pressures, the 43rd Parliament, with the first minority government in the House of Representatives for nearly 70 years, has increased the pressure on advice and service delivery. The additional sitting hours for the House and Federation Chamber, additional committee activity including the extension of the Joint Select Parliamentary Committee on Cybersafety, the increase in referral of bills to committees for advisory reports, and significant legislative drafting activity for Private Members, have placed considerable strain on the department’s resources. The Department has been successful in obtaining additional funding for the Joint Committee on Public Accounts and Audit to support its statutory role in the oversight of the new Parliamentary Budget Office. The “one-off” increase in the efficiency dividend of 2.5 per cent for the Budget and following years will mean that expenditure reductions will be necessary to enable the Department to deliver on these increased service levels and still remain within budget. Following the recommendations of the external review

http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fbillsdgs%2F1657174%22

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into committee office staffing levels, the Department sought additional funding for the increased work load of the Committees; however this bid was not successful.

The longer term outlook shows the Department’s budgetary position will become more difficult in the forward years. Consequently, the Department, as well as adopting a conservative approach to the use of resources through the final year of the 43rd Parliament, continually seeking to deliver its services as efficiently as possible, will likely need to make further expenditure reductions. Existing activities will be reviewed and consideration given to taking on any new services in light of the funding outlook. The Standing Committee on Appropriations and Administration has met six times during 2011-12 and the members of the committee have been briefed on all matters in relation to departmental funding arrangements.³

The Department of the Senate PBS states:

The total appropriation for the department in the 2012-13 Budget is $21.1m (compared with $21.6m appropriated in 2011-12). The significant decrease compared to the previous budget period, is a result of the application of an additional “one-off” efficiency dividend. The application of the one-off efficiency dividend, however, will impact the appropriation base permanently. The current 2012-13 budget also includes funding of ($0.5m) for the Joint Select Committee on Gambling Reform, which is due to cease at the end of 2012-13. Additional funding ($0.4m) has been provided for the newly formed Parliamentary Joint Committee on Human Rights.⁴

The Department of Parliamentary Services’ PBS refers to ‘... “operating budget” restraints.’⁵ The Parliamentary Budget Office does not address funding pressures in its PBSs.

New measures

Chamber departments

The 2012–13 Budget provides an additional:
• $1.7 million over four years to the Department of the Senate to support the newly established Parliamentary Joint Committee on Human Rights\textsuperscript{6} and
• $0.5 million over four years to the Department of the House of Representatives to support the Joint Committee of Public Accounts and Audit’s oversight of the Parliamentary Budget Office.\textsuperscript{7}

Department of Parliamentary Services

The 2012–13 Budget provides $2.6 million over four years in of non-operating appropriation to the Department of Parliamentary Services to undertake capital works to upgrade disability access in Parliament House.\textsuperscript{8}

Parliamentary Budget Office

Upon the commencement of the \textit{Parliamentary Service Amendment (Parliamentary Budget Officer) Act 2011}, the Parliamentary Budget Office (PBO) was established. In the 2011–12 Budget, the Government committed $6 million per annum to the operation of the PBO. This Bill continues that level of funding.

Key provisions

Many of the key provisions of Appropriation Acts are similar from year to year.

Part 1—Preliminary

Clauses (1), (2), (3) and (5) are formal or technical clauses, such as when the Bill commences and the definitions used.

Clause 4 provides that the PBS may be used to interpret provisions of the Bill (or the proposed Act) where necessary or allowed under section 15AB of the \textit{Acts Interpretation Act 1901}.

Part 2—Appropriated items

Clause 6 states that the total appropriation for the parliamentary departments is $174 550 000. The total appropriation includes amounts for departmental items (\textit{clause 7}), administered items (\textit{clause 8}), administered assets and liabilities items (\textit{clause 9}) and other departmental items (\textit{clause 10}).


\textsuperscript{7} Ibid.

\textsuperscript{8} Ibid., p. 306.

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Part 3—Adjusting appropriated items

Clause 11 provides that the responsible Presiding Officer may request the Finance Minister to make written determinations to reduce the appropriation for departmental items, administered assets and liabilities items and other departmental items in the budget of a parliamentary department by an amount specified in the relevant determination. The written determination would be a legislative instrument and may be subject to parliamentary disallowance under section 42 of the Legislative Instruments Act 2003, but would not be subject to the sunsetting provisions in Part 6 of that Act (subclause 11(7)). In short, this means that the Finance Minister’s determinations are disallowable by Parliament, but if they are not disallowed they will not expire.

Clause 12 allows for the reduction in the appropriation for administered items. Under this provision, if the relevant parliamentary departmental annual report specifies that the amount required for the item is less than that originally anticipated, the appropriation is taken to have been reduced to the lesser amount. Subclause 12(2) enables the Finance Minister to make written determinations relating to the proposed reduction. Again, the written determination would be a legislative instrument and may be subject to parliamentary disallowance under section 42 of the Legislative Instruments Act, but would not be subject to the sunsetting provisions in Part 6 of that Act (subclause 12(3)). Again, this means that the Finance Minister’s determinations are disallowable by Parliament, but if they are not disallowed they will not expire.

Clause 13 deals with advances of appropriation due to unforeseen and urgent circumstances, or because of an erroneous omission or understatement. These advances are made via determinations by the responsible Presiding Officer. The maximum advance under clause 13 is a total of $300,000 for each of the chamber departments, and a total of $1 million for DPS. These amounts are the same as those contained in the Appropriation (Parliamentary Departments) Act (No. 1) 2011–2012.

Determinations under clause 13 are legislative instruments, but would not be subject to disallowance nor sunsetting under section 42 and Part 6 respectively of the Legislative Instruments Act (subclause 13(6)).

Part 4—Miscellaneous

Clause 14 provides for crediting amounts to Special Accounts. A ‘special account’ is one established by either the Finance Minister, or an Act other than Financial Management and Accountability Act 1997 (the FMA Act).9

Clause 15 appropriates funds from the Consolidated Revenue Fund as necessary for the purposes of the proposed Act, including the operation of the proposed Act as affected by the FMA Act.

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9. See Financial Management and Accountability Act 1997, sections 5 (definitions), 20 (establishment of special accounts by Finance Minister) and 21 (special accounts established by other Acts).

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Schedule 1—Service for which money is appropriated

Schedule 1 to the Bill provides details of the appropriations for each parliamentary department—a summary of which is provided in Table 1 of this Digest.

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