Appropriation (Parliamentary Departments) Bill (No. 1) 2014-2015

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Date introduced: 13 May 2014
House: House of Representatives
Portfolio: Finance
Commencement: On 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 of the Bill
The purpose of the Appropriation (Parliamentary Departments) Bill (No. 1) 2014–2015 (the Bill) is to appropriate from the Consolidated Revenue Fund (CRF) $206.3 million for expenditure in relation to the Department of the House of Representatives and the Department of the Senate (the chamber departments), the Department of Parliamentary Services and the Parliamentary Budget Office (collectively the Parliamentary departments).

Background
An appropriation is the legal release of moneys from the CRF. There are certain unique constitutional requirements that a Bill proposing to appropriate moneys must satisfy. An appropriation Bill must also comply with certain presentational requirements. For a general discussion of appropriations and constitutional requirements, see—for example—Bills Digest No. 126 Appropriation Bill (No. 1) 2013–2014 [and] Appropriation Bill (No. 2) 2013–2014.¹

Main issues
The Parliamentary departments will receive more funding overall in 2014–15, than in 2013–14, as set out in Table 1.

Table 1: Comparison of proposed 2014–15 appropriations with actual available appropriations for 2013–14

<table>
<thead>
<tr>
<th>Agency</th>
<th>2013–14 $m</th>
<th>2014–15 $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of the Senate</td>
<td>21,567</td>
<td>20,627</td>
</tr>
<tr>
<td>Department of the House of Representatives</td>
<td>22,731</td>
<td>21,146</td>
</tr>
<tr>
<td>Department of Parliamentary Services</td>
<td>137,309</td>
<td>157,533</td>
</tr>
<tr>
<td>Parliamentary Budget Office</td>
<td>7,702</td>
<td>7,013</td>
</tr>
<tr>
<td>Total: Parliamentary Departments</td>
<td>189,309</td>
<td>206,319</td>
</tr>
</tbody>
</table>

Source: information extracted from Schedule 1 of the Bill.

Agency resourcing
The Department of the Senate Portfolio Budget Statement (PBS) states:

The departmental appropriation ($20.6m) for 2014-15 decreased from 2013-14 ($21.9m). This reduction in appropriation is due to two main factors. The first ($1.0m) relates to the transfer of the information and communication technology services function, formerly resourced internally, to the Department of Parliamentary Services (DPS). The second ($0.3m) relates to the impact of the increased efficiency dividend from 1.25 per cent to 2.5 per cent.²

The Department of the House of Representatives PBS states:

As at 1 July 2013, the Department of Parliamentary Services (DPS) has assumed responsibility for the provision of information and communication technology (ICT) services function, formerly resourced internally, to the Department of Parliamentary Services (DPS). This consolidation was as a result of recommendations stemming from a review of information and communication technology for the Parliament. As part of the consolidation process, four staff were transferred to DPS along with $0.920m of prior year funding.


$0.779m of baseline operating and $0.407m of baseline capital budget to enable DPS to provide ongoing ICT hardware, services and support to Members, Members’ staff and the Department.

At the request of DPS, from 16 January 2014 the Department discontinued the existing common service arrangement to provide payroll services to DPS. This service had been provided under the terms of a memorandum of understanding commencing 9 November 2010. As a result of the termination of services, four staff were transferred to DPS, one staff member ceased employment and related funding ceased. The Department continues to provide a common service arrangement for payroll services to the Parliamentary Budget Office. 5

The Department of Parliamentary Services PBS reflects that the increase in funding is largely the result of additional funding from the Government of $15.000 million and the transfer of funding totalling $1.559 million from the Department of the Senate, the Department of the House of Representatives and the Parliamentary Budget Office for the provision of ICT services. 4 Both these increases affect the budget year and extend across the forward estimates period. An estimated deficit of $6.980 million is attributable to the department in 2013–14, with no deficit estimated for 2014–15. The Government has also appropriated $1.670 million in funding in 2014–15 for an assessment and strategic review of Parliament House maintenance and asset replacement. 5 The additional funding provided in this Budget provides the Department with the certainty and level of support needed to continue services and to accelerate its change program. 6

The Parliamentary Budget Office PBS notes the effects on its funding cycle of augmenting its analytical capability and permanent workforce with specialist contractors and other short-term engagements in the lead-up to a general election. It also states:

Of note is the transfer of Information and Communication Technology (ICT) assets to the Department of Parliamentary Services (DPS) as a result of the Review of Information and Communication Technology for Parliament Report undertaken by Mr Michael Roche. The PBO reduced its annual appropriation across the forward estimates by $0.2m to provide funding to DPS. 7

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 Portfolio Budget Statements for the Parliamentary Departments are extrinsic materials that may be used to interpret provisions of the Bill (or the proposed Act). 8

Part 2—Appropriation items
Clause 6 states that the total appropriation for the Parliamentary departments $206,319,000. The total appropriation includes amounts for departmental items (clause 7), administered items (clause 8), administered assets and liabilities items (clause 9) and other departmental items (clause 10).

Appropriation Bills distinguish between ‘administered’ expenses and ‘departmental’ expenses. An administered appropriation may only be used for the program or outcome that it is appropriated for, while a departmental appropriation may be moved between different departmental activities. 9 Expenditure typically covered by departmental items includes employee expenses, suppliers and other operational expenses. Departmental items

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include amounts specifically to meet costs associated with the acquisition and capitalised maintenance of existing departmental assets valued at $10 million or less.¹⁰

**Part 3—Advance to the responsible presiding officer**

**Clause 11** deals with advances of appropriation due to unforeseen and urgent circumstances, or because of an erroneous omission or understatement. These advances are made by determinations of the responsible Presiding Officer.¹¹ The maximum advance under **clause 11** is a total of $300,000 for each of the chamber Departments and the Parliamentary Budget Office, and a total of $1 million for the Department of Parliamentary Services. These amounts are the same as those contained in the **Appropriation (Parliamentary Departments) Act (No. 1) 2013–2014**.

Determinations under **clause 11** are legislative instruments, but would not be subject to disallowance nor sunsetting under section 42 and Part 6 respectively of the **Legislative Instruments Act 2003** (subclause 11(7)).

**Part 4—Miscellaneous**

**Clause 12** provides for crediting amounts to Special Accounts. A ‘special account’ is one established under the **Financial Management and Accountability Act 1997 (FMA Act)** by the Finance Minister, or established under another Act.¹²

The **FMA Act** provides the framework for the proper management of public money and public property by the Executive arm of the Commonwealth. Public money and public property is defined in the Act as money and property in the custody or control of the Commonwealth.¹³

**Clause 13** 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**.

**Clause 14** specifies that the Bill, once enacted, ceases to be in force on 1 July 2017. As a result reduction sections that applied previously are no longer required (for example, section 11 of **Appropriation (Parliamentary Departments) Act (No. 1) 2013–14**).

**Schedule 1—Services 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 the table in this Digest.

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¹¹. As defined in **clause 3** of the Bill, the responsible Presiding Officer: for the Department of the Senate is the President of the Senate; for the Department of the House of Representatives is the Speaker of the House; and for the Department of Parliamentary Services and the Parliamentary Budget Office is both the President and the Speaker together.

¹². See **Financial Management and Accountability Act 1997**, sections 5 (definitions), 20 (establishment of special accounts by Finance Minister) and 21 (establishment of special accounts by other Acts), accessed 26 May 2014.

¹³. Department of Finance, ‘**FMA Act’**, Department of Finance website, accessed 26 May 2014. Note that the FMA Act will be replaced by the framework established under the **Public Governance, Performance and Accountability Act 2013**, from 1 July 2014.