

The Senate

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Appropriations and Staffing Committee

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Estimates for the Department of the Senate 2014-15

56th Report

June 2014

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## **Members of the Committee**

The President of the Senate, Senator the Hon. John Hogg (Chair)

The Leader of the Government in the Senate, Senator the Hon. Eric Abetz

The Leader of the Opposition in the Senate, Senator the Hon. Penny Wong

Senator the Hon. Jacinta Collins

Senator the Hon. Mitch Fifield

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## **The Committee**

The Standing Committee on Appropriations and Staffing, appointed under standing order 19, determines the amounts for inclusion in the parliamentary appropriation bills and reports to the Senate on its determinations prior to the Senate's consideration of those bills.

The Committee examines matters affecting the staffing and administration of the Department of the Senate, including proposals to vary the staffing structure, and other matters referred to it by the Senate. The Committee makes an annual report to the Senate on the operations of the Senate's appropriations and staffing and related matters (standing order 19(3)).

The Committee has the explicit capacity to scrutinise security funding and administration and to advise the President and the Senate as appropriate. Under a resolution of the Senate agreed to in 1987 the Committee also examines proposed changes in the structure and responsibilities of the parliamentary departments and, following the adoption by the Senate on 27 November 2012 of the recommendation in the Committee's 54<sup>th</sup> Report, the Committee may advise the President and the Senate on the administration and funding of information and communications technology services for the Parliament.

The Committee is chaired by the President and includes the Senate Leaders of the Government and the Opposition as *ex officio* members.

Secretary

(James Warmenhoven)

# 56<sup>th</sup> Report

## Introduction

Standing order 19 (2) and (3) requires that the Committee determine the amount to be included in the parliamentary appropriation bill for the Department of the Senate.

## Proposed Appropriations for 2014-15

The Committee notes that the Senate Department's 2014-15 appropriations have been calculated in accordance with current Commonwealth funding policy. Under this policy, the forward estimates reflect parameter adjustments and the significant effect of an increased efficiency dividend of 2.5%. They also reflect a reduction in appropriations following the transfer of the information and communication technology (ICT) services function to the Department of Parliamentary Services (DPS). As part of the consolidation process, 3.5 staff and agreed department owned ICT assets have been transferred to DPS along with \$1.1m of prior year funding and \$4.1m of budget and forward year funding to enable DPS to continue to provide ongoing ICT hardware, services and support to senators, senators' staff and the Department.

The proposed appropriation for 2014-15 has been calculated as follows:

### *Part 1 - Departmental Annual Appropriation*

The current year's budget for departmental expenses  
(as disclosed in the 2013-14 PBS)

**\$21.905m**

Effect of parameter adjustments/2.5% efficiency dividend	-0.238m
Reduction in appropriations following ICT transfer	-1.136m
Other adjustments/rounding	+0.096m

**Total departmental appropriation for 2014-15**

**\$20.627m**

### *Part 2 – Accumulated Prior Year Appropriations, Operating Results and Capital Expenditure*

**Balance of prior year appropriations (estimate as at 30 June 2014)      \$11.028m**

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***Part 3 - Special Appropriations (senators' remuneration and entitlements)***

Made up of the following components (for this and next year):

**2013-14:**

<i>Parliamentary Entitlements Act 1990</i>	\$ 0.736m
<i>Parliamentary Superannuation Act 2004</i>	\$ 1.670m
<i>Remuneration Tribunal Act 1973</i>	\$19.128m
<i>Commonwealth of Australia Constitution Act 1901</i>	\$ 1.111m
<b>Total Special Appropriations for 2013-14</b>	<b><u>\$22.645m</u></b>

**2014-15:**

<i>Parliamentary Entitlements Act 1990</i>	\$ 0.736m
<i>Parliamentary Superannuation Act 2004</i>	\$ 1.790m
<i>Remuneration Tribunal Act 1973</i>	\$19.187m
<i>Commonwealth of Australia Constitution Act 1901</i>	\$ 1.673m
<b>Total Special Appropriations for 2014-15</b>	<b><u>\$23.386m</u></b>

The total appropriation to be approved by the Parliament in the appropriation bill for 2014-15 will be \$20.627m (compared to \$21.905m in 2013-14).

Special appropriations of \$23.386m will also be drawn down during the year (compared to an estimate of \$22.645m in 2013-14).

***Conclusions***

The committee views with concern the cumulative effect, over time, of a succession of efficiency and additional efficiency dividends on relatively small organisations such as the Department of the Senate, which must allocate approximately 80 percent of its annual appropriation to staff costs. While the Senate remained within its budget during the 2013-14 financial year, and was not forced to seek additional appropriations, that year included an election period, which traditionally sees a reduction in departmental expenditure, particularly in relation to the servicing of committees and their inquiries. The 2014-15 financial year is likely to see a return to a more conventional level of expenditure.

The committee also views with concern the process by which proposed changes in efficiency dividends are notified to the Department. The Senate is not an Executive Department and it is appropriate that any proposed changes to its appropriation be

communicated directly to this committee rather than by communications between departmental officers.

The committee intends to continue to pursue a more appropriate means for determining budgets for the Parliament, and notes that, in correspondence dated 14 April 2014, the Minister for Finance states that he would be happy to meet with the Committee to discuss issues such as this.

*Determination*

The committee determines that the total appropriation to be approved by the Parliament in the appropriation bill for 2014-15 is \$20.627m and reports to the Senate accordingly.

Senator the Hon John Hogg  
Chair

June 2014