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No. 139 2003–04

Appropriation (Parliamentary Departments)  
Bill (No.1) 2004-2005

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I N F O R M A T I O N   A N D   R E S E A R C H   S E R V I C E S

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No. 139 2003–04

Appropriation (Parliamentary Departments) Bill (No.1)  
2004-2005

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21 May 2004

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# Appropriation (Parliamentary Departments) Bill (No.1) 2004-2005

**Date Introduced:** 11 May 2004

**House:** House of Representatives

**Portfolio:** Finance and Administration

**Commencement:** On Royal Assent

## Purpose

To appropriate \$178.663 million for the recurrent and capital expenditure of the three parliamentary departments for the 2004-2005 financial year.

## Background

Since 1982 the appropriations for the parliamentary departments have been effected by a separate Bill. This followed the Fraser Government's consideration of the Report of the Senate Select Committee on Parliamentary Appropriations and Staffing which was tabled on 18 August 1981. Under current arrangements, the executive Government maintains control over the contents of the Bill as introduced. In theory, however, as the Appropriation (Parliamentary Departments) Bill is not for the ordinary annual services of the Government, it may be amended by the Senate.

The *Parliamentary Service Act 1999* provides that the administration of the Parliament is undertaken by at least two parliamentary departments. Only the Departments of the Senate and the House of Representatives (the chamber Departments) are created by force of law. Other Departments may be established or abolished by resolutions passed by each House.<sup>1</sup> In August 2003 the Senate and the House of Representatives both resolved that there would be a Department of Parliamentary Services to support the work of the Parliament,<sup>2</sup> and that it would be established by amalgamating the Joint House Department with the Departments of the Parliamentary Reporting Service and the Parliamentary Library. The amalgamation was recommended by the 2002 [\*Review by the Parliamentary Service Commissioner of aspects of the administration of the Parliament\*](#), more popularly known as the Podger Report.<sup>3</sup>

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The new Department of Parliamentary Services commenced on 1 February 2004. The President of the Senate and the Speaker of the House of Representatives are joint Presiding Officers responsible for the Department.

One of major rationales for amalgamation of the three departments in the Podger report was cost savings.<sup>4</sup> The report suggested that these savings could:

imply significant resources could be redirected...to core parliamentary business, eg to improve the quality of services to Senators and Members.<sup>5</sup>

However, a significant part of these savings appear now to have been redirected to meet increased Parliamentary security costs. In the 2003-04 budget, the Government allocated total additional on-going funding of over \$6 million per year to the two chamber departments for increased security at Parliament House.<sup>6</sup> The increase in funding was to be recovered, from the 2004-05 year onwards, by a cut of the same amount in the funding for all the Parliamentary departments. Specifically, a cut of some \$3.6 million has been applied to the 2004-2005 Department of Parliamentary Services 'suppliers budget', with the chamber departments having cuts of \$1.2 million each.<sup>7</sup>

The Bill also provides \$11.7 million to the Department of Parliamentary Services for the cost of constructing a barrier system in 2004-2005 around the internal perimeter of Parliament Drive plus another one-off \$1.3 million allocated to security costs.<sup>8</sup>

## Main Provisions

**Clause 4** provides that Portfolio Budget Statements are to be considered as relevant extrinsic material which may assist in the interpretation of the Appropriation (Parliamentary Departments) legislation. Portfolio Budget Statements are statements prepared by portfolios (or by departments in the case of parliamentary departments) to explain the Budget appropriations in terms of outcomes. Their purpose is to assist in explaining the proposed appropriations in the Appropriation Bills.

**Clause 6** lists the total amount appropriated by the Bill – that is \$178.663 million.

**Clause 7** provides that for departmental items, the Finance Minister may issue from the Consolidated Revenue Fund amounts that do not exceed that listed in the Schedule to the Bill, and that such funds must be used for the departmental expenses of the relevant parliamentary department. Departmental expenses are incurred by parliamentary departments in providing the programs and services indicated in the Portfolio Budget Statements. **Subclause 7(3)** provides that where the amount is for remuneration or allowances payable under the *Remuneration Tribunal Act 1973* or the *Remuneration and Allowances Act 1990*, the Minister for Finance must issue that amount.

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For administered expenses, **clause 8** provides that the Finance Minister may issue the lesser of two amounts; either the amount specified in the item or the amount the Minister determines to be the administered expenses incurred by the parliamentary department during the current year. Administered expenses are funds administered by the parliamentary department on behalf of the Commonwealth for its purposes. An example is the Citizenship Visits Program funded jointly by the Department of the House of Representatives and the Department of the Senate and managed by the Department of the House of Representatives.

**Clause 11** provides that the responsible Presiding Officer may request the Finance Minister to make a written determination reducing the appropriation for an item in the budget of a parliamentary department by an amount specified in the determination. The amount of reduction is to be no greater than the amount requested, or, where payments have already been made from the Consolidated Revenue Fund, the difference between the amount appropriated to an item and the amount already paid (**proposed paragraph 11(4)(b)**.) Reductions can only be made at the request of the responsible Presiding Officer (**proposed subclauses 11(1)** and **11(3)**). **Proposed subclause 11(8)** provides that a determination made under this section may be disallowed by either House of Parliament in accordance with the provisions of section 46A of the *Acts Interpretation Act*.

Under section 31 of the *Financial Management and Accountability Act 1997*, departments have access to certain monies received in payment for services (**clause 12**). Services provided by parliamentary departments which may attract receipts include contributions from participants towards the cost of conferences and seminars conducted by departments, asset sales, monies for accrued leave entitlements of transferred employees, and interest earned on fixed term deposits with the Reserve Bank of Australia. It should be noted that resources received free of charge are not covered by section 31 receipts but are part of the price of outputs. Revenues from other sources are applied to the department's operating expenses.

Under **clause 13**, the responsible Presiding Officer/s will be able to increase the amount allocated to a departmental item to a maximum of \$200 000 for each of the three Departments.<sup>9</sup>

**Clause 14** is similar to **clause 13** but deals with increases in items due to unforeseen and urgent circumstances. The maximum increase under **clause 14** is a total of \$300 000 each for the Department of the Senate and House of Representatives, and a total of \$1 million for the Department of Parliamentary Services.

**Clause 17** will appropriate the funds for services specified in **Schedule 1** from the Consolidated Revenue Fund.

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## Endnotes

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- 1 *Parliamentary Service Act 1999*, section 54.
- 2 The House of Representatives agreed to the resolution on 14 August 2003 and the Senate on 18 August 2004.
- 3 Podger Report, recommendation 5, p. 8.
- 4 *ibid.*, see particularly pp. 40 and 45–46.
- 5 *ibid.*, p. 46.
- 6 Budget Measures 2003-04, *Budget Paper No. 2*, p. 80.
- 7 *ibid.*, p. 209. In the 2005-2006 and 2006-2007 years, these cuts will increase slightly to be \$3.9 million and \$1.3 million respectively.
- 8 Department of Parliamentary Services, [\*Portfolio Budget Statement\*](#) 2004-2005, p. 20
- 9 Note that the amalgamation of the three former Departments into the current Department of Parliamentary Services *has not* reduced the amount available to the Department under clause 13 – the three departments have historically been limited to an additional \$200 000 shared between them.

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