



## **Appropriation (Parliamentary Departments) Bill (No. 2) 2004-2005**

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## **Appropriation (Parliamentary Departments) Bill (No. 2) 2004–2005**

**Date Introduced:** 10 February 2005

**House:** House of Representatives

**Portfolio:** Finance and Administration

**Commencement:** Royal Assent

### **Purpose**

To appropriate an additional \$349 000 for the operation of the parliamentary departments during 2004-2005.

### **Background**

Since 1982 the appropriations for the parliamentary departments have been effected by a separate Bill. This follows the Fraser Government's consideration of the Report of the Senate Select Committee on Parliamentary Appropriations and Staff 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 Appropriations (Parliamentary Departments) Bill is not for the ordinary annual services of the Government, it may be amended by the Senate.

The *Parliamentary Services 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 Staff and the Parliamentary Library. 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.

This Bill seeks additional funding for the two Chamber departments for this financial year. According to the Parliamentary Secretary to the Treasurer in his second reading speech on this Bill, the largest component of these funds relates to increased expenditure on the Citizenship Visits Program (CVP). The CVP is funded jointly by the Department of the House of Representatives and the Department of the Senate and is managed by the Serjeant-at-Arms Office in the Department of the House of Representatives.

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## Citizenship Visits Program

The Citizenship Visits Program (CVP) provides a subsidy for secondary students and final year primary students who travel more than 1000 kilometres to visit Canberra on an organised school excursion. Funds are made available on a per student basis at rates varying according to distances travelled. The rates are \$40 for students travelling between 1000 and 2000 kilometres, \$110 for students travelling between 2000 and 3000 kilometres and \$230 for those students travelling more than 3000 kilometres. Tasmanian students receive \$110. This amount has regard to the additional expenses of the sea/air crossing.

The subsidy is only available to students who participate in the range of programs offered in Parliament House including a parliamentary education program lasting one hour and a guided tour that takes in a visit to both Chambers. Students whose principal purpose for visiting Canberra is to engage in sporting or other cultural activities are not eligible to receive funding under the program.

The CVP has been running since 1988 and the number of students visiting Parliament House each year under the program has been growing. In the last calendar year (2004) more than 108 500 students visited the Parliament on organised school visits. So far this financial year (2004-2005), 103 560 bookings have been made.<sup>3</sup>

## Main Provisions

**Clause 4** provides that Portfolio Budget Statements (PBS) and Portfolio Additional Estimates Statements (PAES) are to be considered as relevant extrinsic material which may assist in the interpretation of the Appropriation (Parliamentary Departments) legislation. PBS and PAES 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 this Bill – that is \$349 000.

The Bill distinguishes between the basic appropriations for departmental items and administered expenses. Departmental items are those over which an agency has control, for example, salaries and operating expenses such as depreciation. Administered expenses are funds administered by the parliamentary department on behalf of the Commonwealth for its purposes. The Citizenship Visits Program for which some additional funds are sought in this Bill, is an example of administered expenses.

**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

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departments in providing programs and services. **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.

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.

**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 99(3)**). **Proposed subclause 11(8)** provides that a determination made under this section may be disallowed by either House of Parliament in accordance with section 42 of the *Legislative Instruments Act 2003*.

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 that 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.

**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 Departments of the Senate and House of Representatives, and a total of \$1 million for the Department of Parliamentary Services.

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

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## Endnotes

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- 1 *Parliamentary Services Act 1999*, section 54.
- 2 The House of Representatives agreed to the resolution on 14 August 2003 and the Senate on 18 August 2003.
- 3 Information supplied by the Office of the Serjeant-at-Arms, 11/2/2005.

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