



Appropriation (Parliamentary Departments) Bill (No. 1) 2006–2007

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Law and Bills Digest Section

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Appropriation (Parliamentary Departments) Bill (No. 1) 2006–2007

Date introduced: 9 May 2006

House: House of Representatives

Portfolio: Finance and Administration

Commencement: Royal Assent

Purpose

To appropriate \$171.607 million for recurrent and capital expenditure of the three parliamentary departments for the 2006–07 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 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.¹ 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,² 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 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.³

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 the major reasons in the Podger Report for amalgamating the three departments was cost savings.⁴ The report suggested that these savings might:

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

Reviewing the financial performance of the Department of Parliamentary Services, the Portfolio Budget Statement 2006–07 states that:

Indications are that DPS will manage within the allocated budget for 2005–06, although employee and supplier expenses are higher and depreciation expense is lower than was anticipated in the original budget. DPS's capacity to manage within the allocated budget for 2006–07 and forward years will depend on the savings generated from the continuous improvement reviews and the capacity of other areas within DPS to continue to supplement the Security budget. The funds available for Security are currently around \$3.057m less than the anticipated full-year spending for 2005–06.⁶

The Budget Statement also records that there has been a slowdown in building work projects, so it is estimated that '\$3m of the 2005–06 appropriation will remain unspent at 30 June 2006.' The Finance Minister recently approved an application to move \$3m from 2005–06 into 2006–07 to ensure this amount would not lapse.⁷

The Citizenship Visits Program which was jointly funded by the Department of the House of Representatives and the Department of the Senate and managed by the House of Representatives, is to be transferred to the Department of Education, Science and Training from the start of the 2006–07 budget year.⁸

Main provisions

Proposed section 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 the 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.

Proposed section 6 lists the total amount appropriated by the Bill – that is \$171.607 million. This is approximately \$7 million more than the actual available appropriation for 2005–06. The appropriations for the chamber departments have decreased slightly, with the Department of Parliamentary Services receiving an increase of slightly less than \$8 million in 2006–07.

Proposed section 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

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departments in providing the programs and services indicated in the Portfolio Budget Statements. **Subsection 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, **proposed section 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. They include grants, subsidies and benefits. In many cases, administered expenses fund the delivery of goods and services by third parties.⁹

Proposed section 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 subsections 11(1) and 11(3)**). **Proposed subsection 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 42 of the *Legislative Instruments Act 2003*. However, the sunset provisions contained in Part 6 of the *Legislative Instruments Act* do not apply to such a determination.

Under section 31 of the *Financial Management and Accountability Act 1997*, departments have access to certain monies received in payment for services (**proposed section 12**). Services provided by parliamentary departments that may attract receipts include contributions from participants towards the cost of conferences and seminars conducted by the departments, asset sales, monies for accrued leave entitlements of transferred employees, and interest earned on fixed term deposits with the Reserve Bank of Australia.

Under **proposed section 13**, the responsible Presiding Officer/s will be able to increase the amount allocated to a departmental item by a maximum of \$200 000 for each of the three Departments.

Proposed section 14 is similar to **proposed section 13** but deals with increases in items due to unforeseen and urgent circumstances. The maximum increase under **proposed section 14** is a total of \$300 000 each for the chamber departments, and a total of \$1 million for the Department of Parliamentary Services.

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

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Endnotes

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 2003.
3. Podger, Andrew, *Review by the Parliamentary Service Commissioner of aspects of the administration of the Parliament: final report*, Canberra, 2002, recommendation 5, p. 8. http://www.aph.gov.au/publications/final_report.pdf
4. *ibid.*, see particularly pp. 40 and 45–6.
5. *ibid.*, p. 46.
6. Department of Parliamentary Services, ‘Portfolio Budget Statement 2006–07’, *Budget related paper no. 1.17C*, p. [35].
7. *ibid.*, p. 36.
8. Department of the Senate, ‘Portfolio Budget Statements 2006–07’, *Budget related paper no. 1.17B*, p. 4.
9. *ibid.*, p. 43.

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