



## Appropriation (Parliamentary Departments) Bill (No. 1) 2010–2011

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## Appropriation (Parliamentary Departments) Bill (No. 1) 2010–2011

**Date introduced:** 11 May 2010

**House:** House of Representatives

**Portfolio:** Finance and Deregulation

**Commencement:** The day of Royal Assent

**Links:** The [links](#) to the Bill, its Explanatory Memorandum and second reading speech can be found on the Bills page, which is at <http://www.aph.gov.au/bills/>. When Bills have been passed they can be found at ComLaw, which is at <http://www.comlaw.gov.au/>.

### Purpose

To appropriate \$222.098 million out of the Consolidated Revenue Fund for expenditure in relation to the Parliamentary Departments.

### Background

The *Parliamentary Service Act 1999* provides that the administration of the Parliament is undertaken by at least two parliamentary departments. The Department 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> The third Parliamentary Department, the Department of Parliamentary Services, commenced operations in February 2004, following the amalgamation of the (then) Joint House Department with the Department of the Parliamentary Reporting Staff and the Parliamentary Library.

### Financial implications

The Bill appropriates \$222.098 million for the 2010–11 financial year. This compares to \$145.506 million for 2009–10.<sup>2</sup>

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1. *Parliamentary Services Act 1999*, subsection 54(2).
  2. The actual amount appropriated by the *Appropriation (Parliamentary Departments) Act (No. 1) 2009–10* was \$172.738 million. However, the \$145.506 million figure is the ‘actual available appropriation’ for 2009–10 quoted in Schedule 1 of the Bill, and thus a more accurate figure for comparison.

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## Key issues

Table 1: comparison of proposed 2010-2011 appropriations with actual available appropriations for 2009-2010, (\$million)

	<b>2010-11</b>	<b>2009-10</b>
<b>Department of the Senate</b>	20.540	20.513
<b>Department of the House of Representatives</b>	22.387	22.219
<b>Department of Parliamentary Services</b>	179.171	102.774
<b>Total of Parliamentary Departments</b>	222.098	145.506

Information extracted from Schedule 1 Appropriation (Parliamentary Departments) Bill (No.1) 2010-11.

While the overall comparative figures for 2010–11 and 2009–10 in Table 1 show an increase, this increase is due mainly to:

- the implementation of net cash appropriation arrangements for major asset acquisitions, that is, assets valued at more than \$10 million<sup>3</sup>
- additional funding (\$18.330 million) to upgrade physical security at Parliament House,<sup>4</sup> and
- additional funding (\$500 000) to enhance the capacity of the Parliamentary Library to assist non-Government parties in developing policies in the lead up to Federal

3. Net cash appropriation arrangements have been implemented as part of the Operation Sunlight reform agenda to increase budget transparency and accountability. For example, the Department of Parliamentary Services is reporting a loss for 2009–10 equivalent to the estimated unspent depreciation funding as at 30 June 2010. This amount was estimated at \$27.232 million and therefore the 2009–10 actual appropriation was reduced by this amount from \$118.165 million to \$90.933 million. Australian Government, *Portfolio budget statements 2010-11: budget related paper no. 1.19C: Department of Parliamentary Services*, Commonwealth of Australia, Canberra, 2009, pp. 15 and 35, viewed 19 May 2010, [http://www.aph.gov.au/DPS/publications/2010-11\\_DPS\\_PBS.pdf](http://www.aph.gov.au/DPS/publications/2010-11_DPS_PBS.pdf).

4. *Ibid.*, p. 12.

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elections.<sup>5</sup> This is an innovative development, stemming from the Operation Sunlight reforms. As part of Operation Sunlight, the Minister for Finance proposed more open and transparent budgetary reforms to better improve the information provided to the Parliament.<sup>6</sup> The Government has now proposed that the Parliamentary Library be provided further funding to enhance its capacity to assist non-government parties in developing policies in the lead up to Federal elections. To cover the next two federal elections, an extra \$500 000 has been allocated to the Department of Parliamentary Services for this work—firstly in 2010–2011, and again in 2013–14.

Otherwise, there were no significant changes to the operating budgets for the three Parliamentary Departments.<sup>7</sup>

## Main provisions

**Clause 4** provides that the Portfolio Budget Statements (PBS) may be used to interpret provisions of the Bill where necessary under section 15AB of the *Acts Interpretation Act 1901*.

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5. Ibid.

6. Hon L Tanner (Minister for Finance and Deregulation), ‘Government to improve the transparency and accountability of Public Service programs and funding’, *media release*, 13 May 2008, [http://www.financeminister.gov.au/media/2008/mr\\_162008.html](http://www.financeminister.gov.au/media/2008/mr_162008.html), accessed 20 May 2010.

7. The Department of Parliamentary Services Portfolio Budget Statements (PBS) states:

‘Increases in funding for normal DPS operations will be below CPI increases, and various cost reduction actions will be required.’ Ibid., p. 10.

The Department of the House of Representatives PBS states:

‘The Department’s operational budget has declined in real terms over time, as input costs have exceeded the revenue received from government.’ Australian Government, *Portfolio budget statements 2010-11: budget related paper no. 1.19A: Department of the House of Representatives*, Commonwealth of Australia, Canberra, 2010, p. 21, viewed 19 May 2010, [http://www.aph.gov.au/house/dept/pbs2010/DHR\\_PBS\\_2010-11.pdf](http://www.aph.gov.au/house/dept/pbs2010/DHR_PBS_2010-11.pdf).

The Department of the Senate PBS states:

‘There were no major changes, variations or initiatives in relation to the departmental appropriation for the 2010-11 financial year.’ Australian Government, *Portfolio budget statements 2010-11: budget related paper no. 1.19: Department of the Senate*, Commonwealth of Australia, Canberra, 2010, p. 12, viewed 19 May 2010, [http://www.aph.gov.au/Senate/dept/pbs2010-11/2010-2011\\_Senate\\_PBS.pdf](http://www.aph.gov.au/Senate/dept/pbs2010-11/2010-2011_Senate_PBS.pdf).

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**Clause 6** states that the total appropriation for the Parliamentary Departments is \$222.098 million. **Schedule 1** to the Bill details the appropriations for each Parliamentary Department, a summary of which is reproduced in Table 1 in this Digest. The total appropriation includes payments for departmental items (**clause 7**), administered items (**clause 8**), administered assets and liabilities items (**clause 9**) and other departmental items (**clause 10**).<sup>8</sup>

**Clause 11** provides that the responsible Presiding Officer may request the Finance Minister to make a written determination to reduce the appropriation for an item in the budget of a Parliamentary Department by an amount specified in the determination. **Subclause 11(7)** provides that any such determination by the Finance Minister may be disallowed by either House of Parliament in accordance with the provisions of section 42 of the *Legislative Instruments Act 2003*.

**Clause 12** allows for the reduction in the appropriation for administered items. Under this provision, if the relevant Parliamentary Departmental annual report specifies that the amount required for the item is less than that originally anticipated, the appropriation is taken to have been reduced to the lesser amount.

**Clause 13** deals with increases (‘advances’) to appropriations due to unforeseen and urgent circumstances. These advances are made via determinations by the responsible Presiding Officer. The maximum advance under clause 13 is a total of \$300 000 for each of the chamber departments, and a total of \$1 million for the Department of Parliamentary Services. These amounts are the same as those contained in the equivalent 2009–2010 Appropriation Act. Determinations under **clause 13** are legislative instruments, but not subject to disallowance (**subclause 13(6)**).

**Clause 14** lists certain determinations previously made under appropriation Acts, which shall not be rescinded, revoked, amended or varied on or after 1 July 2010.

**Clause 16** appropriates funds from the Consolidated Revenue Fund as necessary for the purposes of the Act, including the operation of the Act as affected by the *Financial Management and Accountability Act 1997* (FMA Act), in particular sections 30 to 32 of the FMA Act.

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8. The Explanatory Memorandum at paragraph 12 states that from 2010–11, departmental items include amounts specifically to meet costs associated with the replacement and capitalised maintenance of existing departmental assets valued at \$10 million or less. Also the Appropriation Bills no longer recognise a class of item known as “previous years’ outputs” within “other departmental items”, as the concept is now integrated within appropriations for departmental items.

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