



Budget 2016-17

**Portfolio Budget Statements 2016-17
Budget Related Paper No. 1.17A**

DEPARTMENT OF THE HOUSE OF
REPRESENTATIVES

Budget Initiatives and Explanations of
Appropriations Specified by Outcomes
and Programs by Entity

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PARLIAMENT HOUSE
CANBERRA 2600

Honourable Members

I hereby submit Portfolio Budget Statements in support of the 2016-17 Budget for the Department of the House of Representatives.

These statements have been developed, and are submitted to the Parliament, as a statement on the outcomes for the department.

I present these statements to provide accountability to the Parliament and, through it, the public.

Yours sincerely

A handwritten signature in purple ink, appearing to read 'Tony Smith'.

Hon. Tony Smith MP

Speaker

28 April 2016

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
nfp	not for publication
\$m	\$ million
\$b	\$ billion

Figures in tables and in the text may be rounded. Figures in text are generally rounded to one decimal place, whereas figures in tables are generally rounded to the nearest thousand. Discrepancies in tables between totals and sums of components are due to rounding.

Enquiries

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Links to this document can be located on the Australian Government Budget website at: www.budget.gov.au.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the *2016-17 Portfolio Budget Statements* (PB Statements) is to inform Members of Parliament of the proposed allocation of resources to the outcome of the Department of the House of Representatives. The Department receives resources from the annual appropriations acts, special appropriations (including standing appropriations and special accounts), and revenue from other sources.

A key role of the PB Statements is to facilitate the understanding of proposed annual appropriations in *Appropriation (Parliamentary Departments) Bill (No. 1) 2016-17*. In this sense the PB Statements are Budget related papers and are declared by the Appropriation Acts to be 'relevant documents' to the interpretation of the Acts according to section 15AB of the *Acts Interpretation Act 1901*.

The PB Statements provide information, explanation and justification to enable Parliament to understand the purpose of each outcome proposed in the Bills.

As required under section 12 of the *Charter of Budget Honesty Act 1998*, only entities within the general government sector are included as part of the Commonwealth general government sector fiscal estimates and produce PB Statements where they receive funding directly through the annual appropriation acts.

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DEPARTMENTAL OVERVIEW

THE DEPARTMENT OF THE HOUSE OF REPRESENTATIVES OVERVIEW

Departmental responsibilities

The Department is one of four parliamentary departments supporting the Australian Parliament.

The Department's purpose, as set out in its Corporate Plan, is:

To support the House of Representatives, and the wider Parliament, in the role of a representative and legislative body by providing advice and services of a high standard.

The Department provides facilities, support, advice and information to ensure that:

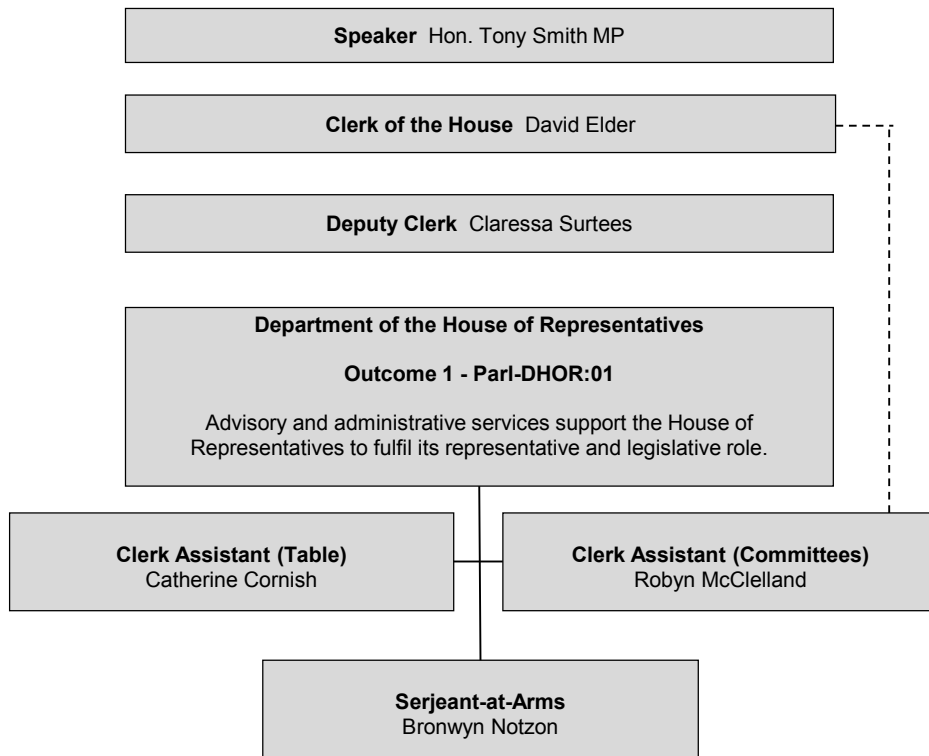
- the Chamber and Federation Chamber operate effectively;
- parliamentary committees operate effectively;
- Members receive appropriate services to fulfil their parliamentary duties;
- international and regional relationships with other parliaments, parliamentary bodies and organisations are maintained;
- the community understands, and interacts with, the work of the House of Representatives and the Australian Parliament; and
- the corporate offices fulfil their responsibilities for the management of people, finances, and office services.

The Speaker, Hon. Tony Smith MP, has accountability obligations to the House of Representatives for the Department. The Clerk of the House of Representatives, Mr David Elder, is responsible for leading the Department.

The Department works with the Department of the Senate, the Department of Parliamentary Services, the Office of the Governor-General and relevant government agencies to ensure the outcomes of parliamentary proceedings are processed and recorded accurately and on time.

Departmental overview

Figure 1: Departmental structure and outcome



Department of the House of Representatives

Departmental resources and planned performance

DEPARTMENT OF THE HOUSE OF REPRESENTATIVES

Section 1: Departmental overview and resources

1.1 STRATEGIC DIRECTION STATEMENT

The Department is committed to the delivery of high standards of service to the House of Representatives, committees and Members; to the wider Parliament; and to the public within a challenging economic environment. Our priorities are to build on our capacity to serve our clients, to develop our people, to sustain our capability and to work collaboratively within the Department, with other parliamentary departments, and with other key people and organisations. The Department must continue to innovate to harness technological developments so as to sustain the quality of the services we deliver, to facilitate continuous improvement and to enable us to provide our services with the most effective use of resources.

The Department's activity levels reflect the parliamentary cycle, with significant variations in activity over the three year life of a parliament. The financial year 2016-17 marks the commencement of the 45th Parliament.

The Department has received supplementary departmental funding totalling \$7.047m across five years, commencing in 2015-16. Funding for specific activities, including Parliamentary Publications and Systems, Committee Support, Capacity Building and Representational Activities, will sustain the Department in striving to meet its 'business as usual' priorities across the forward estimates. Supplementary funding for departmental operations in 2016-17 ensures that sufficient resources can be allocated to underpin the commencement of the 45th Parliament, and, respond as necessary to any review of the Standing Orders and reconstitution of House standing and certain joint committees. This increase in funding is very welcome, although there will still be pressure on resources. Current projections for the forward years 2017-18 to 2019-20 will see a return to a decline of appropriation in real terms. Based on expected levels of funding, the Department will need to implement expenditure restraint and consider reductions in services to remain within budget.

The estimates for the budget year and three forward years show a break even position. At this stage it is difficult to predict with certainty what the outcome for the forward estimates will be other than that the Department's budget will continue to be under pressure. The Department will continue to invest in new business systems where budget constraints permit, to enhance service delivery to Members and Senators and the public.

The Standing Committee on Appropriations and Administration has met once to date during 2015-16 and the members of the Committee have been briefed on all matters in relation to departmental funding arrangements. The Committee reports to the House

on the budget estimates for the Department. In its deliberations, the Committee noted in particular the adverse impact of successive efficiency dividends on the Department's overall budget. The Committee endorsed the seeking by the Department of additional funding to support resources for departmental work. As mentioned above, some funding, specifically to support departmental work, was granted for 2015-16, the Budget year and forward estimates.

1.2 DEPARTMENTAL RESOURCE STATEMENT

Table 1.1 shows the total funding from all sources available to the Department for its operations.

The table summarises how resources will be applied by outcome and by administered and departmental classification.

For more detailed information on special accounts, please refer to *Budget Paper No. 4 – Agency Resourcing*.

Information in this table is presented on a resourcing (i.e. appropriations/cash available) basis, whilst the 'Budgeted expenses by Outcome 1' tables in Section 2 and the financial statements in Section 3 are presented on an accrual basis.

Table 1.1: Departmental resource statement — Budget estimates for 2016-17 as at Budget May 2016

	<i>2015-16 Estimated actual \$'000</i>	2016-17 Estimate \$'000
Departmental		
Annual appropriations - ordinary annual services (a)		
Prior year appropriations available (b)	12,959	11,485
Departmental appropriation	21,168	24,108
s 74 retained revenue receipts (c)	965	811
Departmental capital budget (d)	642	642
Total departmental annual appropriations	35,734	37,046
Special accounts (e)		
Opening balance	2,550	2,567
Appropriation receipts (f)	60	51
Total special accounts	2,610	2,618
Total departmental resourcing	38,344	39,664
Administered		
Annual appropriations - ordinary annual services (a)		
Outcome 1	324	322
Total administered annual appropriations	324	322
Total administered resourcing	324	322
Total resourcing for the Department of the House of Representatives	38,668	39,986
	<i>2015-16</i>	2016-17
Average staffing level (number)	158	158

Prepared on a resourcing (i.e. appropriations available) basis.

Please note: All figures shown above are GST exclusive - these may not match figures in the cash flow statement.

(a) Appropriation Bill (Parliamentary Departments (No. 1)) 2016-17.

(b) Excludes \$0.080m subject to administrative quarantine by Finance or withheld under section 51 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

(c) Estimated retained revenue receipts under section 74 of the PGPA Act.

(d) Departmental capital budgets are not separately identified in Appropriation Bill (Parliamentary Departments (No.1)) and form part of ordinary annual services items. Please refer to Table 3.5 for further details. For accounting purposes, this amount has been designated as a 'contribution by owner'.

(e) Excludes 'Special Public Money' held in accounts like Other Trust Monies accounts (OTM), Services for Other Government and Non-agency Bodies accounts (SOG) or Services for Other Entities and Trust Monies accounts (SOETM). For further information on special appropriations and special accounts, please refer to Budget Paper No. 4 - Agency Resourcing. Please also see Table 2.1.1 for further information on outcome and program expenses broken down by various funding sources, e.g. annual appropriations, special appropriations and special accounts.

(f) Amounts credited to the special account(s) from annual and special appropriations.

DHOR Budget Statements

Third party payments from and on behalf of other entities

	<i>2015-16 Estimated actual \$'000</i>	<i>2016-17 Estimate \$'000</i>
Payments made on behalf of the Department of Finance (as disclosed in the respective entity's resource statement)	7,849	8,420
Payments made on behalf of the Australian Public Service Commission (as disclosed in the respective entity's resource statement)	39,485	40,275

1.3 BUDGET MEASURES

Budget measures in Part 1 relating to the Department of the House of Representatives are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Departmental 2016-17 Budget measures

Part 1: Measures announced since the 2015-16 Mid-Year Economic and Fiscal Outlook (MYEFO)

	Program	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000	2018-19 \$'000	2019-20 \$'000
Expense measures						
Parliamentary Departments - additional funding	1					
Departmental expenses		1,016	2,368	1,214	1,224	1,225
Total		1,016	2,368	1,214	1,224	1,225

Prepared on a Government Finance Statistics (fiscal) basis. Figures displayed as a negative (-) represent a decrease in funds and a positive (+) represent an increase in funds.

The full measure description and package details appear in Budget Paper No. 2 under the Parliament portfolio.

1.4 DEPARTMENTAL PROGRAM FRAMEWORK

The Department has two programs. Program 1 supports five activities and Program 2, the Administered program, supports one activity.

Figure 2: Program activity table

2016-17 Budget year

Outcome 1: Advisory and administrative services support the House of Representatives to fulfil its representative and legislative role.

Program 1 - Other Departmental

Activity 1.1: Chamber and Federation Chamber	Activity 1.4: Inter - Parliamentary Relations and Capacity Building
Departmental Activities: <i>Resources supporting the effective operation of the Chamber and Federation Chamber of the House of Representatives.</i> <i>Revenue from other sources (s 74)</i>	Departmental Activities: <i>Provision of advice and support to facilitate the conduct of the Parliament's international and regional affairs.</i> <i>Resources to facilitate building capacity in Parliaments primarily in the Pacific Region.</i> <i>Revenue from other sources (s 74)</i>
Activity 1.2: Community Relations and Awareness	Activity 1.5: Members' and Corporate Support
Departmental Activities: <i>Resources supporting the provision of services to increase community understanding of, and interaction with the work of the House of Representatives and the Australian Parliament.</i> <i>Revenue from other sources (s 74)</i>	Departmental Activities: <i>Provision of advice, services and support to Members in Parliament House.</i> <i>Payment of Members' salaries and allowances.</i> <i>Provision of advice, services and support to the Department.</i> <i>Provision of financial and human resource management and office services.</i> <i>Revenue from other sources (s 74)</i>
Activity 1.3: Committee Services	
Departmental Activities: <i>Resources supporting the House of Representatives and some joint committees in fulfilling their role in the parliamentary consideration of policy and legislation and the scrutiny of government.</i>	

Program 2 - Administered

Activity 2.1: Schools Hospitality
Departmental Activities: <i>Resources supporting the provision of hospitality to school groups visiting Parliament House.</i>

Section 2: Outcomes and planned performance

Parliamentary outcomes are the intended results, impacts or consequences of actions by the Parliament for the Australian community. Parliamentary agencies deliver programs which are designed to achieve the intended results of their outcome statements. The Department's programs contribute to its outcome over the Budget and forward years.

The Department's outcome is described below together with its related programs. The following provides detailed information on expenses for the outcome and each program, further broken down by funding source.

Note:

From 1 July 2015, performance reporting requirements in the Portfolio Budget Statements sit alongside those required under the enhanced commonwealth performance framework. It is anticipated that the performance criteria described in Portfolio Budget Statements will be read with broader information provided in an entity's corporate plans and annual performance statements - included in Annual Reports from October 2016 - to provide an entity's complete performance story.

2.1 BUDGETED EXPENSES AND PERFORMANCE FOR OUTCOME 1

Budgeted expenses for Outcome 1

This table shows how much the Department intends to spend (on an accrual basis) on achieving the outcome, broken down by program, as well as by Administered and Departmental funding sources.

Outcome 1: Advisory and administrative services support the House of Representatives to fulfil its representative and legislative role.

Table 2.1.1: Budgeted expenses for Outcome 1

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
Program 1: Other Departmental DHOR					
Departmental expenses					
Departmental appropriations	21,633	23,092	21,496	21,620	21,754
Section 74 Retained revenue receipts (a)	965	811	370	52	52
Special accounts					
Inter-Parliamentary Relations	51	51	51	51	51
Expenses not requiring appropriation in the Budget year (b)	2,993	3,005	3,035	3,035	3,035
Departmental total	25,642	26,959	24,952	24,758	24,892
Total expenses for program 1	25,642	26,959	24,952	24,758	24,892
Program 2: Schools Hospitality					
Administered expenses					
Ordinary annual services (Appropriation (Parliamentary Departments) Bill No. 1)	324	322	322	315	321
Administered total	324	322	322	315	321
Total expenses for program 2	324	322	322	315	321
Outcome 1 Totals by appropriation type					
Administered expenses					
Ordinary annual services (Appropriation (Parliamentary Departments) Bill No. 1)	324	322	322	315	321
Administered total	324	322	322	315	321
Departmental expenses					
Departmental appropriations	21,633	23,092	21,496	21,620	21,754
Section 74 Retained revenue receipts (a)	965	811	370	52	52
Special accounts	51	51	51	51	51
Expenses not requiring appropriation in the Budget year (b)	2,993	3,005	3,035	3,035	3,035
Departmental total	25,642	26,959	24,952	24,758	24,892
Total expenses for Outcome 1	25,966	27,281	25,274	25,073	25,213
	2015-16	2016-17			
Average staffing level (number)	158	158			

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the *PGPA Act 2013*.

(b) Expenses not requiring appropriation in the Budget year are made up of depreciation expenses, amortisation expenses, audit fees and resources received free of charge.

Table 2.1.2: Program components of Outcome 1

Program 1: Other Departmental DHOR					
	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
1.1 - Chamber and Federation Chamber					
Annual departmental expenses:					
Departmental item appropriation	3,163	3,374	3,141	3,160	3,179
s74 Retained revenue receipts (a)	10	10	10	10	10
Total component 1.1 expenses	3,173	3,384	3,151	3,170	3,189
1.2 - Community Relations and Awareness					
Annual departmental expenses:					
Departmental item appropriation	753	808	750	755	760
s74 Retained revenue receipts (a)	30	27	27	27	27
Total component 1.2 expenses	783	835	777	782	787
1.3 - Committee Services					
Annual departmental expenses:					
Departmental item appropriation	8,540	9,110	8,482	8,530	8,582
s74 Retained revenue receipts (a)	-	-	-	-	-
Total component 1.3 expenses	8,540	9,110	8,482	8,530	8,582
1.4 - Inter - Parliamentary Relations and Capacity Building					
Special account expenses:					
Inter-Parliamentary Relations	51	51	51	51	51
Annual departmental expenses:					
Departmental item appropriation	1,185	1,264	1,177	1,183	1,191
s74 Retained revenue receipts (a)	900	759	318	-	-
Total component 1.4 expenses	2,136	2,074	1,546	1,234	1,242
1.5 - Members' and Corporate Support					
Annual departmental expenses:					
Departmental item appropriation	7,992	8,536	7,946	7,992	8,042
s74 Retained revenue receipts (a)	25	15	15	15	15
Total component 1.5 expenses	8,017	8,551	7,961	8,007	8,057
Expenses not requiring appropriation in the Budget year	2,993	3,005	3,035	3,035	3,035
Total program 1 expenses	25,642	26,959	24,952	24,758	24,892
(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.					

Program 2: Administered

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
2.1 - Schools Hospitality					
Annual administered expenses:					
Ordinary annual services (Appropriation Parliamentary Departments) Bill No. 1)	324	322	322	315	321
Total program 2 expenses	324	322	322	315	321

(a) Estimated expenses incurred in relation to receipts retained under section 74 of the PGPA Act.

Table 2.1.3: Performance criteria for Outcome 1

Table 2.1.3 below details the performance criteria for each program associated with Outcome 1. It also summarises how each program is delivered and where 2016-17 Budget measures have created new programs or materially changed existing programs.

Outcome 1 – Advisory and administrative services support the House of Representatives to fulfil its representative and legislative role.	
<p>Program 1 – <i>The Department of the House of Representatives undertakes five distinct activities to achieve its outcome.</i></p> <ol style="list-style-type: none"> 1. Chamber and Federation Chamber – <i>Provide advice and services to enable the House and Federation Chamber to meet and address business as scheduled.</i> 2. Community Relations and Awareness – <i>Provide services to increase public knowledge and awareness of and intersection with, the work of the House of Representatives and the Australian Parliament through a wide range of media resources and other activities.</i> 3. Committee Support – <i>Provide procedural, research, analytical, drafting and administrative support to enable House of Representatives and certain joint committees to conduct and report on inquiries.</i> 4. Inter-parliamentary Relations and Capacity Building – <i>Provide advice and services to support the Parliament’s national, international and regional relationships. Assist and partner with developing parliaments, primarily within the Asia/Pacific region.</i> 5. Members and Corporate Support – <i>Provide high quality advice and services to Members and the department relating to accommodation, work, health and safety, salaries and allowances. Seek to obtain the resources needed to sustain the work of the House, Committees and wider department into the future.</i> 	
Delivery	<p><i>The department’s approach to achieving its purpose in the long-term focuses on four key result areas.</i></p> <ol style="list-style-type: none"> i. Service delivery and governance - adopting best practice in service delivery and corporate governance to enhance business effectiveness and efficiency ii. Stewardship and engagement - sustaining the institution of Parliament and strengthening the department’s relationships with members and the Parliamentary Service and engagement with the wider community iii. Leadership - strengthening the department’s leadership and developing the leaders of the future iv. People - embedding a culture of professionalism and enabling staff to work to their full potential

Table 2.1.3: Performance criteria for Outcome 1

Performance information		
Year	Performance criteria (a)	Targets ¹
2015-16	1. Chamber and Federation Chamber - Proposed legislation (Bills) and other Government business will continue to be processed within deadlines and in accordance with the Standing Orders and House of Representatives Practice. Continued maintainance of comprehensive and accurate statistical data in relation to Parliamentary proceedings.	Processing, data collection and publication achieved with very high degree of accuracy and timeliness.
	2. Community Relations and Awareness - access to the work of the House and Australian Parliament continues to be widely available to the public.	Engagement across programs and media has continued to grow. Informal feedback indicates that audiences find this information relevant and timely.
	3. Committee Support - Informal feedback indicates that Members are generally satisfied with the quality, accuracy and timeliness of the advice and services provided to support committees, and with the standard of committee reports.	Informal feedback indicates high degree of client satisfaction.
	4. Inter-parliamentary Relations and Capacity Building - arrangements for incoming and outgoing delegations have met the expectations of the Presiding Officers, delegates and diplomatic representatives. Parliaments within the Asia/Pacific region have been provided with capacity building activities and support that has met their identified needs for 2015-16.	Informal feedback indicates high degree of client satisfaction.
	5. Members and Corporate Support - policies and arrangements we have in place with the provision of accomodation and office support services were evaluated, and the risks to the health and safety of Members, their staff and departmental staff were appropriately managed. The financial and staff resources were also managed efficiently and effectively.	Informal feedback indicates high client satisfaction. Expenditure levels were constrained to budget allocations.

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

¹ Formal targets were not set for 2015-16. The Department relies on the results of the annual Members' survey to measure satisfaction with advice and service delivery. Due to recent changes to the scheduled sittings of the House, the survey will not be conducted for 2015-16.

Table 2.1.3: Performance criteria for Outcome 1

Performance information		
Year	Performance criteria (a)	Targets
2016-17	1. Chamber and Federation Chamber - Proposed legislation and other business is processed within deadlines and in accordance with the Standing Orders and convention. Maintain and publish comprehensive and accurate procedural and statistical data. Effective support is provided for the opening of the 45th Parliament and orientation arrangements for Members and staff.	Legislation and business: 100% completion; accurate and timely. Client satisfaction target: very satisfied
	2. Community Relations and Awareness - Provision of high-quality, relevant and timely educational and other resources which fosters greater understanding of the work of the House of Representatives and its committees and the broader Parliament. Access to these resources is widely available to the public, in a range of formats that are accessible and relevant.	Resources are easily accessible and provided in a range of formats. Public engagement continues to grow. Client satisfaction target for educational seminars: very satisfied
	3. Committee Support - advice and services provided to committees is thorough, accurate and timely to facilitate the work of committees and to enable the preparation of inquiry reports to a standard that meets Members' requirements. Effective support is provided to establish committees in the 45th Parliament.	90% of Members surveyed are satisfied with the standard of support provided, and with reports.
	4. Inter-parliamentary Relations and Capacity Building - arrangements for incoming and outgoing delegations meet the expectations of the Presiding Officers, delegates and diplomatic representatives. Parliaments within the Asia/Pacific region are provided with capacity building activities and support that meets their identified needs.	Client satisfaction target: very satisfied
	5. Members and Corporate Support - Provision of concierge services for Members, and corporate services for the Department, which meets the expectations of Members and their staff, and Departmental staff. Manage the financial resources efficiently in a challenging and dynamic financial framework, and manage human resources within a complex operating environment with diverse stakeholders. Effective and efficient corporate support is provided to Members at the commencement of the 45th Parliament in particular.	Client satisfaction target: very satisfied. Expenditure levels are constrained to budget allocations.
2017-18 and beyond	As per 2016-17 except for <i>the commencement of the 45th Parliament</i>	Targets as per 2016-17
Purpose	The purpose of the Department of the House of Representatives is to support the House of Representatives, and the wider Parliament, in the role of a representative and legislative body by providing advice and services of a high standard.	

(a) New or modified performance criteria that reflect new or materially changed programs are shown in *italics*.

Section 3: Budgeted financial statements

Section 3 presents budgeted financial statements which provide a comprehensive snapshot of entity finances for the 2016-17 budget year, including the impact of budget measures and resourcing on financial statements.

3.1 BUDGETED FINANCIAL STATEMENTS

3.1.1 Explanatory notes and analysis of budgeted financial statements

Departmental Comprehensive Income Statement (Net Cost of Services)

The 2015-16 financial year has seen the beginning of the final period of the current parliamentary cycle. Activity levels across all offices of the Department have continued to be high. This is evidenced by the increase in employee and supplier expenses. The Department has forecast that it will finish the 2015-16 financial year with an estimated **deficit after depreciation of \$0.868m**. Early predictions for the 2016-17 financial year indicate that the level of expenditure will be lower during the first quarter but trending upwards for the remainder of the year.

Departmental supplementary funding provided in the Budget has relieved the pressure for 2016-17. Funding through the Budget for expenditure related to committee support, representational activities and parliamentary publications and systems will meet the costs associated with the additional expenses for these activities. However, with current levels of funding for the years 2017-18 and beyond the Department will need to find efficiencies within our service delivery to the House, Members and committees in order to remain within budget.

The Department's own source income reflects funding agreements under the Pacific Partnerships Linkages Program (funding provided by the Department of Foreign Affairs and Trade). The funding for 2016-17 and 2017-18 relates to the Pacific Women's Parliamentary Partnerships program and is recorded as revenue when received to cover expenses as programs are delivered. The Department also receives modest revenue amounts from its Seminar Program and the sale of parliamentary publications.

Depreciation and amortisation expenses are not funded as part of operating revenue. The Department receives funding for capital purchases separately.¹

¹ Refer to Table 3.5 – Departmental Capital Budget Statement

Departmental Balance Sheet and Cash Flow Statement

The balance sheet reflects the continued acquisition of replacement furniture and fittings for staff within departmental offices and certain offices of parliamentary office holders. Phase 1 of the project concluded during 2015-16 and came in under budget. Phase 2 commenced in late 2015 and is scheduled to be completed in 2017-18. Phase 2 will cover the staff accommodation in the remaining Members' offices for Parliamentary Secretaries and backbenchers. The project is funded primarily through cash reserves and capital funding. The House Standing Committee on Appropriations and Administration was briefed on Phase 2 of this project.

Other substantive asset replacements will include an upgrade of the Print Room equipment scheduled to commence during the last quarter of 2015-16.

The Department has a number of small software development projects which are scheduled to be completed during 2015-16 and 2016-17. These projects include upgrades to the Department's intranet, introduction of electronic petitioning and minor enhancements to the Venue Management System and the Table Offices Production System.

These projects are funded from the Departmental Capital Budget.

Other non-financial assets will be replaced, redeveloped or maintained where necessary. Funding for these items will come from the Departmental Capital Budget and cash reserves where the capital budget is insufficient.

Liabilities consist mainly of provisions for employee entitlements. These amounts are forecast to stay in line with salary expense levels.

Administered Schedule of Budgeted Income and Expenses

The Department will continue to provide hospitality to school groups visiting Parliament House. The expenditure in relation to this program is not subject to variation in line with the parliamentary cycle. The numbers of school groups visiting Parliament House over the Budget year and forward estimates is forecast to remain at 2015-16 levels.

3.2 BUDGETED FINANCIAL STATEMENTS TABLES

Table 3.1: Comprehensive income statement (showing net cost of services) for the period ended 30 June

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Employee benefits	19,423	20,078	18,888	18,604	18,900
Suppliers	5,129	5,786	4,949	5,037	4,879
Depreciation and amortisation	868	880	910	910	910
Losses from asset sales	15	3	3	-	-
Other expenses	207	212	202	207	203
Total expenses	25,642	26,959	24,952	24,758	24,892
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	50	47	47	47	47
Royalties	15	5	5	5	5
Other	900	759	318	-	-
Total own-source revenue	965	811	370	52	52
Gains					
Other	2,125	2,125	2,125	2,125	2,125
Total gains	2,125	2,125	2,125	2,125	2,125
Total own-source income	3,090	2,936	2,495	2,177	2,177
Net (cost of)/contribution by services	(22,552)	(24,023)	(22,457)	(22,581)	(22,715)
Revenue from Government	21,684	23,143	21,547	21,671	21,805
Surplus/(deficit) attributable to the Australian Government	(868)	(880)	(910)	(910)	(910)
Total comprehensive income/(loss) attributable to the Australian Government	(868)	(880)	(910)	(910)	(910)
Note: Impact of net cash appropriation arrangements					
Total comprehensive income/(loss) excluding depreciation/amortisation expenses previously funded through revenue appropriations.	-	-	-	-	-
less depreciation/amortisation expenses previously funded through revenue appropriations (a)	868	880	910	910	910
Total comprehensive income/(loss) - as per the statement of comprehensive income	(868)	(880)	(910)	(910)	(910)

(a) From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of non-corporate Commonwealth entities (and select corporate Commonwealth entities) were replaced with a separate capital budget (the Departmental Capital Budget, or DCB) provided through Bill 1 equity appropriations. For information regarding DCBs, please refer to Table 3.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

Table 3.2: Budgeted departmental balance sheet (as at 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	350	350	350	350	350
Trade and other receivables	14,031	12,691	11,413	11,937	12,658
Total financial assets	14,381	13,041	11,763	12,287	13,008
Non-financial assets					
Property, plant and equipment	6,590	7,870	9,127	8,974	8,572
Heritage and cultural assets	419	419	419	419	419
Intangibles	2,444	2,214	1,889	1,629	1,169
Inventories	15	20	18	15	20
Other non-financial assets	200	200	200	200	200
Total non-financial assets	9,668	10,723	11,653	11,237	10,380
Total assets	24,049	23,764	23,416	23,524	23,388
LIABILITIES					
Payables					
Suppliers	200	200	200	200	200
Other payables	302	200	-	-	-
Total payables	502	400	200	200	200
Provisions					
Employee provisions	5,495	5,550	5,660	5,772	5,886
Total provisions	5,495	5,550	5,660	5,772	5,886
Total liabilities	5,997	5,950	5,860	5,972	6,086
Net assets	18,052	17,814	17,556	17,552	17,302
EQUITY*					
Parent entity interest					
Contributed equity	(11,035)	(10,393)	(9,741)	(9,085)	(8,425)
Reserves	13,767	13,767	13,767	14,017	14,017
Retained surplus (accumulated deficit)	15,320	14,440	13,530	12,620	11,710
Total parent entity interest	18,052	17,814	17,556	17,552	17,302
Total equity	18,052	17,814	17,556	17,552	17,302

*Equity is the residual interest in assets after the deduction of liabilities.
Prepared on Australian Accounting Standards basis.

Table 3.3: Departmental statement of changes in equity — summary of movement (Budget year 2016-17)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2016					
Balance carried forward from previous period	15,320	13,767	-	(11,035)	18,052
Adjusted opening balance	15,320	13,767	-	(11,035)	18,052
Comprehensive income					
Surplus/(deficit) for the period	(880)	-	-	-	(880)
Total comprehensive income	(880)	-	-	-	(880)
of which:					
Attributable to the Australian Government	(880)	-	-	-	(880)
Transactions with owners					
Contributions by owners					
Departmental capital budget (DCB)	-	-	-	642	642
Sub-total transactions with owners	-	-	-	642	642
Estimated closing balance as at 30 June 2017	14,440	13,767	-	(10,393)	17,814
Closing balance attributable to the Australian Government	14,440	13,767	-	(10,393)	17,814

Prepared on Australian Accounting Standards basis.

Table 3.4: Budgeted departmental statement of cash flows (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	23,158	24,483	22,825	21,147	21,084
Sale of goods and rendering of services	97	47	47	47	47
Net GST received	70	71	17	5	5
Other	601	662	123	5	5
Total cash received	23,926	25,263	23,012	21,204	21,141
Cash used					
Employees	20,140	20,023	18,778	18,492	18,786
Suppliers	3,126	3,666	2,822	2,909	2,759
Net GST paid	254	283	219	212	208
Other	6	3	3	-	-
Total cash used	23,526	23,975	21,822	21,613	21,753
Net cash from/(used by) operating activities	400	1,288	1,190	(409)	(612)
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment and intangibles	2,084	1,930	1,842	247	48
Total cash used	2,084	1,930	1,842	247	48
Net cash from/(used by) investing activities	(2,084)	(1,930)	(1,842)	(247)	(48)
FINANCING ACTIVITIES					
Cash received					
Capital Injections	642	642	652	656	660
Total cash received	642	642	652	656	660
Net cash from/(used by) financing activities	642	642	652	656	660
Net increase/(decrease) in cash held	(1,042)	-	-	-	-
Cash and cash equivalents at the beginning of the reporting period	1,392	350	350	350	350
Cash and cash equivalents at the end of the reporting period	350	350	350	350	350

Prepared on Australian Accounting Standards basis.

Table 3.5: Departmental capital budget statement (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	642	642	652	656	660
Total new capital appropriations	642	642	652	656	660
<i>Provided for:</i>					
<i>Purchase of non-financial assets</i>	642	642	652	656	660
Total items	642	642	652	656	660
Funded by capital appropriation - DCB (a)	642	642	652	247	-
Funded internally from departmental resources (b)	1,442	1,288	1,190	-	48
TOTAL	2,084	1,930	1,842	247	48
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,084	1,930	1,842	247	48
Total cash used to acquire assets	2,084	1,930	1,842	247	48

(a) Does not include annual finance lease costs. Include purchases from current and previous years' Departmental Capital Budgets (DCBs).

(b) Includes the following sources of funding:

- current Bill 1 and prior year Act 1/3/5 appropriations (excluding amounts from the DCB);
- donations and contributions;
- gifts;
- internally developed assets;
- s 74 Retained revenue receipts;
- proceeds from the sale of assets.

Prepared on Australian Accounting Standards basis.

Table 3.6: Statement of asset movements (Budget year 2016-17)

	Other property, plant and equipment \$'000	Heritage and cultural \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2016				
Gross book value	6,590	419	4,099	11,108
Accumulated depreciation/amortisation and impairment	-	-	(1,655)	(1,655)
Opening net book balance	6,590	419	2,444	9,453
Capital asset additions				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services (a)	1,720	-	210	1,930
Total additions	1,720	-	210	1,930
Other movements				
Depreciation/amortisation expense	(420)	-	(460)	(880)
Disposals	(20)	-		(20)
Other			20	20
Total other movements	(440)	-	(440)	(880)
As at 30 June 2017				
Gross book value	8,290	419	4,309	13,018
Accumulated depreciation/ amortisation and impairment	(420)	-	(2,095)	(2,515)
Closing net book balance	7,870	419	2,214	10,503

(a) 'Appropriation ordinary annual services' refers to funding provided through Appropriation (Parliamentary Departments) Bill (No.1) 2016-17 for depreciation/amortisation expenses, DCBs or other operational expenses.

Prepared on Australian Accounting Standards basis.

Table 3.7: Schedule of budgeted income and expenses administered on behalf of Government (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
EXPENSES					
Suppliers	324	322	322	315	321
Total expenses administered on behalf of Government	324	322	322	315	321
Net cost of/(contribution by) services	324	322	322	315	321
Surplus/(deficit) before income tax	(324)	(322)	(322)	(315)	(321)
Income tax expense	-	-	-	-	-
Surplus/(deficit) after income tax	(324)	(322)	(322)	(315)	(321)
Total comprehensive income/(loss)	(324)	(322)	(322)	(315)	(321)

Prepared on Australian Accounting Standards basis.

Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of Government (as at 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
ASSETS					
Financial assets					
GST Credits Receivable	2	2	2	2	2
Total financial assets	2	2	2	2	2
Total assets administered on behalf of Government	2	2	2	2	2
LIABILITIES					
Payables					
Suppliers	26	26	26	26	26
Other payables	2	2	2	2	2
Total payables	28	28	28	28	28
Total liabilities administered on behalf of Government	28	28	28	28	28
Net assets/(liabilities)	(26)	(26)	(26)	(26)	(26)

Prepared on Australian Accounting Standards basis.

Table 3.9: Schedule of budgeted administered cash flows (for the period ended 30 June)

	2015-16 Estimated actual \$'000	2016-17 Budget \$'000	2017-18 Forward estimate \$'000	2018-19 Forward estimate \$'000	2019-20 Forward estimate \$'000
OPERATING ACTIVITIES					
Cash used					
Suppliers	324	322	322	315	321
Total cash used	324	322	322	315	321
Net cash from/(used by) operating activities	324	322	322	315	321
Cash and cash equivalents at beginning of reporting period	-	-	-	-	-
Cash from Official Public Account for:					
- Appropriations	324	322	322	315	321
<i>Total cash from Official Public Account</i>	<i>324</i>	<i>322</i>	<i>322</i>	<i>315</i>	<i>321</i>
Cash and cash equivalents at end of reporting period	-	-	-	-	-

Prepared on Australian Accounting Standards basis.

GLOSSARY OF TERMS

Term	Meaning
Activities	The actions/functions performed by the department to deliver government policies.
Actual available appropriation	The Actual Available Appropriation indicates the total appropriations available to the entity for 2015-16 as at the 2016-17 Budget. It includes all appropriations made available to the entity in the year (+/- section 75 transfers, formal reductions, Advance to the Minister for Finance, movements of funds and other quarantines). It is to be the same as the comparator figure included in the Appropriation Bills, and as such provides a comparison with the appropriation proposed for the budget year.
Administered Item	Appropriation that consists of funding managed on behalf of the Commonwealth. This funding is not at the discretion of the entity and any unspent appropriation is returned to the CRF at the end of the financial year. An administered item is a component of an administered program. It may be a measure but will not constitute a program in its own right.
Agency Advice Unit (AAU)	Advisers within Budget Group, Department of Finance that analyse expenditure trends of entities, agree costings of New Policy Proposals, validate entities' program estimates and advise entities on financial and budget matters.
Appropriation	An amount of relevant money the Parliament authorises for spending (i.e. funds to be withdrawn from the CRF). The Parliament makes laws for appropriating money under the Annual Appropriation Acts and under Special Appropriations, with spending restricted to the purposes specified in the Appropriation Acts.
Appropriations and Cash Management Module (ACM)	A module of the Central Budget Management System from which entities draw down funds from the CRF.
Budget Paper 1 (BP1)	Budget Strategy and Outlook. Provides information on the economic and fiscal outlook for the Australian Government, including information on the Government's fiscal strategy.
Budget Paper 2 (BP2)	Budget Measures. Provides a description of each budget measure (revenue, expense and capital) by Portfolio.
Budget Paper 3 (BP3)	Australia's Federal Relations. Provides information and analysis on Federal funding provided to the States, Territories and local government.

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Budget Paper 4 (BP4)	Agency Resourcing. Contains information on resourcing for Australian Government entities (including special appropriations, special accounts and a summary of agency resourcing).
Central Budget Management System (CBMS)	CBMS is the Australian Government's central budget and financial management information system administrated by the Department of Finance. It contains the Commonwealth's programme list and produces the annual Appropriation Bills
Clear Read Principle	<p>The outcomes framework provides an essential clear link between the Appropriation Bills, the PB Statements, the PAES, and annual reports of entities. Information should be consistent across these and other budget documents, and where possible, duplication of reporting within the PB Statements should be avoided. This is called the "clear read" between the different documents.</p> <p>Under this principle the planned performance in PB Statements is to be provided on the same basis as actual performance in the annual reports covering the same period, to permit a clear read across planning and actual performance reporting documents. Entities should take this into account in designing their performance reporting arrangements</p>
Consolidated Revenue Fund (CRF)	The principal operating fund from which money is drawn to pay for the activities of the government. Section 81 of the Australian Constitution provides that all revenue raised or monies received by the Executive Government forms one consolidated revenue fund from which appropriations are made for the purposes of the Australian Government.
Contractor	A person engaged by an agency, usually on a temporary basis. Treated as an employee of the agency for the purposes of program performance reporting.
Departmental Item	Resources (assets, liabilities, revenues and expenses) that the entity's Accountable Authority controls directly. This includes outsourced activities funded and controlled by the entity. Examples of departmental items include entity running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program
Entities	For the purposes of this guidance, this means Commonwealth entities and Commonwealth companies as defined under the Public Governance, Performance and Accountability (PGPA) Act 2013 that are within the General Government Sector; the High Court of Australia; and the Future Fund Board of Guardians

Estimated Actual Expenses	Details of the current year's estimated final figures as included in the Budget documentation. As the Budget is released in May each year, but the financial year does not close off until 30 June, the current year numbers that are used for comparison with Budget amounts can only be estimates.
Expenses not requiring appropriation in the Budget year	Expenses not involving a cash flow impact are not included within the calculation of an appropriation. An example of such an event is goods or services received free of charge that are then expensed: eg ANAO audit expenses – the ANAO does not charge for audit services however the expense must be recognised. Similarly, bad debts are recognised as an expense but are not recognised for the purpose of calculating appropriation amounts to be sought from Parliament.
Financial Management Information System (FMIS)	A system that hold the financial information of an entity.
Forward Estimates Period	The three years following the budget year. For example if 2016-17 is the budget year, 2017-18 is forward year 1, 2018-19 is forward year 2 and 2019-20 is forward year 3. This period does not include the current financial (2015-16) or budget year (2016-17).
General Government Sector (GGS)	A Government Finance Statistics' classification of all entities that are controlled and largely funded by the Commonwealth Government. The GGS provides public services that are mainly non-market in nature and for the collective consumption of the community, or involve the transfer or redistribution of income. These services are largely financed through taxes and other compulsory levies, user charging and external funding. This sector comprises all government departments, offices and some other bodies.
Government Finance Statistics (GFS)	A reporting framework that is a specialised statistical system designed to support economic analysis of the public sector. It allows for comprehensive assessments of the economic impact of government and is consistent with international statistical standards of the International Monetary Fund and the System of National Accounts
Intended Result	Intended result is a key part of an outcome statement and describes the goal or objective of an agency. The intended result is typically distilled from the Government's economic, social, health or environmental policy goals.

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Materiality	Reflects the importance of government financial or other information that if omitted, misstated or not disclosed has the potential to adversely affect decisions about the allocation of resources made by users of the financial report, or the discharge of accountability by the management or governing body of an entity.
Measure	A new policy or savings decision of the government with financial impacts on the government's underlying cash balance; fiscal balance; operating balance; headline cash balance; net debt or net worth. Such proposals are normally made in the context of the annual Budget, and are typically published in BP No. 2, in the Mid-Year Economic and Fiscal Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO).
Mid-Year Economic and Fiscal Outlook (MYEFO)	The MYEFO provides an update of the government's budget estimates by examining expenses and revenues in the year to date, as well as provisions for new decisions that have been taken since the Budget. The report provides updated information to allow the assessment of the government's fiscal performance against the fiscal strategy set out in its current fiscal strategy statement.
Official Public Account (OPA)	The OPA is the Australian Government's central bank account held within the Reserve Bank of Australia. The OPA reflects the operations of the Consolidated Revenue Fund.
Outcome	An outcome is the intended result, consequence or impact of Government actions on the Australian community
Outcome Statement	<p>An outcome statement articulates the intended results, activities and target group of an Australian Government entity. An outcome statement serves three main purposes within the financial framework:</p> <ul style="list-style-type: none">• to explain and control the purposes for which annual appropriations are approved by the Parliament for use by entities;• to provide a basis for annual budgeting, including (financial) reporting against the use of appropriated funds; and <p>to measure and assess entity and program (non-financial) performance in contributing to Government policy objectives.</p>

Portfolio Budget Statements (PB Statements)	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and programme by each entity within a Portfolio.
Program	Activity that delivers benefits, services or transfer payments to individuals, industry and/or the community as a whole, with the aim of achieving the intended result specified in an outcome statement.
Program Support	The departmental running costs allocated to a program. This is funded through an entity's departmental appropriations.
Public Governance Performance and Accountability Act 2013 (PGPA Act)	<p>The <i>Public Governance, Performance and Accountability Act 2013</i> replaced the <i>Financial Management and Accountability Act 1997</i> (FMA Act) and the <i>Commonwealth Authorities and Companies Act 1997</i> (CAC Act) on 1 July 2014. As the primary piece of Commonwealth resource management legislation, the PGPA Act establishes a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting. The Act applies to all Commonwealth entities and Commonwealth companies.</p> <p>The PGPA Act sets out main principles and requirements Commonwealth Resource Management Framework. Rules and other legislative instruments establish the requirements and procedures necessary to give effect to the governance, performance and accountability matters covered by the Act.</p>
System of National Accounts (SNA)	The 1993 System of National Accounts (1993 SNA) is a comprehensive, consistent and flexible set of macroeconomic accounts to meet the needs of government and private sector analysts, policy-makers, and decision-takers. It was prepared jointly by the International Monetary Fund, the European Union, the Organisation for Economic Cooperation and Development, the United Nations, and the World Bank.
Target Group	A specific group being targeted for assistance by government policy.