

PORTFOLIO BUDGET STATEMENTS 2013-14

DEPARTMENT OF THE HOUSE OF REPRESENTATIVES

**BUDGET INITIATIVES AND EXPLANATIONS OF
APPROPRIATIONS SPECIFIED BY OUTCOMES
AND PROGRAMS BY AGENCY**

BUDGET RELATED PAPER NO. 1.19A

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ISBN 978-0-642-79674-5



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Printed by the Department of the House of Representatives



PARLIAMENT HOUSE
CANBERRA 2600

SPEAKER OF THE HOUSE OF REPRESENTATIVES

Honourable Members

I hereby submit Portfolio Budget Statements in support of the 2013-14 Budget for the Department of the House of Representatives.

These statements have been developed, and are submitted to the House of Representatives, to inform members of the allocation of resources to the outcome for the department.

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

Yours sincerely

A handwritten signature in black ink that reads 'Anna Burke'.

Anna Burke MP
Speaker

13 May 2013

Abbreviations and conventions

The following notation may be used:

NEC/nec	not elsewhere classified
..	nil
na	not zero, but rounded to zero
nfp	not applicable (unless otherwise specified)
\$m	not for publication
\$b	\$ million
	\$ 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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A copy of this document can be located on the Australian Parliament House website at www.aph.gov.au/house/PBS2013-14 and also on the Australian Government Budget website at: <http://www.budget.gov.au>.

**USER GUIDE
TO THE
PORTFOLIO BUDGET STATEMENTS**

USER GUIDE

The purpose of the 2013-14 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 appropriation acts, (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 the Appropriation (Parliamentary Departments) Bill (No. 1) 2013-14. 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*, non-general government sector entities are not consolidated into the Commonwealth general government sector fiscal estimates and accordingly, these entities are not reported in the PB Statements.

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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.

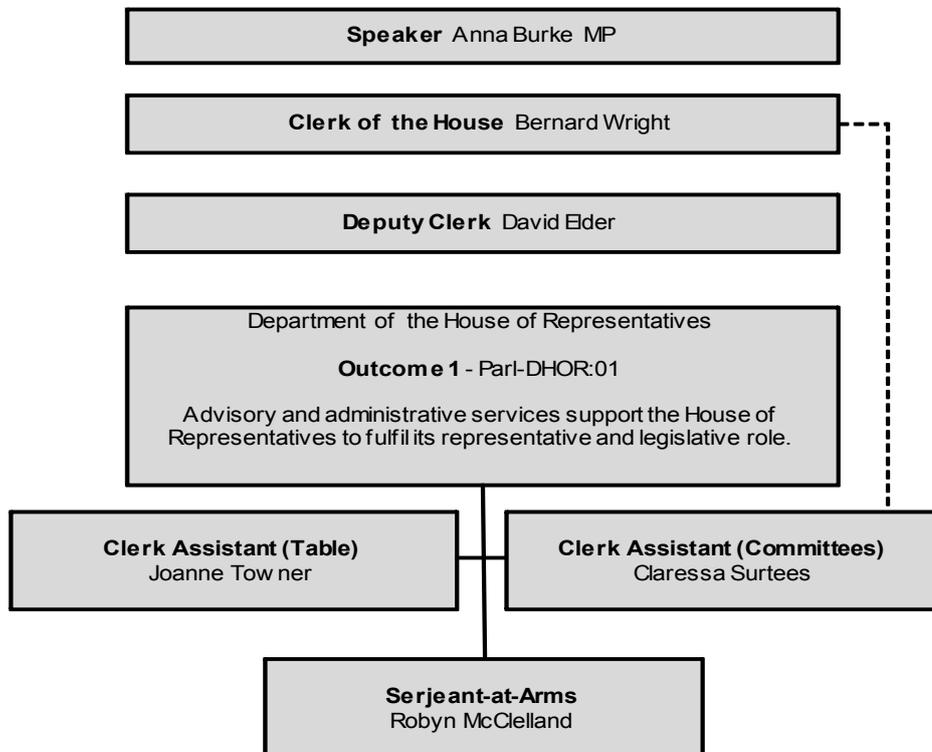
The Department provides facilities, support, advice and information to ensure that:

- 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, information technology and other office services.

The Speaker, Anna Burke MP, has accountability obligations to the House of Representatives for the Department. The Clerk of the House of Representatives, Mr Bernard Wright, is responsible for leading the Department.

The Department works with the Department of the Senate, 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.

Figure 1: Department structure and outcome



DEPARTMENTAL RESOURCES

Table 1 shows the total new resources provided to the department in the 2013-14 budget year.

Table 1: Departmental Resources 2013-14

	Appropriation			Receipts	Total
	Bill No. 1 \$m	Bill No. 2 \$m	Special \$m	\$m	\$m
Department of the House of Representatives					
Administered appropriations	0.325	-	-	-	0.325
Departmental appropriations	22.893	-	-	0.970	23.863
Department total:	23.218	-	-	0.970	24.188
Resources available:					24.188

Department of the House of Representatives

Agency 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, its committees and Members; to the wider Parliament; and to the public in the face of a changing 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 and with other key people and organisations. The Department must continue to innovate to keep pace with technological change to sustain the quality of our service delivery and to facilitate continuous improvement.

The Department's activity levels reflect the parliamentary cycle, with significant variations in activity over the three years of a parliament. An election will be held in September 2013 and the financial year 2013-14 is the first year in the 44th Parliament. As a consequence there will be some reduction in the resources required for the chamber and parliamentary committees during the first quarter of the financial year. However, once the 44th Parliament has met the Department will see an increase in activity levels. The additional sitting hours for the House and Federation Chamber, and additional committee activity including the establishment of two Joint Select Committees during 2012-13, have placed considerable strain on the Department's resources. However, the Department has been successful in obtaining additional funding to support the Joint Select Committees to enable research and administrative support for those committees. The extension of funding in 2013-14 for support for Parliamentary Reform will mean the Department will have sufficient funding to adequately resource the operation of the House and Federation Chamber in the first months of the 44th Parliament, provided that activity levels remain at current levels.

The Standing Committee on Appropriations and Administration has met four times during 2012-13 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. The Committee was successful in seeking an exemption for the Department from the second phase of the MYEFO 2011 efficiency dividend savings. Following advice to the Speaker from the Parliamentary Education Office Advisory Committee, the Department sought and was granted additional funding to support resources that provide modest hospitality to school groups visiting Parliament House.

At the beginning of 2012-13, the Department identified a number of targeted savings measures to off-set the 'one-off' increase in the efficiency dividend. All of these

measures have been implemented and have realised a total of \$0.358m across the current year.

The longer term outlook shows the Department's budgetary position is satisfactory as a result of the receipt of additional funds. The Department will continue to focus on flexible staffing arrangements and technological innovation as means of enhancing our effectiveness in supporting the House of Representatives as we continue to seek to deliver services as efficiently as possible.

The Department will continue to support a common service arrangement providing payroll services for the Department of Parliamentary Services (DPS) and the Parliamentary Budget Office. The Department is committed to the implementation of the recommendations from the review into parliamentary ICT. During 2013-14 there will be a transfer under section 32 of the FMA Act of ICT capital and operational funding. There will also be a transfer of departmental ICT staff to DPS. The quantum of the funding transfer to DPS is yet to be determined.

1.2 DEPARTMENTAL RESOURCE STATEMENT

Table 1.1 shows the total resources from all sources.

Table 1.1: Department of the House of Representatives Resource Statement — Budget Estimates for 2013-14 as at Budget May 2013

	Estimate of prior year amounts + available in 2013- 14 \$'000	Proposed at Budget = 2013- 14 \$'000	Total estimate 2013- 14 \$'000	Actual available appropriation 2012- 13 \$'000
Departmental appropriation ¹				
Prior year departmental appropriation ²	14,290		14,290	
Departmental appropriation ³		22,893	22,893	22,691
s31 Relevant departmental receipts ⁴		970	970	1,060
Total	14,290	23,863	38,153	23,751
Administered expenses				
Outcome 1	-	325	325	-
Total	-	325	325	-
Total available annual appropriations	A 14,290	24,188	38,478	23,751
	Estimate of prior year amounts available in 2013- 14 \$'000	Proposed at Budget = 2013- 14 \$'000	Total estimate 2013- 14 \$'000	Actual available appropriation 2012- 13 \$'000
Special Accounts				
Opening balance ⁵	2,447	-	2,447	2,447
Appropriation receipts ⁶	-	78	78	141
Total Special Account	B 2,447	78	2,525	2,588
Total resourcing				
A+B	16,737	24,266	41,003	26,339
Less appropriations drawn from annual or special appropriations above	-	78	78	141
Total net resourcing for Department of the House of Representatives	16,737	24,188	40,925	26,198

¹ Appropriation (Parliamentary Departments) Bill (No. 1) 2013- 14

² Estimated adjusted balance carried forward from previous year

³ Includes an amount of \$1.055m in 2013- 14 for the Departmental Capital Budget (refer to table 3.2.5 for further details). For accounting purposes this amount has been designated as 'contributions by owners'.

⁴ s31 Relevant Departmental receipts - estimate

⁵ Estimated opening balance for special accounts (less '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 Special accounts (SOETM)).

For further information on special accounts see Table 3.1.1.

⁶ Appropriation receipts from departmental annual appropriation for 2013- 14 included above and represent an Interest Equivalency Payment established under Determination 2004/08

Reader note: All figures are GST exclusive.

Department of the House of Representatives Budget Statements

Third Party Payments from and on behalf of other agencies

	2013- 14 \$'000	2012- 13 \$'000
Payments made on behalf of the Department of Finance and Deregulation (disclosed in the respective Agency Resource Statement)	7,280	6,941
Payments made on behalf of the Australian Public Service Commission (disclosed in the respective Agency Resource Statement)	37,934	37,338

1.3 BUDGET MEASURES

Budget measures relating to the Department are detailed in Budget Paper No. 2 and are summarised below.

Table 1.2: Expense measures since the 2012-13 MYEFO ^(a)

	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000
PARLIAMENT					
<i>Department of the House of Representatives</i>					
Department of the House of Representatives - additional funding	0.3	0.4	-	-	-
Parliament House - Schools Hospitality Program	-	0.3	0.3	0.3	0.3
Total	0.3	0.7	0.3	0.3	0.3

Prepared on a Government Financial Statistics (fiscal) basis

- Nil

^(a) A minus sign before an estimate indicates a reduction in expenses, no sign before an estimate indicates increase expenses

The Government has agreed that \$1.966m should be provided over five years from 2012-13 to the department.

1.4 DEPARTMENTAL PROGRAM FRAMEWORK

The Department has two programs. Other Departmental DHoR contains five components and the Administered program supports one activity.

Figure 2: Program component table

2013-14 Budget year

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

Program 1 - Other Departmental

<p>Program Component 1.1: Chamber and Federation Chamber</p> <p>Departmental Activities: <i>Resources supporting the effective operation of the Chamber and Federation Chamber of the House of Representatives.</i></p>	<p>Program Component 1.4: Inter - Parliamentary Relations</p> <p>Departmental Activities: <i>Provision of advice and support to facilitate the conduct of the Parliament's international and regional affairs.</i></p> <p><i>Revenue from other sources (s31)</i></p>
<p>Program Component 1.2: Community Relations and Awareness</p> <p>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></p> <p><i>Revenue from other sources (s31)</i></p>	<p>Program Component 1.5: Members' and Corporate Support</p> <p>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 information technology support, financial and human resource management and office services.</i></p> <p><i>Revenue from other sources (s31)</i></p>
<p>Program Component 1.3: Committee Services</p> <p>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></p>	
<p>Program 2 - Administered</p>	
<p>Program Component 2.1: Schools Hospitality</p> <p>Departmental Activities: <i>Resources supporting the provision of hospitality to school groups visiting Parliament House.</i></p>	

Section 2: Outcomes and planned performance

2.1 OUTCOMES AND PERFORMANCE INFORMATION

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 support the delivery of the stated outcomes.

The Department's outcome is described below together with its related programs, specifying the performance indicators and targets used to assess and monitor performance.

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

Outcome 1 Strategy

The *Parliamentary Service Act 1999* sets out the legal framework for a non-partisan parliamentary service to serve the Australian Parliament and provides for the management, leadership and responsibilities of parliamentary service employees. The Act establishes this department, the Department of the Senate and the Parliamentary Budget Office and provides for the establishment of 'Departments of the Parliament' by resolutions of the Houses. The Department of Parliamentary Services has been established by resolution. Each of the parliamentary departments reports separately to the Parliament each year.

During 2013-14, the Department will continue its role as an advisory and service department for the Parliament, supporting the work of the House of Representatives, including its Members in their parliamentary duties, its committees, and some joint committees. The Department will continue its focus on support to the House and the Parliament in their relations within Australia and internationally, and on the provision of information about the work of the House to the community.

Outcome Expense Statement

Table 2.1 provides an overview of the total expenses for the Department's outcome and program.

Outcome 1: Advisory and administrative services support the House of Representatives to fulfil its representative and legislative role.	2012-13	2013-14
	Estimated actual expenses \$'000	Estimated expenses \$'000
Program 1: Other Departmental DHOR		
Departmental expenses		
Departmental appropriation ¹	22,832	22,458
Special Accounts	141	78
Expenses not requiring appropriation in the Budget year ²	4,264	4,364
Total for Program 1.1	27,237	26,900
Program 2: Schools Hospitality		
Administered expenses		
Administered appropriation ³	-	325
Total for Program 2.1	-	325
Outcome 1 Totals by appropriation type		
Departmental expenses		
Departmental appropriation ¹	22,832	22,458
Special Accounts	141	78
Expenses not requiring appropriation in the Budget year ²	4,264	4,364
Administered expenses		
Administered appropriation ³	-	325
Total expenses for Outcome 1	27,237	27,225
	2013-13	2013-14
Average Staffing Level (number)	161	158

¹ Departmental appropriation combines Appropriation (Parliamentary Departments) Bill (No. 1), Revenue from independent sources (s31) and departmental supplementation

² Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Resources Received Free of Charge and Gains on Sale of Assets .

³ Administered appropriation - Appropriation (Parliamentary Departments) Bill (No. 1)

Note: Departmental appropriation splits and totals are indicative estimates and may change in the course of the budget year as government priorities change.

Contributions to Outcome

Program 1 – Other Departmental DHoR
<p>Program objectives</p> <ul style="list-style-type: none"> • The provision of advice and services of the highest standard to support the Chamber and Federation Chamber. • The provision of resources to increase community understanding of, and interaction with, the work of the House of Representatives and the Australian Parliament. • To support House of Representatives committees as well as some joint committees in fulfilling their role in parliamentary consideration of policy and legislation and scrutiny of government. • To provide advice and support to facilitate the conduct of the Parliament’s international and regional affairs. • The provision of resources that support the on-going development and maintenance of staff knowledge and skills, systems and processes. • The payment of Members’ salaries and allowances¹. • To provide impartial and prompt advice and services to support Members in Parliament House. • To ensure compliance with internal and external governance requirements. • The provision of information technology support, financial and human resource management and office services.
<p>¹ Linked to:</p> <p>Department of Finance and Deregulation</p> <ul style="list-style-type: none"> • Program 1.2; Public Sector Superannuation Benefits • Program 3.1; Ministerial and Parliamentary Services <p>Australian Public Service Commission</p> <ul style="list-style-type: none"> • Program 1.2; Parliamentarians’ and Judicial Office Holders' Remuneration and Entitlements
Program 2 – Schools Hospitality (Administered)
<p>Program objectives</p> <ul style="list-style-type: none"> • The provision of hospitality to school groups visiting Parliament House.

Program expenses

- Departmental activity levels are tied to the parliamentary cycle and historically have reached their peak during the middle of each three year cycle. As a result, the Department expects that it will be able to maintain its essential services, and expenditure reductions are not likely to be necessary.
- The Department will continue working with the other parliamentary departments to identify areas of common corporate services that would provide opportunities to maximise efficiency and minimise expenditure.

Program Expenses

Table 2.2 provides an overview of the total expenses for the Department's outcome and program by program component.

	2012-13 Revised budget \$'000	2013-14 Budget \$'000	2014-15 Forward year 1 \$'000	2015-16 Forward year 2 \$'000	2016-17 Forward year 3 \$'000
Annual administered expenses:					
<i>2.1 - Schools Hospitality</i>					
Administered item - appropriation	0	325	325	325	325
Total program expenses	0	325	325	325	325
Annual departmental expenses:					
<i>1.1 - Chamber & Federation Chamber</i>					
Departmental item - appropriation	3,215	3,311	3,215	3,233	3,265
Departmental item - s31	25	-	-	-	-
Total component expenses	3,240	3,311	3,215	3,233	3,265
<i>1.2 - Community Awareness</i>					
Departmental item - appropriation	1,432	1,337	1,297	1,310	1,343
Departmental item - s31	40	40	35	35	35
Total component expenses	1,472	1,377	1,332	1,345	1,378
<i>1.3 - Committee Services</i>					
Departmental item - appropriation	8,043	8,284	8,042	8,155	8,171
Departmental item - s31	-	-	-	-	-
Total component expenses	8,043	8,284	8,042	8,155	8,171
<i>1.4 - Inter - parliamentary Relations</i>					
Departmental item - appropriation	2,060	2,121	2,059	2,038	2,080
Departmental item - s31	239	270	195	200	220
Total component expenses	2,299	2,391	2,254	2,238	2,300
<i>1.5 - Members' Services & Corporate Support</i>					
Departmental item - appropriation	7,163	6,838	6,685	6,751	6,838
Departmental item - s31	756	660	660	682	720
Total component expenses	7,919	7,498	7,345	7,433	7,558
Special Account Expenses:					
<i>Inter-Parliamentary Relations Special Account</i>	141	78	78	78	78
Annual departmental expenses:					
Other Departmental DHOR	22,973	22,861	22,513	22,729	22,997
Expenses not requiring appropriation in the Budget year ¹	4,264	4,364	4,375	4,350	4,340
Total program expenses	27,378	27,303	26,966	27,157	27,415

¹ Expenses not requiring appropriation in the Budget year is made up of Depreciation Expense, Amortisation Expense, Resources Received Free of Charge, Gains on Sale of Assets .

Program 1 Deliverables

- Services and advice to the Speaker, Members and others in accordance with legislation and administrative decisions.
- Advice and services to enable the Chamber and Federation Chamber to meet and address business as scheduled. This includes processing of all bills, drafting of private members' bills, creating and processing the records and documents of the House and the collection, analysis and publication of procedural and statistical information.
- Services to increase public knowledge and awareness of and interaction with, the work of the House of Representatives and the Australian Parliament. The Department's community outreach program includes a magazine, television program, website, email alert service, advertising, media liaison, seminars and other presentations. The Department will continue to support the Parliamentary Education Office, which is jointly funded by the Department and the Department of the Senate.
- Procedural, research, analytical and administrative support for the conduct of inquiries and other activities of committees.
- Advice and support to facilitate and maintain international and regional relationships with other Parliaments, parliamentary bodies and organisations. Assistance to developing Parliaments within the Asia/Pacific region through the education trust fund will continue.
- Advice and services relating to Members' salaries and allowances and certain other entitlements.
- Advice and services to Members in Parliament House relating to accommodation and office services.
- Monitoring developments in parliamentary and public administration and applying them as appropriate.
- Nurturing a flexible, integrated and cohesive department while recognising individual talents and responsibilities.
- Seeking to obtain the resources needed to meet the requirements of the House, committees and the wider department into the future.

Program 1 - Key Performance Indicators

- Member satisfaction with the quality and timeliness of Chamber support and advisory services (target: 99 per cent satisfaction rate)
- Percentage of Chamber support service standards met for sittings of the House and meetings of the Federation Chamber, with no significant errors (target: 100 per cent)
- Percentage of bills (proposed legislation) processed within deadlines and with no significant errors (target: 100 per cent)
- Member satisfaction with the quality and availability of procedural and statistical publications and support in obtaining such information (target: 90 per cent)
- Number of participants in community awareness programs such as seminars, school visits, subscribers to email alert service and magazine continues to increase over time.
- Committee Member satisfaction with advice and services provided (target: 90 per cent satisfaction rate)
- Rate of satisfaction of Presiding Officers, delegates and diplomatic representatives with arrangements for incoming and outgoing delegations. Levels of participation in parliamentary organisations and quality of policy advice. Rate of satisfaction of Parliaments in the Pacific region with the training and equipment purchases provided through the education trust fund.
- All variations to salary and allowances and salary increases are processed with an accuracy of at least 99 per cent.
- Rate of satisfaction of Members and others with the provision of accommodation and office support services (target: 95 per cent).
- Number of accommodation related services provided to Members.
- Performance indicators in the DPS Payroll service level agreement are met and service is delivered within budget.
- Effectiveness of the program is measured through surveys, trends over time and formal and informal feedback.

Program 2 Deliverables

- Hospitality arranged at the time of confirmation of booking of school visit.
- Seeking to obtain feedback from visiting school groups on provision and satisfaction of hospitality received.

Program 2 - Key Performance Indicator

- Hospitality delivered and received on time by visiting school groups.

Section 3: Explanatory tables and budgeted financial statements

Section 3 presents explanatory tables and budgeted financial statements which provide a comprehensive snapshot of agency finances for the 2013-14 budget year. It explains how budget plans are incorporated into the financial statements and provides further details of the reconciliation between appropriations and program expenses and special accounts.

3.1 EXPLANATORY TABLES

3.1.1 Special Accounts

Special Accounts provide a means to set aside and record amounts used for specified purposes. Special Accounts can be created by a Finance Minister's Determination under the FMA Act or under separate enabling legislation. Table 3.1.1 shows the expected additions (receipts) and reductions (payments) for each account used by the Department.

Table 3.1.1: Estimates of Special Account Flows and Balances

		Opening balance 2013-14	Receipts 2013-14	Payments 2013-14	Adjustments 2013-14	Closing balance 2013-14
	2012-13	2012-13	2012-13	2012-13	2012-13	2012-13
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Inter-Parliamentary Relations Special Account - FMA Act 1997 (D)	1	2,447	78	78	-	2,447
		2,345	245	143	-	2,447
<i>Services for Other Entities and Trust Moneys - Department of the House of Representatives (D)</i>	1	-	-	-	-	-
		102	-	102	-	-
Total Special Accounts						
2013-14 Budget estimate		2,447	78	78	-	2,447
<i>Total Special Accounts</i>						
<i>2012-13 estimate actual</i>		2,447	245	245	-	2,447

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Comprehensive Income Statement (Net Cost of Services)

Whilst the additional funding received in the budget round for the 2013-14 year has alleviated the immediate need to find further efficiencies and savings, the level of appropriation in the forward years remains static. The department will need to continue to monitor expense levels in order to remain within budget.

In past years expense trends have reflected the stage of the parliamentary cycle, with employees and suppliers expenses reaching a peak in the middle year, as activity levels increase. In this Parliament, however, expense trends for 2012-13 have continued at the same level as in 2011-12.

The Department's own source income shows a small decrease across the forward years. This is attributed to the end of funding agreements under the Pacific Partnerships Linkages Program (funding provided by AusAID). The department has submitted additional proposals to AusAID for funding under the Asian Parliamentary Partnerships program. Small increases to service fees charged for the provision of payroll services to the Department of Parliamentary Services are in-line with adjustments to the costs associated with providing these services. These fees are fully off-set by increased costs to the Department in the form of employee expenses for the additional staff required to undertake this function.

Additional funding as an expense measure for the Joint Select Committees is reflected in the employee benefits and suppliers expense for 2012-13.

The deficit attributable to the Australian Government is a direct result of a change in funding arrangements under Operation Sunlight. Depreciation and amortisation expenses are not funded as part of operating revenue. The Department receives funding for capital purchases separately.¹ Estimated actual expenditure for 2012-13 shows a surplus of \$0.100m

Departmental Balance Sheet and Cash Flow Statement

The balance sheet reflects a strengthening of asset values commencing in the budget year and flowing through the forward years. Cash reserves (budgeted as appropriation equity) will be used to fund the acquisition of replacement furniture and fittings for staff within offices of certain Parliamentary Officer holders and departmental offices. Some of these items have been in use before 1987 and have exceeded their useful lives. A furniture replacement project was identified in the 2011-12 budget. The House

¹ See page 28 – Departmental Capital Budget

Standing Committee on Appropriation and Administration was briefed on the matter. This project is estimated to be completed by 2014-15.

The Department, in conjunction with the Department of the Senate has entered into a contract for the redevelopment of the Table Offices Document Production System. The project is due for completion in 2013-14 and is funded from the Departmental Capital Budget. The Department, also in conjunction with the Senate has entered into a contract for the development of a Venue Management System (used for the booking of certain venues in Parliament House and school groups visiting Parliament House). The project is due for completion in 2013-14.

Other non-financial assets will be replaced, redeveloped or maintained via the normal asset replacement cycle for IT assets and other furniture items 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 increase in line with salary increases.

3.2.2 Budgeted financial statements tables

**Table 3.2.1 Comprehensive Income Statement (Showing Net Cost of Services)
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	18,392	18,050	18,091	18,634	18,579
Suppliers	7,491	7,496	7,107	6,780	7,103
Depreciation and amortisation	1,254	1,354	1,365	1,340	1,330
Total expenses	27,137	26,900	26,563	26,754	27,012
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	860	870	870	897	955
Other	200	100	20	20	20
Total own-source revenue	1,060	970	890	917	975
Gains					
Sale of assets	10	10	10	10	10
Other	3,000	3,000	3,000	3,000	3,000
Total gains	3,010	3,010	3,010	3,010	3,010
Total own-source income	4,070	3,980	3,900	3,927	3,985
Net cost of (contribution by) services					
Revenue from Government	21,913	21,566	21,298	21,487	21,697
Surplus (Deficit) attributable to the Australian Government	(1,154)	(1,354)	(1,365)	(1,340)	(1,330)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus					
Total other comprehensive income					
Total comprehensive income (loss)	(1,154)	(1,354)	(1,365)	(1,340)	(1,330)
Total comprehensive income (loss) attributable to the Australian Government	(1,154)	(1,354)	(1,365)	(1,340)	(1,330)
Note: Impact of Net Cash Appropriation Arrangements					
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations.	100	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations ¹	1,254	1,354	1,365	1,340	1,330
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	(1,154)	(1,354)	(1,365)	(1,340)	(1,330)

¹ From 2010-11, the Government introduced net cash appropriation arrangements where Bill 1 revenue appropriations for the depreciation/amortisation expenses of FMA Act agencies 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 3.2.5 Departmental Capital Budget Statement.

Prepared on Australian Accounting Standards basis.

**Table 3.2.2: Budgeted departmental balance sheet
(as at 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	266	538	538	538	538
Trade and other receivables	17,055	13,632	13,742	14,408	14,859
Total financial assets	17,321	14,170	14,280	14,946	15,397
Non-financial assets					
Property, plant and equipment	6,141	8,654	8,303	10,228	10,020
Intangibles	1,221	1,579	1,403	1,027	761
Heritage and cultural assets	323	323	323	323	323
Other non-financial assets	137	137	137	137	137
Total non-financial assets	7,822	10,693	10,166	11,715	11,241
Assets held for sale					
Total assets	25,143	24,863	24,446	26,661	26,638
LIABILITIES					
Payables					
Suppliers	528	525	484	438	495
Other payables	16	16	16	16	16
Total payables	544	541	500	454	511
Provisions					
Employee provisions	5,756	5,778	5,698	5,484	5,636
Total provisions	5,756	5,778	5,698	5,484	5,636
Total liabilities	6,300	6,319	6,198	5,938	6,147
Net assets	18,843	18,544	18,248	20,723	20,491
EQUITY					
Parent entity interest					
Contributed equity	-12,378	-11,323	-10,254	-9,175	-8,077
Reserves	15,261	15,261	15,261	17,997	17,997
Retained surplus	15,960	14,606	13,241	11,901	10,571
Total Equity	18,843	18,544	18,248	20,723	20,491

* 'Equity' is the residual interest in assets after deduction of liabilities.

Prepared on Australian Accounting Standards basis.

Table 3.2.3: Departmental statement of changes in equity — summary of movement (Budget year 2013-14)

	Retained earnings	Asset revaluation reserve	Other reserves	Contributed equity/capital	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance as at 1 July 2013					
Balance carried forward from previous period	15,960	15,261	-	-12,378	18,843
Adjusted opening balance	15,960	15,261	-	-12,378	18,843
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus (deficit) for the period	-1,354	-	-	-	-1,354
Total comprehensive income	-1,354	-	-	-	-1,354
of which:					
Attributable to the Australian Government	-1,354	-	-	-	-1,354
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCBs)	-	-	-	1,055	1,055
Sub-total transactions with owners	-	-	-	1,055	1,055
Other movements	-	-	-	-	-
Estimated closing balance as at 30 June 2014	14,606	15,261	-	-11,323	18,544
Closing balance attributable to the Australian Government	14,606	15,261	-	-11,323	18,544

Prepared on Australian Accounting Standards basis.

**Table 3.2.4: Budgeted departmental statement of cash flows
(for the period ended 30 June)**

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	21,641	21,566	21,298	21,487	21,697
Sale of goods and rendering of services	860	870	870	897	975
Other	725	630	530	525	510
Total cash received	23,226	23,066	22,698	22,909	23,182
Cash used					
Employees	17,499	17,830	17,586	18,730	18,451
Suppliers	4,967	5,064	5,219	4,835	4,823
Total cash used	22,466	22,894	22,805	23,565	23,274
Net cash from (used by) operating activities	760	172	-107	-656	-92
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	100	100	100	100	100
Total cash received	100	100	100	100	100
Cash used					
Purchase of property, plant and equipment and intangibles	-2,182	-4,580	-1,062	-523	-1,106
Total cash used	-2,182	-4,580	-1,062	-523	-1,106
Net cash from (used by) investing activities	-2,082	-4,480	-962	-423	-1,006
FINANCING ACTIVITIES					
Cash received					
Capital Injections	1,050	1,055	1,069	1,079	1,098
Cash received from other fin activities	-	3,525	-	-	-
Total cash received	1,050	4,580	1,069	1,079	1,098
Net cash from (used by) financing activities	1,050	4,580	1,069	1,079	1,098
Net increase (decrease) in cash held	-272	272	-	-	-
Cash and cash equivalents at the beginning of the reporting period	538	266	538	538	538
Cash and cash equivalents at the end of the reporting period	266	538	538	538	538

Prepared on Australian Accounting Standards basis.

Table 3.2.5: Departmental Capital Budget Statement

	Estimated actual	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2012-13	2013-14	2014-15	2015-16	2016-17
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	1,050	1,055	1,069	1,079	1,098
Total new capital appropriations	1,050	1,055	1,069	1,079	1,098
Provided for:					
Purchase of non-financial assets	1,050	1,055	1,069	1,079	1,098
Total Items	1,050	1,055	1,069	1,079	1,098
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	2,182	1,079	1,062	523	1,106
Funded internally from departmental resources ²	-	3,500	-	-	-
TOTAL	2,182	4,579	1,062	523	1,106
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,182	4,579	1,062	523	1,106
Total cash used to acquire assets	2,182	4,579	1,062	523	1,106

¹ Does not include annual finance lease costs. Include purchase from current and previous years' Departmental Capital Budgets (DCBs).

² Includes the following sources of funding:

- current and prior year Bill 1 appropriations (excluding amounts from the DCB).
- donations and contributions
- gifts
- internally developed assets
- s31 relevant departmental receipts
- proceeds from the sale of assets

Prepared on Australian Accounting Standards basis.

Table 3.2.6: Statement of Asset Movements (2013-14)

	Other property, plant and equipment \$'000	Heritage and cultural \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2013				
Gross book value	6,527	323	3,535	10,385
Accumulated depreciation/amortisation and impairment	(386)	-	(2,314)	(2,700)
Opening net book balance	6,141	323	1,221	7,685
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services ¹	1,055	-	-	1,055
By purchase - other	2,646	-	878	3,524
Total additions	3,701	-	878	4,579
Other movements				
Depreciation/amortisation expense	(834)	-	(520)	(1,354)
Disposals ²	(354)	-	-	(354)
Other movements	-	-	-	-
Total other movements	(1,188)	-	(520)	(1,708)
As at 30 June 2014				
Gross book value	9,654	323	4,413	14,610
Accumulated depreciation/amortisation and impairment	(1,000)	-	(2,834)	(3,834)
Closing net book balance	8,654	323	1,579	10,556

¹ "Appropriation ordinary annual services" refers to funding provided through the Appropriation (Parliamentary Departments) Bill (No.1) 2013-14 for depreciation / amortisation expenses, DCBs or other operational expenses.

² Net proceeds may be returned to the OPA.

Table 3.2.7: Schedule of Budgeted Income and Expenses Administered on Behalf of Government (for the period ended 30 June)

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000	Forw ard estimate 2016-17 \$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	-	325	325	325	325
Total expenses administered on behalf of Government	-	325	325	325	325
Net Cost of (contribution by) services	-	325	325	325	325
Surplus (Deficit)	-	(325)	(325)	(325)	(325)
Total comprehensive income (loss)	-	(325)	(325)	(325)	(325)

Prepared on Australian Accounting Standards basis

Table 3.2.9: Schedule of Budgeted Administered Cash Flows (for the period ended 30 June)

	Estimated actual 2012-13 \$'000	Budget estimate 2013-14 \$'000	Forw ard estimate 2014-15 \$'000	Forw ard estimate 2015-16 \$'000	Forw ard estimate 2016-17 \$'000
OPERATING ACTIVITIES					
Cash used					
Suppliers	-	325	325	325	325
Total cash used	-	325	325	325	325
Net cash from (used by) operating activities	-	(325)	(325)	(325)	(325)
Net increase (decrease) in cash held	-	-	-	-	-
Cash and cash equivalents at beginning of reporting period					
Cash from Official Public Account for:					
- Appropriations		325	325	325	325
		325	325	325	325
Cash to Official Public Account for:					
- Appropriations		-	-	-	-
		-	-	-	-
Cash and cash equivalents at end of reporting period	-	-	-	-	-

3.2.3 Notes to the financial statements

The preceding budgeted financial statements tables represent estimates by the Department of results that will be reported in year-end annual financial statements for the current year, budget year and forward estimates years. The basis of accounting for the year-end reports is that required under the *Finance Minister's Orders (Reporting requirements)* issued under the *Financial Management and Accountability Act 1997* and the Australian Accounting Standards.

This basis of accounting has been applied in general terms to the estimates contained in the above budgeted financial statements tables.

GLOSSARY

Term	Meaning
Activities	The actions/functions performed by the department to deliver government policies.
Actual available appropriation	The total appropriations available to the department for 2011-12 as at the 2012-13 Budget. It includes all appropriations made available to the department in the year (+/- section 32 transfers, formal reductions, Advance to the Finance Minister and movement of funds). 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.
Agency	Generic term for Australian General Government Sector entities, including those governed by the FMA Act or CAC Act and the High Court of Australia.
Appropriation	An amount of public money parliament authorises for spending (i.e. funds to be withdrawn from the CRF). 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.
Budget Paper 1 (BP1)	Budget Strategy and Outlook. Provides information and analysis on whole of government expenditure and revenue.
Budget Paper 2 (BP2)	Budget Measures. Provides a description of each budget measure by portfolio.
Budget Paper 3 (BP3)	Australia's Federal Relations. Provides information and analysis on Federal funding provided to the States and Territories.
Budget Paper 4 (BP4)	Agency Resourcing. Details total resourcing available to agencies.
Central Budget Management System (CBMS)	CBMS is the Australian Government's central budget and financial management information system administration by the Department of Finance and Deregulation. It contains the Commonwealth's program list and produces the annual Appropriation Bills.

Glossary continued

Clear Read Principle	<p>Under the Outcomes arrangements there is an essential clear link between the Appropriation Bills, the PB Statements, the Portfolio Additional Estimates Statements (PAES), and annual reports of agencies. 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. Agencies should take this into the account in designing their performance reporting arrangements</p>
Commonwealth Program List	The official Australian Government list as contained in the Central Budget Management System. Agencies must report performance of these programs in their PB Statements.
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	The resources (assets, liabilities, revenues and expenses) that agency Chief Executive Officers control directly. This includes outsourced activities funded and controlled by the agency. Examples of departmental items include agency running costs, accrued employee entitlements and net appropriations. A departmental item is a component of a departmental program.
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.

Glossary continued

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 and Accountability Act 1997 (FMA Act)	The FMA Act sets out the financial management, accountability and audit obligations of agencies (including departments) that are financially part of the Commonwealth (and form part of the General Government Sector). A list of FMA Act agencies can be found at: finance.gov.au/financial-framework/fma-legislation/docs/FMA-Agencies-List.pdf
Forward Estimates Period	The three years following the budget year. For example if 2012-13 is the budget year, 2013-14 is forward year 1, 2014-15 is forward year 2 and 2015-16 is forward year 3. This period does not include the current or budget year.
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.

Glossary continued

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.
Materiality	Is 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 Budget Paper No. 2, in the Mid-Year Economic and Fiscal Outlook (MYEFO) and in the Pre-election Economic and Fiscal Outlook (PEFO)
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 agency. 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 agencies; • to provide a basis for annual budgeting, including (financial) reporting against the use of appropriated funds; and • to measure and assess agency and program (non-financial) performance in contributing to Government policy objectives.

Glossary continued

Portfolio Budget Statements (PB Statements)	Budget related paper detailing budget initiatives and explanations of appropriations specified by outcome and program by each agency within a portfolio.
Portfolio Budget Submission (PB Submission)	A Cabinet Submission produced by every portfolio outlining Budget requests. This submission will include New Policy Proposals for agencies seeking funding and will be considered by the Expenditure Review Committee of Cabinet as part of the annual Budget process.
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 the program. This is funded as part of the department's annual appropriation.
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.