

45th Report

Introduction

At its meeting on 11 February 2008, the committee considered the following matters and reports to the Senate on them accordingly.

- Department of the Senate's budget
- Ordinary annual services of the government
- Parliamentary computer network and filtering.

Department of the Senate's Budget

The committee considered a submission from the Clerk of the Senate on the Department of the Senate's budget. The submission presented proposals to reduce two separate appropriations for the department.

The first relates to unspent appropriations which have accumulated from the introduction of accrual budgeting in 1999 through to the 2004-05 financial year. The unspent appropriations amount to \$15.523 million, of which \$11.316 million is calculated to be surplus to the long-term balance sheet needs of the department.

The second relates to the appropriations for 2007-08. The government has asked that savings be made in these appropriations by all departments. Given the very large break between sittings due to the election period followed by the holiday period, the department has estimated that it can reduce the 2007-08 appropriation by \$400 000 with no impact on its capacity to deliver its stated outputs for the remainder of the financial year.

The committee also noted a proposed pro rata application of a one-off 2 per cent efficiency dividend in 2007-08, which would reduce the department's appropriations by \$93 000.

After discussing these proposals, the committee agreed that unspent appropriations from prior years be reduced by \$11.316 million, that the 2007-08 appropriation be reduced by \$493 000, and that the President write to the Minister for Finance and Deregulation accordingly.

The committee has been assured by the department that these reductions will not affect its ability to deliver high quality services to the Senate and its committees within any foreseeable level of Senate activity.

Ordinary annual services of the government

Since 2005, the committee has been endeavouring to resolve issues arising from the classification of proposed expenditure in the annual appropriations bills,

according to whether it is expenditure for the ordinary annual services of the government. This classification arises under section 53 of the Constitution, and is the subject of an agreement between the Senate and the government known as the Compact of 1965, which has been modified by agreement since that time.

The history of this matter is set out in Appropriations and Staffing Committee, *Annual Report 2005-06*, Appendix 1 (incorporating the committee's *39th Report*); and Appropriations and Staffing Committee, *Annual Report 2006-07*, Appendix 1.

An updated paper prepared for the committee is attached as Appendix 1 to this report.

In brief, the committee's attention has been drawn to the classification of several items in appropriation bills since 2005 and it is apparent that there has been a misunderstanding about what the committee agreed to in correspondence with the then minister in 1999, which has resulted in a significant departure from the Compact of 1965.

Recent appropriation bills have been based on a mistaken assumption that the committee agreed to abandon the long-standing principle that all new policies would be classified as not part of the ordinary annual services of the government, and that the committee agreed that any expenditure falling within an existing outcome would be classified as ordinary annual services expenditure. On this view, completely new programs and projects may be started up using money appropriated for the ordinary annual services of the government, and the Senate is unable to distinguish between normal ongoing activities of government and new programs and projects or to identify the expenditure on each of those areas

The committee considered that the solution to this problem is to return to the Senate's original determination, so that new policies for which no money has been appropriated in previous years are separately identified in their first year in the appropriation bill which is not for the ordinary annual services of the government.

The committee agreed that the President should write to the Minister for Finance and Deregulation seeking his consideration of the classification of proposed expenditure in the annual appropriations bills according to whether it is expenditure for the ordinary annual services of the government. The committee also agreed that the President should seek a response from the minister in time for the formulation of the appropriation bills for 2008-09.

Parliamentary computer network and filtering

The committee received correspondence from Senator Fielding on the parliamentary computer network and the lack of any filtering of internet content for senators and members and their staff, and invited him to attend the meeting to speak to the matter.

The committee noted that the parliamentary computer network computers of departmental staff (Departments of the Senate, House of Representatives and

Parliamentary Services, except the Parliamentary Library) are filtered for inappropriate internet content, including pornography, illegal drug references, gambling, games, racist or hate sites, violence, illegal weapons manufacture or procurement, but computers of senators and members and their staff are not. The committee also noted that the current filtering mechanism is a 'black list' supplied by the vendor, but the Department of Parliamentary Services (DPS) is currently engaged in identifying a replacement filtering system.

Members of the committee expressed the view that senators should not be treated differently from others who use the parliamentary computing network, and therefore their computers should be filtered. The committee considered that this decision is one for the Presiding Officers, and recommended that the President receive a brief from DPS on the filtering system and consult with the Speaker on the matter. The committee recommended that, following consultations, the President make a statement to the Senate.

(Alan Ferguson)
Chairman

March 2008

