

PORTFOLIO BUDGET STATEMENTS 2014-15
BUDGET RELATED PAPER NO. 1.17A

**DEPARTMENT OF THE HOUSE OF
REPRESENTATIVES**

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

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PARLIAMENT HOUSE
CANBERRA 2600

SPEAKER OF THE HOUSE OF REPRESENTATIVES

Honourable Members

I hereby submit Portfolio Budget Statements in support of the 2014-15 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 'Bronwyn Bishop'.

Hon. Bronwyn Bishop MP
Speaker

12 May 2014

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nfp	not for publication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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A copy of this document can be located on the Australian Parliament House website at www.aph.gov.au/house/PBS2014-15 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 2014-15 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) 2014-15. 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.

CONTENTS

DEPARTMENT OF THE HOUSE OF REPRESENTATIVES

User Guide	vi
The Department of the House of Representatives Overview	3
Departmental responsibilities	3
Departmental Resources	5
Department of the House of Representatives	8
Section 1: Departmental overview and resources	8
1.1 Strategic Direction Statement	8
1.2 Departmental Resource Statement	10
1.3 Budget Measures	12
1.4 Departmental Program Framework	13
Section 2: Outcomes and planned performance.....	14
2.1 Outcomes and Performance Information	14
Section 3: Explanatory tables and budgeted financial statements	21
3.1 Explanatory Tables	21
3.2 Budgeted Financial Statements	22
Glossary	33

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.

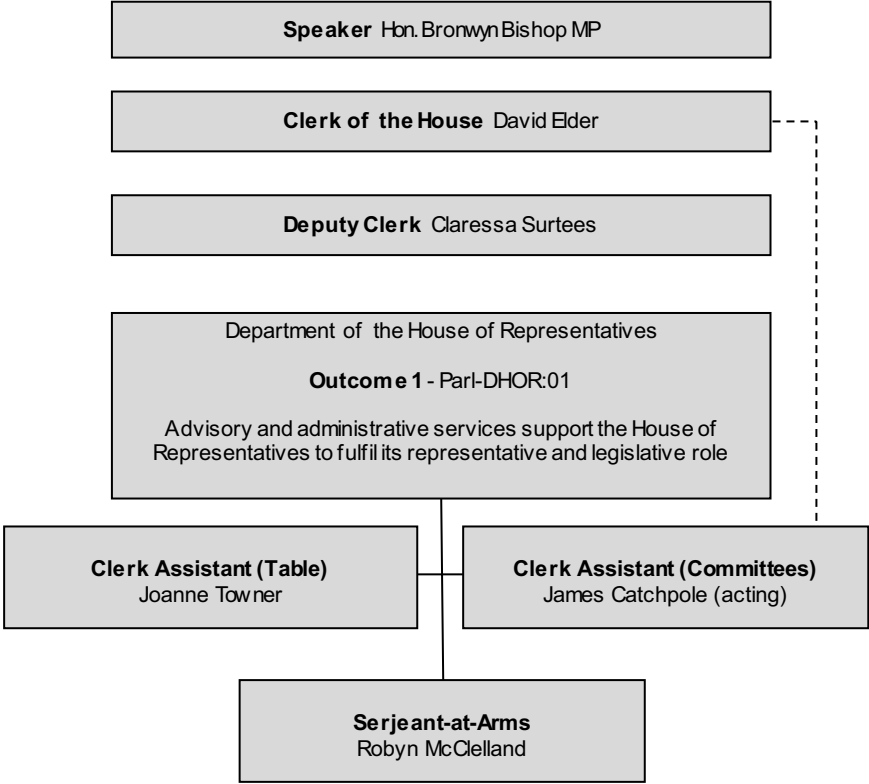
The Department provides facilities, support, advice and information to ensure that:

- 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. Bronwyn Bishop 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 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 2014-15 budget year.

Table 1: Departmental Resources 2014-15

	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	20.821	-	-	0.890	21.711
Department total:	21.146	-	-	0.890	22.036
			Resources available:		22.036

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, 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. The financial year 2014-15 marks the peak year in the current parliamentary cycle and activity levels across all areas of operations of the Department are expected to be high.

Although the department's appropriation has remained flat in absolute terms over the past decade, there has been a significant decline in real terms. This trend, of a relatively static level of appropriation but a decline in real terms, will continue for the budget and forward years. While it has been the approach of the department over many years to implement savings measures so that expenditure can remain within budget and be sustainable in the longer term, the department's budgetary position over the forthcoming parliamentary cycle is very tight. With the increase in the efficiency dividend to 2.5 per cent for the budget and two forward years, continued and significant expenditure restraint will be required to enable the Department to deliver effective services and remain within budget. Every endeavour will be made to do so. However, it is very likely that there will be no option but to consider reductions in services at some time during the 44th Parliament.

The Standing Committee on Appropriations and Administration has met twice to date during 2013-14 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. For the 2013-14 financial year, 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. This funding continues in 2014-15 and the forward years.

As at 1 July 2013, the Department of Parliamentary Services (DPS) has assumed responsibility for the provision of information and communication technology (ICT)

across the Parliament. This consolidation was as a result of recommendations stemming from a review of information and communication technology for the Parliament. As part of the consolidation process, four staff were transferred to DPS along with \$0.920m of prior year funding, \$0.779m of baseline operating and \$0.407m of baseline capital budget to enable DPS to provide ongoing ICT hardware, services and support to Members, Members' staff and the Department.

At the request of DPS, from 16 January 2014 the Department discontinued the existing common service arrangement to provide payroll services to DPS. This service had been provided under the terms of a memorandum of understanding commencing 9 November 2010. As a result of the termination of services, four staff were transferred to DPS, one staff member ceased employment and related funding ceased. The Department continues to provide a common service arrangement for payroll services to the Parliamentary Budget Office.

Reflecting the parliamentary cycle, as expected, the 2013 federal election resulted in lower activity and a reduction of supplier expenditure across many areas of the Department for the 2013-14 financial year. The result of this is an expected surplus after depreciation of \$0.956m. Nevertheless, the medium to longer term outlook shows the Department's budgetary position will be under significant pressure. The Department is committed to providing a high quality service to the House of Representatives, its Members and the public. Significant and ongoing investment is being made in areas to enable Members to carry out their work as parliamentarians and for stakeholders to engage with the Parliament. With the introduction into service of several replacement and new IT systems and the development of apps to provide information to both Members and the general public, the Department is well placed to provide key documents and support services to Members in the coming years.

The Department will continue to focus on flexible staffing arrangements and technological innovation as a means of enhancing our effectiveness in supporting the House of Representatives as we continue to seek to deliver services as efficiently as possible.

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 2014-15 as at Budget May 2014

	Estimate of prior year amounts + available in 2014- 15 \$'000	Proposed at Budget = 2014- 15 \$'000	Total estimate 2014- 15 \$'000	Actual available appropriation 2013- 14 \$'000
Departmental appropriation ¹				
Prior year departmental appropriation ²	14,654		14,654	
Departmental appropriation ³		20,821	20,821	22,406
s31 Relevant departmental receipts ⁴		890	890	970
Total	14,654	21,711	36,365	23,376
Administered expenses				
Outcome 1	-	325	325	325
Total	-	325	325	325
Total available annual appropriations	A 14,654	22,036	36,690	23,701
	Estimate of prior + year amounts available in 2014- 15 \$'000	Proposed at Budget = 2014- 15 \$'000	Total estimate 2014- 15 \$'000	Actual available appropriation 2013- 14 \$'000
Special Accounts				
Opening balance ⁵	2,471	-	2,471	2,471
Appropriation receipts ⁶	-	62	62	78
Total Special Account	B 2,471	62	2,533	2,549
Total resourcing				
A+B	17,125	22,098	39,223	26,250
Less appropriations drawn from annual or special appropriations above	-	62	62	78
Total net resourcing for Department of the House of Representatives	17,125	22,036	39,161	26,172

¹ Appropriation (Parliamentary Departments) Bill (No. 1) 2014- 15

² Estimated adjusted balance carried forward from previous year

³ Includes an amount of \$0.649m in 2014- 15 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 2014- 15 included above and represent an Interest Equivalency Payment established under Determination 2004/08

Reader note: All figures are GST exclusive.

Third Party Payments from and on behalf of other agencies

	2014- 15 \$'000	2013- 14 \$'000
Payments made on behalf of the Department of Finance (disclosed in the respective Agency Resource Statement)	7,032	7,081
Payments made on behalf of the Australian Public Service Commission (disclosed in the respective Agency Resource Statement)	38,960	38,233

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 2013-14 MYEFO ^(a)

	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17 \$'000	2017-18 \$'000
PARLIAMENT					
<i>Department of the House of Representatives</i>					
Expense measures					
Efficiency dividend - a further temporary increase of 0.25 per cent Departmental expenses	-	(52)	(103)	(154)	(155)
Efficiency dividend - a further temporary increase of 0.25 per cent Departmental capital expenses	-	(2)	(3)	(5)	(5)
Total	-	(54)	(106)	(159)	(160)

Prepared on a Government Financial Statistics (fiscal) basis

(a) Amounts in brackets represent a reduction in expenses

1.4 DEPARTMENTAL PROGRAM FRAMEWORK

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

Figure 2: Program component table

2014-15 Budget year

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

Program 1 - Other Departmental

Program Component 1.1: Chamber and Federation Chamber
<p>Departmental Activities:</p> <p><i>Resources supporting the effective operation of the Chamber and Federation Chamber of the House of Representatives.</i></p>

Program Component 1.4: Inter - Parliamentary Relations
<p>Departmental Activities:</p> <p><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>

Program Component 1.2: Community Relations and Awareness
<p>Departmental Activities:</p> <p><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>

Program Component 1.5: Members' and Corporate Support
<p>Departmental Activities:</p> <p><i>Provision of advice, services and support to Members in Parliament House.</i></p> <p><i>Payment of Members' salaries and allowances.</i></p> <p><i>Provision of advice, services and support to the department.</i></p> <p><i>Provision of financial and human resource management and office services.</i></p> <p><i>Revenue from other sources (s31)</i></p>

Program Component 1.3: Committee Services
<p>Departmental Activities:</p> <p><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>

Program 2 - Administered

Program Component 2.1: Schools Hospitality
<p>Departmental Activities:</p> <p><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 2014-15, 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.	2013-14	2014-15
	Estimated actual expenses \$'000	Estimated expenses \$'000
Program 1: Other Departmental DHOR		
Departmental expenses		
Departmental appropriation ¹	21,245	21,000
Special Accounts	78	62
Expenses not requiring appropriation in the Budget year ²	2,418	2,840
Total for Program 1	23,741	23,902
Program 2: Schools Hospitality		
Administered expenses		
Administered appropriation ³	325	325
Total for Program 2	325	325
Outcome 1 Totals by appropriation type		
Departmental expenses		
Departmental appropriation ¹	21,245	21,000
Special Accounts	78	62
Expenses not requiring appropriation in the Budget year ²	2,418	2,840
Administered expenses		
Administered appropriation ³	325	325
Total expenses for Outcome 1	24,066	24,227
	2013-14	2014-15
Average Staffing Level (number)	155	154

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 figures and totals are indicative estimates and may change in the course of the budget year as priorities change

Contributions to Outcome

Program 1 – Other Departmental DHoR

Program objectives

- 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 financial and human resource management and office services.

¹ Linked to:

Department of Finance

- Program 1.2; Public Sector Superannuation Benefits
- Program 3.1; Ministerial and Parliamentary Services

Australian Public Service Commission

- Program 1.2; Parliamentarians' and Judicial Office Holders' Remuneration and Entitlements

Program 2 – Schools Hospitality (Administered)

Program objectives

- The provision of hospitality to school groups visiting Parliament House.

Program expenses

- Departmental activity levels are tied to the parliamentary cycle. The 2014-15 financial year spans the mid-year of the 44th Parliament and demand on resources is expected to be high. The Department expects the budget will be under pressure and some expenditure reductions are likely to be necessary.

Program Expenses

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

	2013-14 Revised budget \$'000	2014-15 Budget \$'000	2015-16 Forward year 1 \$'000	2016-17 Forward year 2 \$'000	2017-18 Forward year 3 \$'000
Program 1 expenses - Departmental					
<u>1.1 - Chamber and Federation Chamber</u>					
Departmental item - appropriation	3,138	3,232	3,265	3,297	3,330
Departmental item - s31	-	-	-	-	-
Subtotal component expenses	3,138	3,232	3,265	3,297	3,330
<u>1.2 - Community Relations and Awareness</u>					
Departmental item - appropriation	1,155	1,171	1,188	1,200	1,212
Departmental item - s31	20	40	35	35	35
Subtotal component expenses	1,175	1,211	1,223	1,235	1,247
<u>1.3 - Committee Services</u>					
Departmental item - appropriation	7,858	8,293	8,376	8,215	8,297
Departmental item - s31	-	-	-	-	-
Subtotal component expenses	7,858	8,293	8,376	8,215	8,297
<u>1.4 - Inter - Parliamentary Relations</u>					
Departmental item - appropriation	1,422	1,713	1,375	1,345	1,373
Departmental item - s31	510	780	812	870	870
Subtotal component expenses	1,932	2,493	2,187	2,215	2,243
<u>1.5 - Members' and Corporate Support</u>					
Departmental item - appropriation	6,702	5,701	5,399	5,432	5,335
Departmental item - s31	440	70	70	70	70
Subtotal component expenses	7,142	5,771	5,469	5,502	5,405
Total component expenses	21,245	21,000	20,520	20,464	20,522
Special Account Expenses:					
<i>Inter-Parliamentary Relations Special Account</i>	78	62	62	62	62
Expenses not requiring appropriation in the Budget year ¹	2,418	2,840	2,721	2,765	2,796
Total Program 1 expenses - Departmental	23,741	23,902	23,303	23,291	23,380
Program 2 expenses - Administered					
<u>2.1 - Schools Hospitality</u>					
Administered item - appropriation	325	325	325	325	325
Total Program 2 expenses - Administered	325	325	325	325	325
Total Outcome expenses	24,066	24,227	23,628	23,616	23,705

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.
- 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 Parliamentary Budget Office (PBO) 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 2014-15 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 2014-15	Receipts 2014-15	Payments 2014-15	Adjustments 2014-15	Closing balance 2014-15
		<i>2013-14</i>	<i>2013-14</i>	<i>2013-14</i>	<i>2013-14</i>	<i>2013-14</i>
	Outcome	\$'000	\$'000	\$'000	\$'000	\$'000
Inter-Parliamentary Relations Special Account - FMA Act 1997 (D)	1	2,471	62	64	-	2,469
		2,473	78	80	-	2,471
<i>Services for Other Entities and Trust Moneys - Department of the House of Representatives (D)</i>	1	-	-	-	-	-
		-	-	-	-	-
Total Special Accounts						
2014-15 Budget estimate		2,471	62	64	-	2,469
<i>Total Special Accounts</i>						
<i>2013-14 estimate actual</i>		2,473	78	80	-	2,471

3.1.2 Australian Government Indigenous Expenditure (AGIE)

The 2014-15 Australian Government Indigenous Statement is not applicable because the Department has no Indigenous specific expenses.

3.2 BUDGETED FINANCIAL STATEMENTS

3.2.1 Analysis of budgeted financial statements

Comprehensive Income Statement (Net Cost of Services)

The 2013 federal election had a significant impact on the Department's activity and spend profile in the 2013-14 financial year. In line with previous parliamentary trends, there was a discernable decrease in supplier expenses in the first six months of the financial year. The Department has therefore forecast that it will finish the 2013-14 financial year with an estimated surplus after depreciation of \$0.956m. The 2014-15 financial year sees a return to normal parliamentary activity and as a result, increasing pressure on the available financial resources. The Department will need to closely monitor expense levels 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). An initial increase in funding for the 2014-15 year is expected as revenue is received to cover expenses as programs are delivered. Revenue is expected to decrease over the forward years as programs are wound up. In addition, cessation of arrangements with the Department of Parliamentary Services for the provision of payroll services account for reductions in revenue compared to previously reported revenue estimates. Decreased costs associated with the additional staff previously required to undertake this function are also reflected.

As a result of the consolidation of ICT services for the Parliament within the Department of Parliamentary Services, appropriation revenue and associated employee and supplier expenses have been adjusted downwards from previous years' estimates.

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

Departmental Balance Sheet and Cash Flow Statement

The balance sheet reflects the acquisition of replacement furniture and fittings for staff within offices of certain parliamentary office holders and departmental offices. Some of these items have been in use since before 1987 and have exceeded their useful lives. A furniture replacement project commenced towards the end of the 2012-13 financial year. The project is funded primarily through cash reserves and is estimated to be completed in 2014-15. The House Standing Committee on Appropriations and Administration was briefed on the project in the 43rd Parliament.

The Department, in conjunction with the Department of the Senate, has been involved in a project for the development of the Table Offices Production System, to replace the

¹ Refer to Table 3.2.5 - Departmental Capital Budget Statement

existing Document Production System. Stage 1 of the project was completed in 2013-14, with the second and final stage to be completed in the 2014-15 financial year. The Department, also in conjunction with the Department of the Senate, has undertaken a project to develop a Venue Management System. The system is for the booking of certain venues in Parliament House and for bookings for school groups visiting Parliament House. It replaces existing booking systems. The system went live for chamber department operation in 2013-14, and is planned to be made available for bookings online by others in Parliament House and by schools in 2014-15. Both 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.

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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES					
Employee benefits	17,770	17,560	17,114	17,526	17,996
Suppliers	5,563	5,720	5,480	5,012	4,600
Depreciation and amortisation	408	622	711	755	786
Total expenses	23,741	23,902	23,305	23,293	23,382
LESS:					
OWN-SOURCE INCOME					
Own-source revenue					
Sale of goods and rendering of services	467	95	95	95	95
Other	734	1,003	469	469	323
Total own-source revenue	1,201	1,098	564	564	418
Gains					
Sale of assets	10	10	10	10	10
Other	2,000	2,000	2,000	2,000	2,000
Total gains	2,010	2,010	2,010	2,010	2,010
Total own-source income	3,211	3,108	2,574	2,574	2,428
Net cost of (contribution by) services					
Revenue from Government	21,486	20,172	20,020	19,964	20,168
Surplus (Deficit) attributable to the Australian Government	956	(622)	(711)	(755)	(786)
OTHER COMPREHENSIVE INCOME					
Changes in asset revaluation surplus	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-
Total comprehensive income (loss)	956	(622)	(711)	(755)	(786)
Total comprehensive income (loss) attributable to the Australian Government	956	(622)	(711)	(755)	(786)
Note: Impact of Net Cash Appropriation Arrangements					
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
Total Comprehensive Income (loss) less depreciation/amortisation expenses previously funded through revenue appropriations.	1,364	-	-	-	-
plus depreciation/amortisation expenses previously funded through revenue appropriations ¹	408	622	711	755	786
Total Comprehensive Income (loss) - as per the Statement of Comprehensive Income	956	(622)	(711)	(755)	(786)

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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS					
Financial assets					
Cash and cash equivalents	600	650	650	650	650
Trade and other receivables	17,336	16,370	16,116	16,364	16,625
Total financial assets	17,936	17,020	16,766	17,014	17,275
Non-financial assets					
Property, plant and equipment	4,719	5,371	5,754	5,447	5,139
Intangibles	2,412	2,626	2,464	2,412	2,330
Heritage and cultural assets	369	369	419	419	419
Inventories	21	16	16	18	20
Other non-financial assets	120	120	120	120	120
Total non-financial assets	7,641	8,502	8,773	8,416	8,028
Total assets	25,577	25,522	25,539	25,430	25,303
LIABILITIES					
Payables					
Suppliers	400	400	400	400	400
Unearned income	650	650	650	650	650
Other payables	6	6	6	6	6
Total payables	1,056	1,056	1,056	1,056	1,056
Provisions					
Employee provisions	5,935	5,855	5,641	5,641	5,641
Total provisions	5,935	5,855	5,641	5,641	5,641
Total liabilities	6,991	6,911	6,697	6,697	6,697
Net assets	18,586	18,611	18,842	18,733	18,606
EQUITY					
Parent entity interest					
Contributed equity	(12,371)	(11,724)	(11,082)	(10,436)	(9,777)
Reserves	13,437	13,437	13,737	13,737	13,737
Retained surplus	17,520	16,898	16,187	15,432	14,646
Total Equity	18,586	18,611	18,842	18,733	18,606

* '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 2014-15)

	Retained earnings \$'000	Asset revaluation reserve \$'000	Other reserves \$'000	Contributed equity/ capital \$'000	Total equity \$'000
Opening balance as at 1 July 2014					
Balance carried forward from previous period	17,520	13,437	-	(12,371)	18,586
Adjusted opening balance	17,520	13,437	-	(12,371)	18,586
Comprehensive income					
Other comprehensive income	-	-	-	-	-
Surplus (deficit) for the period	(622)	-	-	-	(622)
Total comprehensive income	(622)	-	-	-	(622)
of which:					
Attributable to the Australian Government	(622)	-	-	-	(622)
Transactions with owners					
Contributions by owners					
Departmental Capital Budget (DCBs)	-	-	-	649	649
Sub-total transactions with owners	-	-	-	649	649
Other movements	-	-	-	(2)	(2)
Estimated closing balance as at 30 June 2015	16,898	13,437	-	(11,724)	18,611
Closing balance attributable to the Australian Government	16,898	13,437	-	(11,724)	18,611

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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	22,723	23,217	21,711	21,296	21,487
Sale of goods and rendering of services	542	95	95	95	95
Other	1,904	869	869	869	723
Total cash received	25,169	24,181	22,675	22,260	22,305
Cash used					
Employees	17,770	17,560	17,114	17,526	17,996
Suppliers	5,568	5,720	5,480	5,012	4,600
Total cash used	23,338	23,280	22,594	22,538	22,596
Net cash from (used by) operating activities	1,831	901	81	(278)	(291)
INVESTING ACTIVITIES					
Cash received					
Proceeds from sales of property, plant and equipment	100	100	100	10	10
Total cash received	100	100	100	10	10
Cash used					
Purchase of property, plant and equipment and intangibles	(2,485)	(1,598)	(822)	(376)	(376)
Total cash used	(2,485)	(1,598)	(822)	(376)	(376)
Net cash from (used by) investing activities	(2,385)	(1,498)	(722)	(366)	(366)
FINANCING ACTIVITIES					
Cash received					
Capital Injections	764	647	641	644	657
Cash received from other fin activities	-	-	-	-	-
Total cash received	764	647	641	644	657
Net cash from (used by) financing activities	764	647	641	644	657
Net increase (decrease) in cash held	210	50	-	-	-
Cash and cash equivalents at the beginning of the reporting period	390	600	650	650	650
Cash and cash equivalents at the end of the reporting period	600	650	650	650	650

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
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
NEW CAPITAL APPROPRIATIONS					
Capital budget - Bill 1 (DCB)	648	649	644	646	659
Total new capital appropriations	648	649	644	646	659
Provided for:					
Purchase of non-financial assets	648	649	644	646	659
Total Items	648	649	644	646	659
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriations ¹	648	649	644	376	376
Funded internally from departmental resources ²	1,837	949	178	-	-
TOTAL	2,485	1,598	822	376	376
RECONCILIATION OF CASH USED TO ACQUIRE ASSETS TO ASSET MOVEMENT TABLE					
Total purchases	2,485	1,598	822	376	376
Total cash used to acquire assets	2,485	1,598	822	376	376

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 (2014-15)

	Other property, plant and equipment \$'000	Heritage and cultural \$'000	Computer software and intangibles \$'000	Total \$'000
As at 1 July 2014				
Gross book value	4,967	369	3,532	8,868
Accumulated depreciation/amortisation and impairment	(248)	-	(1,120)	(1,368)
Opening net book balance	4,719	369	2,412	7,500
CAPITAL ASSET ADDITIONS				
Estimated expenditure on new or replacement assets				
By purchase - appropriation ordinary annual services ¹	649	-	-	649
By purchase - other	349	-	600	949
Total additions	998	-	600	1,598
Other movements				
Depreciation/amortisation expense	(296)	-	(326)	(622)
Disposals ²	(50)	-	(60)	(110)
Other movements	-	-	-	-
Total other movements	(346)	-	(386)	(732)
As at 30 June 2015				
Gross book value	5,915	369	4,072	10,356
Accumulated depreciation/amortisation and impairment	(544)	-	(1,446)	(1,990)
Closing net book balance	5,371	369	2,626	8,366

¹ "Appropriation ordinary annual services" refers to funding provided through the Appropriation (Parliamentary Departments) Bill (No.1) 2014-15 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	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Suppliers	325	325	325	325	325
Total expenses administered on behalf of Government	325	325	325	325	325
Net Cost of (contribution by) services	325	325	325	325	325
Surplus (Deficit)	325	(325)	(325)	(325)	(325)
Total comprehensive income (loss)	325	(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	Budget estimate	Forw ard estimate	Forw ard estimate	Forw ard estimate
	2013-14	2014-15	2015-16	2016-17	2017-18
	\$'000	\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash used					
Suppliers	325	325	325	325	325
Total cash used	325	325	325	325	325
Net cash from (used by) operating activities	(325)	(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	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 2013-14 as at the 2014-15 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 administrated by the Department of Finance. 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	<p>The official Australian Government list as contained in the Central Budget Management System. Agencies must report performance of these programs in their PB Statements.</p>
Consolidated Revenue Fund (CRF)	<p>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</p>
Contractor	<p>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.</p>
Departmental Item	<p>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.</p>
Estimated Actual Expenses	<p>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.</p>

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 2014-15 is the budget year, 2015-16 is forward year 1, 2016-17 is forward year 2 and 2017-18 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.