

Standing Committee on
Appropriations and
Administration

Budget Estimates 2013–2014

REPORT NO.5

MAY 2013

DEPARTMENT OF THE HOUSE OF REPRESENTATIVES

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MEMBERS OF THE COMMITTEE

The Speaker (ex officio, Chair), Ms Anna Burke MP

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Ms J Hall MP

Mr E T Jones MP

Mr C Kelly MP

Ms J Saffin MP

Mr B Scott MP

Ms M Vamvakinou MP

Secretariat

Secretary Ms Robyn McClelland

Research Ms Kay Saunders

THE COMMITTEE

The Standing Committee on Appropriation and Administration, appointed pursuant to standing order 222A, considers estimates of the funding required for the operation of the Department of the House of Representatives for each year and provides to the Speaker for presentation to the House and transmission to the Minister for Finance and Deregulation, estimates of amounts for inclusion in the appropriation bills for the Department.

The committee also considers proposals for changes to the administration of the Department of the House of Representatives or variations to services provided by the Department, other matters of finance or services as may be referred to it by the Speaker or the House, the administration and funding of security measures affecting the House, and proposals for works in the parliamentary precincts that are subject to parliamentary approval. The committee reports on these matters to the Speaker or the House, as appropriate.

When conferring with the Senate Standing Committee on Appropriations and Staffing, the committee may consider estimates of the funding required for the operation of the Department of Parliamentary Services (DPS) each year, and provide to the Speaker for presentation to the House and transmission to the Minister for Finance and Deregulation, estimates of amounts for inclusion in appropriation bills for the DPS.

The committee makes an annual report to the House on its operations (standing order 222(a)(vi)).

Introduction

Standing order 222A(a) (ii) requires that the committee provide to the Speaker for presentation to the House the amounts for inclusion in the appropriation bills for the Department of the House of Representatives.

Proposed Appropriation for 2013–14

1. Departmental Annual Appropriation

The amount to be included for the Department of the House of Representatives in Appropriation (Parliamentary Departments) Bill (No. 1) 2013–2014 is calculated in accordance with current Commonwealth funding policy. Under this policy, the prior year's appropriation amount is adjusted by application of an efficiency dividend and a parameter adjustment and any applicable Budget measures.

The committee endorsed the department's proposals to seek additional operational funding in the form of New Policy Proposals for the current year, Budget and three out-years totalling \$2.177m, for the following:

- support for the Joint Select Committee on Constitutional Recognition of Local Government;
- support for Parliamentary Reform;
- support for the Joint Select Committee on Broadcasting Legislation; and
- Schools hospitality.

In response, the Government agreed to additional funding for these measures of \$1.966m over the Budget and three out-years. With the exception of the administered funding for schools hospitality, the department's bids were subject to a general 15 per cent reduction applying across government.

The committee is very pleased that the Government has agreed to fund the additional resources sought by the department. The committee is also pleased that, at its request, the department was excluded from targeted departmental savings, announced in August 2012, applying across government from 2012–13 to 2015–16. The sought savings were for reductions in expenditure in relation to non-campaign advertising, printing and publishing, consultancies and contractors, and travel and, for the department, would have totalled \$247,150 across the four year period.

The committee notes the commentary in the department's Portfolio Budget Statements 2013-14 that the additional funding and the implementation by the department in 2012–13 of further savings measures, have resulted in a marginal easing of the department's budgetary position. The level of appropriation in the forward years remains static, however, and the department will need to closely monitor expense levels to remain within Budget.

	(\$'000)	(\$'000)
Appropriation 2012–13 (as per Appropriation (Parliamentary Departments) Act (No. 1) 2012-2013)		22,691
Estimate of Appropriation 2013-14 as reported in 2012-13 PBS		22,336
Parameter adjustment	-109	
<u>Expense Measures</u>		
Support for Parliamentary Reform	+394	
Support for Select Committee on Broadcasting Legislation	+157	
Support for Select Committee on Constitutional Recognition of Local Government	+115	
Schools Hospitality	+325	+991
Appropriation 2013–14 (as per Appropriation (Parliamentary Departments) Bill (No. 1) 2013-2014)		23,218

2. Departmental Capital Appropriation

The annual appropriation includes an amount for capital expenditure of \$1,055m as disclosed in the department's 2013–2014 Portfolio Budget Statements.

3. Accumulated Prior Year Appropriation and Operating Results¹

The department also has access to resources accumulated from prior years. The department can use these funds to fund liabilities (including provisions for employee expenses) and capital purchases that are not provided for in the departmental capital budget. They can also be used to fund operational losses should the situation arise. As mentioned, however, it has been the policy of the department over many years to implement savings measures so that expenditure can remain within budget and be sustainable in the longer term.

	2012–13 (\$'000)	2013–14 (\$'000)
Prior year departmental appropriation	14,290	10,790
Estimate of total Comprehensive Income attributable to the Department	100	Nil

¹ Amounts relating to the special accounts are not included.

4. Special Appropriations (Members' remuneration and entitlements)

Special appropriations for 2013-2014 comprise the following amounts:

Department of Finance and Deregulation	(\$'000)
<i>Parliamentary Entitlements Act 1990</i>	450
<i>Parliamentary Superannuation Act 2004</i>	3,298
<i>Ministers of State Act 1952</i>	3,532
Australian Public Service Commission	(\$'000)
<i>Remuneration Tribunal Act 1973</i>	37,934

The department accesses these special appropriations by way of a third party drawing right. The amounts are disclosed in the respective agency Resource Statement in the PBS.

In summary:

The **total appropriation** to be approved by the Parliament for the Department of the House of Representatives in the Appropriation (Parliamentary Departments) Bill (No. 1) 2013–2014 will be **\$23.218m** (compared to \$22.691m in 2012–13).

The department will also draw down on **special appropriations** of **\$45,214m** (compared to an estimate of \$44,279m in 2012–13).

The committee reports to the House of Representatives accordingly.

Framework for the Parliamentary Budget Process

The committee is also pleased to report to the House that progress has been made on formalising a framework for the parliamentary budget process that goes some way in recognising the constitutional independence of the two houses of Parliament, their committees and members, and the particular responsibilities of the parliamentary administration that supports them. This follows a letter by the Presiding Officers of 9 October 2012 to the Prime Minister and subsequent discussions with Government. The committee welcomes this development. The Parliament must be appropriately resourced to undertake its constitutional role.

The framework in respect of the Department of the House of Representatives is as follows. Following the internal process in development of the department's budget each financial year including consideration by this committee, the Speaker will consult with the Minister for Finance and Deregulation prior to consideration of the Department's budget by the Expenditure Review Committee of Cabinet (ERC). The Minister will have carriage of the department's budget through the ERC process on behalf of the Speaker. The Minister will then advise the Speaker of the outcome of the ERC's deliberations with respect to the Department's budget.

Recognising the House’s constitutional independence, the Department of the House of Representatives will be treated separately to the other parliamentary departments, except where consideration needs to be given to the effect of the work of the House on the Department of Parliamentary Services—for example, in allocating additional resources to DPOS to support new committees with broadcasting and Hansard services.

The committee reports to the House that the indicative budget timeframe and milestones for the Department of the House of Representatives are as set out in Appendix A.

Ms Anna Burke MP
Chair

May 2013

Department of the House of Representatives – Indicative Budget Timeframe and Milestones

Late September	Department develops first draft of funding requirements
October	Department’s funding requirements considered by Appropriations and Administration Committee
By last week November	Speaker writes to Prime Minister to outline funding required, including funding for any new policy proposals – copies sent to Treasurer and Minister for Finance and Deregulation
Last week November	Speaker briefs Minister for Finance and Deregulation on detail of proposal
December	Government advises Speaker of outcome of preliminary consideration of proposals
January	Detailed costings developed and agreed between DHR and Agency Advice Unit of DoFD for NPPs
Early February	Appropriations and Administration Committee briefed on costings for NPPs
By third week February	Final submission on NPPs given to Speaker for transmission to government
Prior to ERC meeting	Speaker briefs Minister for Finance and Deregulation on final proposal
February/March	Minister for Finance and Deregulation represents agreed positions in ERC process Speaker advised of outcome of ERC consideration
May	Appropriations (Parliamentary Departments) Bill presented
May	Appropriations and Administration Committee reports to House as required by standing orders