

Papers on Parliament No. 6

March 1990

Parliamentary Workshop

**Senate Estimates Scrutiny
of Government Finance
and Expenditure**

*What's it for, does it work
and at what cost?*

17 October 1989
Parliament House, Canberra

Published 1990, Reprinted 1993

Papers on Parliament is edited and managed by the Research Section, Senate Department.

All inquiries should be made to:

The Director of Research
Procedure Office
Senate Department
Parliament House
CANBERRA ACT 2600

Telephone: (06) 277 3057

The Department of the Senate acknowledges the assistance of the Department of the Parliamentary Reporting Staff.

Cover design: Conroy + Donovan, Canberra

CONTENTS

	Page No.
Presenters and Moderators Attending the Workshop in 1989.....	vi
Participants Attending the Workshop in 1989	viii
Introduction by Harry Evans Clerk of the Senate.....	1
SESSION 1: <i>AN OVERVIEW OF THE SCRUTINY SYSTEM</i> ... <i>BY WATCHERS AND WATCHED</i>	
Moderator: Peter O'Keeffe.....	5
<i>Estimates Committee Scrutiny of Government Appropriations and Expenditure Nature, Purpose and Effects</i>	
Dr John Uhr	5
<i>The standpoint of Finance More than a Watching Brief</i>	
Dr Michael Keating.....	10
<i>A Government Senator's Standpoint Value for Money or Watching Ministerial Backs?</i>	
Senator Bob McMullan.....	15
<i>A Finance and Public Administration Perspective Complementing the Estimates Scrutiny Process</i>	
Senator John Coates.....	21

SESSION 2: QUESTIONS AND ANSWERS SESSION 'ARE THERE TOO MANY WATCHERS AND NOT ENOUGH MANAGERS?'

A panel of the Speakers, chaired by Peter O'Keeffe 27

SESSION 3: THE THEORY AND PRACTICE OF PUBLIC ACCOUNTABILITY THE VIEWS OF KEY PRACTITIONERS

Moderator: Anne Lynch..... 35

'Auditing public expenditure and the estimates process the role of the Auditor-General'

John Taylor 36

'Parliament, the Public Service and Accountable Management'

Robert Tickner 41

SESSION 4: THE ROLE OF OPPOSITION SENATORS POLITICS OR AUDITING

Moderator: Michele Cornwell..... 49

'The Right to Hold Government to account Estimates Committees and the role of the Opposition'

Senator the Hon. Peter Baume 50

*Senate Estimates Committees: Techniques to Achieve
Accountability Questions, Answers and Use of
Information'*

Senator Bronwyn Bishop 58

SESSION 5: SOUNDING OFF AND ROUNDING OFF

Panel of Senator Coates, John Taylor, Robert Tickner MP,
Senator Baume, Senator Bishop, Harry Evans and
Anne Lynch

Chair: Dr John Uhr 65

Concluding Comments and Thanks: Peter O'Keeffe 78

**APPENDIX 1 PUBLIC EXPENDITURE AND
PARLIAMENTARY ACCOUNTABILITY: THE
DEBATABLE ROLE OF SENATE ESTIMATES
COMMITTEES**

Dr John Uhr 79

**APPENDIX 2 AUDITING PUBLIC EXPENDITURE AND THE
ESTIMATES THE ROLE OF THE
AUDITOR-GENERAL**

John Taylor 111

**APPENDIX 3 PUBLIC ADMINISTRATION A
SHARPENING OF THE FOCUS**

Speech by Senator Bronwyn Bishop 127

Presenters and Moderators Attending the Workshop in 1989

Senator the Honourable Peter Baume, (LP, NSW)

Senator Bronwyn Bishop, (LP, NSW)

Senator John Coates, (ALP, Tasmania), Chair, Senate Standing Committee on Finance and Public Administration

Ms Michele Cornwell, Clerk-Assistant (Committees), the Senate

Mr Harry Evans, Clerk of the Senate

Dr Michael Keating, Secretary, Department of Finance

Ms Ann Lynch, Deputy Clerk of the Senate

Senator Bob McMullan, (ALP, ACT)

Mr P. O'Keeffe, Clerk-Assistant (Procedure)

Mr John Taylor, Auditor-General for Australia

Mr Robert Tickner MP, (ALP, Member for Hughes, NSW)
Chair, Joint Parliamentary Committee of Public Accounts

Dr John Uhr, Senior Lecturer in Politics, Australian National University

Participants Attending the Workshop in 1989

Mr Fred Argy, Director, Office of the Economic Planning Advisory Council

Mr John Bennett, General Manager, Corporate Services Group, Australian Trade Commission

Mr Bill Blick, First Assistant Secretary, Parliamentary and Government Branch, Department of Prime Minister and Cabinet

Mr David Borthwick, First Assistant Secretary, Financial Policy Division, Division of Treasury

Mr John Bowdler, Deputy Secretary, Department of Social Security

Mr Chris Conybeare, Deputy Secretary, Department of Prime Minister

Mr Graham Dempster, First Assistant Secretary, Corporate Management, Information and Territories, Department of the Arts , Sport, the Environment, Tourism and Territories

Mr Rob Edwards, First Assistant Commonwealth Statistician

Mr John Enfield, Public Service Commissioner

Mr Geoff Forrester, Principal Adviser, Department of Foreign Affairs and Trade

Mr Peter Gifford, Director, Merit Protection Review Agency

Ms Lesley Hale, Assistant Secretary, Resources Management Branch, Management Division, Department of Employment, Education and Training

Mr Tony Harris, Deputy Secretary, Department of Immigration, Local Government and Ethnic Affairs

Mr Bill Henderson, Acting First Assistant Secretary, Corporate Management Division, Department of Transport and Communications

Mr Roger Holdich, Inspector-General of Intelligence and Security

Mr Patrick Hunt, First Assistant Secretary, Corporate Affairs Division, Department of Primary Industries and Energy

Mr Michael Ives, First Assistant Secretary, Resource and Financial Programs Division, Department of Defence

Mr Alan Kerr, Deputy Secretary, Department of Veterans' Affairs

Mr John McDermott, Second Commissioner of Taxation, Australian Taxation Office

Mr John Muir, Deputy Secretary, Department of Employment, Education and Training

Mr George Nicholls, First Assistant Secretary, Corporate Services Branch, Department of Prime Minister and Cabinet

Mr Rob Palfreyman, Principal Adviser, Policy and Corporate Services, Department of Industry, Technology and Commerce

Mr Steven Palywoda, First Assistant Secretary, Business Development Group, Department of Administrative Services

Ms Hilary Penfold, Second Parliamentary Counsel, Office of Parliamentary Council

Mr Norman Reaburn, Deputy Secretary, Attorney-General's Department

Mr Mike Roche, Deputy Secretary, Department of Health, Housing and Community Services

Mr Steven Skehill, Deputy Secretary, Deputy Secretary, Department of Aboriginal Affairs

Mr Fred Woodhouse, Principal Registrar, Veterans' Review Board

Introduction

Harry Evans
Clerk of the Senate

Mr Evans On behalf of the Senate Department I welcome you to this Seminar on Senate estimates committees, which I hope will be very productive for you. I am a bit upset that this very impressive-looking podium does not have the Clerk's seal on the front of it. Will the organisers attend to that on the next occasion, please? These sessions we have been holding have proved to be as educational for the organisers as they have for the participants, which is one of the aims. One of the things that we in the Senate Department have been educated about is the extent to which estimates committees loom large in the consciousness particularly of public servants and other people who have to deal with them. I think we tended to forget that estimates committees were one of the main contacts between the Public Service and the Senate. In our thinking, perhaps, estimates committees tended to be the poor relations of the committee system. We have always seen the standing committees as the flagships of the fleet, so to speak, with estimates committees tacking along behind. This seminar is a product of that consciousness-raising by us as a result of some earlier discussions that we have had about them.

Estimates committees are a bit like the old British Constitution; accidental by origin, evolved by some mysterious process without any design, but seeming to have a certain inner life that keeps them going. Perhaps, as someone suggested to me once, they are a bit like the Third French Republic; they exist and seem to have a certain resilience but no-one knows what is holding them up. But it is important in any discussion of estimates committees to remember their history and their origins. Estimates committees did come about more or less by accident. In 1970 there was a proposal for a comprehensive standing committee system of the Senate, standing committees specialised by subject. One of the things those standing committees were going to do was to examine estimates of expenditure of departments. The estimates committees were proposed by the then government as a tentative first step towards a standing committee system. The proposal for estimates committees was developed as an alternative to the standing committee system which was then being very heavily promoted by that mercurial character, the then Leader of the Opposition, Lionel Murphy. Due to a peculiarity of the voting pattern in the Senate we ended up with both estimates committees and standing committees.

The original intention of the estimates committees was that they would be a replacement for the Committee of the Whole procedure. I am constantly reminded that I am getting to be an old-timer nowadays, and there are very few people who can remember what the old Committee of the Whole procedure used to be like before estimate committees were established. The Committee of the Whole went on, on the Appropriation Bills, in the Senate or a very long time. The sorts of questions which are now asked in estimates committees were asked in the Chamber and people sitting in the advisers' desks passed little pieces of paper to Ministers who then tried to read them out. Estimates committees were seen as a very convenient replacement for that procedure, the main advantage being that the questions would be put direct to the officers. The then Government which proposed the establishment of the estimates committees did not have much more in mind other than that, a replacement for the Committee of the Whole procedure.

As I have said, like the old British Constitution, estimates committees have evolved greatly since then, not as a result of any design but simply on their own inner momentum. There are a number of stages in that evolution. One stage which I was reminded of the other day was that they started looking at special appropriations, even though special appropriations were not referred to them. Another stage in the evolution was the development of the explanatory notes, which soon became an industry in itself. Explanatory notes developed as a result of the activities of the estimates committees so that they evolved into the creatures that we have today, not as I have said as a result of any deliberate design. But estimates committees have one quality which is undoubted, and that is their longevity. They have been going continuously since 1970, and the reason for that longevity is not difficult to find. The senators place a great deal of value on them. Nothing rouses the non-Government senators, particularly, to revolution more than any suggestion that the estimates committees be abolished or tampered with or amalgamated with something else. That is another factor which we have to constantly bear in mind; senators, particularly non-government senators, place great value on them. Also they value them in a different way and for different reasons from the standing committees.

Virtually since 1970, people have been saying, 'We have these strange beasts called estimates committees which have grown up. We ought to make something different of them'. People have been talking about making something different of them ever since, and developing them in a particular direction. Without wishing to cast a pall over this gathering and the discussion that may take place, I have always reminded people that that may not happen. Estimates committees may not develop into something different. They may keep going the way they are. That might be a dreadful thought for some people here, but the fact is that the senators seem to place a great deal of value on the estimates committees as they are now.

Discussion of estimates committees has been a very educational experience for us. I hope this session will bring forth some new answers to that question of what to make of the estimates committees.

This was originally intended to be a non-sitting day, but the Senate, as you probably know, has decided to sit. Therefore, having welcomed you as warmly as I can, I will leave you, but I will follow your discussions later with great interest. I hope that it will be as educational an experience for the Department as it is for the participants. Welcome once again and thank you very much.