

Consideration of the estimates in the House

- 3.1 The recommendations in this chapter can stand alone. However, the exact form in which they are realised will be influenced by whether and in what manner the Committee’s proposals in Chapter 4 for consideration of the estimates by standing committees are adopted by the House.

Definition

- 3.2 The term ‘estimates debates’ refers to the consideration in detail stage of Appropriation Bill No. 1.

Current procedures

- 3.3 The ‘estimates’ are the details of the proposed expenditure by government departments and agencies for the coming financial year, as listed in a schedule of the main appropriation bill for the year. This is Appropriation Bill (No. 1), which appropriates money from the Consolidated Revenue Fund for ordinary annual government services of government—that is, continuing expenditure by government agencies on services for existing policies. The bill is introduced by the Treasurer on Budget Day—which now normally occurs in May—along with two other appropriation bills. These are Appropriation Bill (No. 2), which appropriates funds for expenditure on new policies, new capital expenditure, and grants to the States; and the Appropriation (Parliamentary Departments) Bill, which appropriates money for the running of the Parliament.

- 3.4 The consideration of the estimates is preceded by the budget debate, the second reading stage of the main appropriation bill. This is a lengthy debate in which all Members have the opportunity to speak. However, this is a wide-ranging debate on ‘public affairs’ in general and is not confined to (and to a great extent does not cover) the appropriation bill or budget measures.¹
- 3.5 In contrast, debate during the consideration in detail stage of the bill should be relevant to the departmental estimates of expenditure in the bill. During this stage the House goes through the schedule of the bill department by department, debating for each department the question that ‘the proposed expenditure be agreed to’.
- 3.6 Rather than consider the departments individually in the order in the schedule, the House usually agrees, by resolution, to vary the order and to group some departments together, to better suit the convenience of Ministers and Members participating in the debate. The order agreed to is important, as if time is short departments lower down the list may not be reached.
- 3.7 As each department or group of departments is considered, the Minister for the department, or one of the departments if they are grouped, takes the floor as the main government speaker. In some cases another Minister or a Parliamentary Secretary representing the Minister takes over this function. Ministers take different approaches to the debate—some rise to speak between and to respond to other Member’s speeches, others confine their remarks to a closing speech in reply. Sometimes a Minister may undertake to provide a written response to a matter raised by a Member. Departmental staff are present for the Minister to consult with, but advisers can take no part in debate themselves.
- 3.8 The opposition spokesperson for the portfolio (shadow minister) usually plays a central role in the debate, and other Members with an interest in the activities of the particular department also participate. Members may speak for no more than 5 minutes at a time but may speak as many times as they wish. If no other Member seeks the call a Member speaking can speak again immediately, and it is possible for a quite lengthy speech, in total, to be made in this way.
- 3.9 As with all bills, amendments may be moved at the detail stage, although this is not usual. Private Members—that is, Members who are not

1 The debate is exempted from usual requirement that Members’ speeches must be relevant to the question before the House by S.O. 81, which states that ‘matters relating to public affairs may be debated’.

Ministers (or Parliamentary Secretaries) are restricted in the amendments they may move.²

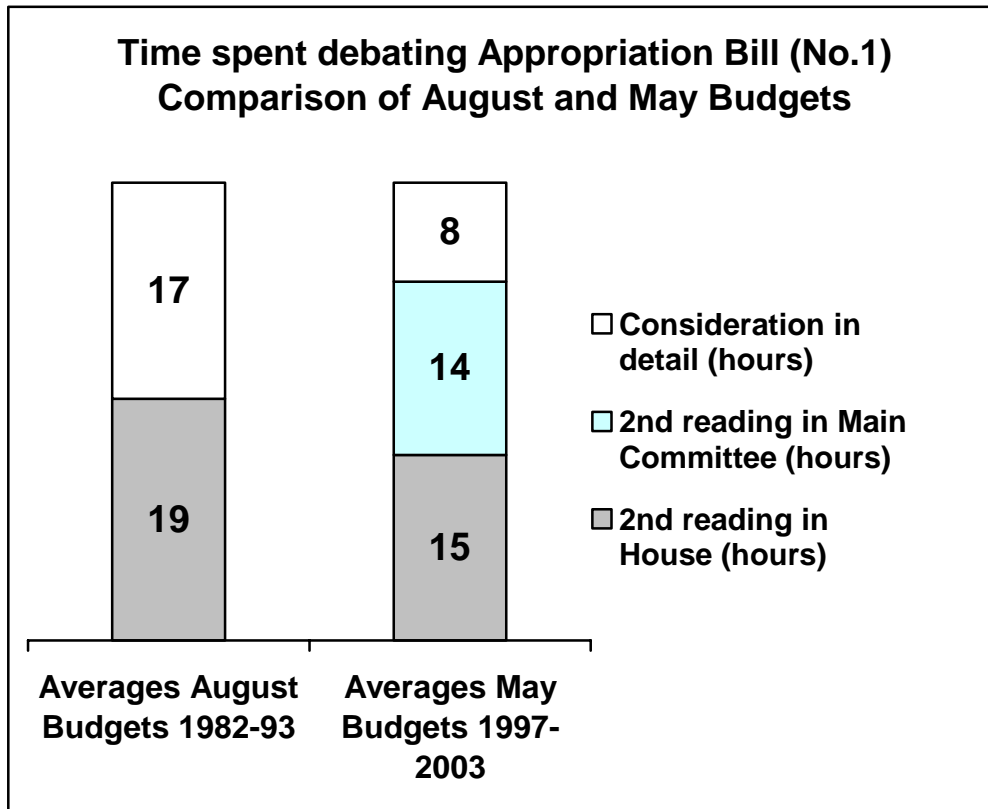
- 3.10 Appropriation Bill (No. 2) and the Appropriation (Parliamentary Departments) Bill are generally not considered in detail. The additional appropriation bills later in the financial year ('additional estimates') usually also bypass the detail stage.
- 3.11 Consideration of the estimates in the House or Main Committee usually covers departmental activity or government policy in the particular subject area, with some discussion of financial details. Some Members also raise electorate issues which are relevant to the estimates being debated.
- 3.12 Members see current procedures as most effective when there is an interchange between Members and the Minister (or Parliamentary Secretary) representing the departments being considered—when Members raise concerns in their short speeches and the Minister responds. The new intervention procedure, currently under trial in the Main Committee, whereby Members may interrupt the Member speaking to ask a question, were used for the first time in estimates debates in 2003, and made the process more interactive.
- 3.13 Criticisms of current practice include:
- the insufficient allocation of time for full debate of the estimates (discussed at paragraph 3.15);
 - the poor attendance of Members due to the low profile of the proceedings and the lack of structure and timetabling of the debates (discussed at paragraph 3.41);
 - the occasional absence of Ministers (discussed at paragraph 3.47); and
 - the content and style of debate (discussed at paragraph 3.49).
- 3.14 The Committee has made recommendations addressing each of these concerns.

Allocation of time

- 3.15 Statistics provided to the Committee by the Clerk of the House showing the times spent on the second reading and consideration in detail stages of Appropriation Bill (No. 1) since 1973 are reproduced at Appendix A.

² S.O. 292—a private Member may move to reduce an amount or to omit an item, but may not move to increase an amount or alter the purpose of a proposed expenditure.

These figures, and the table below which is based on them,³ clearly show that in recent years the time spent on the consideration of the estimates has significantly decreased.



3.16 The referral of the Appropriation Bills to the Main Committee has enabled budget proceedings in the House to be completed in one month (bills presented in May have to pass both Houses before 30 June). However, Main Committee time has been used for additional second reading debate at the expense of consideration of the estimates.⁴

3.17 Currently (that is, with May Budgets and using the Main Committee) about 8 hours are available for the consideration of the estimates. In previous years (August Budgets) 17 hours were available. Time spent on the budget debate has expanded from 19 hours to 29 hours. There has been little change to the total time (budget debate + estimates) which has stayed at about 36 or 37 hours. These figures are averages—in 2003 the estimates were debated for eight hours, while the budget debate increased to 35 hours (13 in the House; 22 in the Main Committee), giving a total

3 The table compares the period of August Budgets starting after the cessation of the experiment with estimates committees, with the period of May Budgets following the introduction of the Main Committee. The intervening years 1994–1996 have been excluded as not representative of either period, because the use of the Main Committee was still getting established and because of the 1996 August Budget.

4 Submission from the Clerk of the House, p. 6.

time of 43 hours. The trend of recent years is now even more marked—the potential offered by the Main Committee for greater debating time has been used for a longer budget debate rather than for consideration of the estimates.

- 3.18 With most available time now used for the budget debate, little time is left for the consideration of the estimates. Recent experience has been that the estimates of a department, or several departments together, may be ‘considered’ in a few minutes, or even not considered at all. In 1996 no estimates were considered as Appropriation Bill (No. 1) was guillotined before the consideration in detail stage was reached. In 2002 the bill was returned to the House from the Main Committee after 6 hours of debate of the estimates—with several departments still to be covered—and then agreed to without further debate. In 2003 the same action occurred after 8 hours of estimates debate. As shown in Appendix C, five of eight departments not covered in 2002 were also not covered in 2003.
- 3.19 In the Committee’s opinion there should always be sufficient time allocated to the consideration in detail stage of Appropriation Bill (No. 1) to enable all departments to be covered. As a rough guide based on the times shown in Appendix C, at least 17 hours needs to be available, about double the amount of time currently provided.⁵ In other words, the time available for the estimates should revert to the average of earlier years (that is, before May Budgets and before the Main Committee).

Options for making more time available

- 3.20 The Committee considered several ways of increasing the time available for the consideration in detail stage of the main appropriation bill, as discussed below. The Committee’s preferred solution is outlined at paragraph 3.33.

Increasing the total sitting hours available for the budget processes

- 3.21 In the Committee’s opinion, any measure aimed at merely increasing the total hours available, either by increasing the number of sittings or by suspending non-budget business, would not go to the root of the problem, which is the time relationship between the budget debate and the

⁵ The Committee’s proposals would provide more time than this minimum, which works out at about 1 hour per department—see Appendix D.

estimates debates. For this reason the Committee did not favour the following options:⁶

- more sitting days for the House—this would be difficult to accommodate within the tight budget timeframe. (However, as discussed in Chapter 4, the Committee does propose additional days in Canberra for House committees to hold estimates hearings);
- more sittings of the Main Committee—the Main Committee already sits much longer hours than usual to accommodate the budget debate and estimates;
- reintroduce the pre-1988 practice of suspending Private Members' Business until the appropriation bills have passed—the Committee believes the regular Private Members' Business period should be sacrosanct.

Redistributing time from the budget debate

3.22 The Committee examined options for redistributing the time currently available—to reduce the time spent on the budget debate in order to allow more time for the consideration of the estimates.

A shorter budget debate

3.23 The budget debate could be shortened by setting a time limit for the whole debate, or by reducing the time limit on Members' speeches. The length of the budget debate could also be greatly reduced if the relevance exemption applying to the debate were to be removed.⁷

3.24 Such action would greatly reduce the pressure on the time of the House during the short budget sittings, and a large block of time could be released for the estimates. For example, if the budget debate was reduced to its previous length of about 20 hours, an additional 8 hours would be available for the detail stage (that is, double the existing amount of time).

3.25 While setting a time limit on the budget debate appeared to be an easy and obvious solution, it was one the Committee was opposed to, after careful consideration of the nature and purpose of this debate.

6 Submission from the Clerk of the House, p. 7. The Clerk put forward options for discussion without making recommendations.

7 Submission from the Clerk of the House, p. 7.

Discussion of the purpose of the budget debate

- 3.26 The budget debate provides an annual opportunity for Members to talk generally on matters of concern. It is made possible by standing order 81(b) which exempts this debate—the second reading debate on Appropriation Bill (No. 1)⁸—from the normal requirement that debate be relevant to the question under discussion.
- 3.27 The nature of the budget debate, like the grievance debate,⁹ has its ultimate origin in the ancient House of Commons practice of insisting on airing its grievances and debating matters of concern to it, before granting financial supply to the Crown.
- 3.28 In earlier centuries, when the Parliament may have been called together for the sole purpose of granting financial supply to the Crown, this ancient custom was extremely important. However, it could be seen as having less relevance now in the House of Representatives, where there are regular opportunities for debate of matters of concern to individual Members available throughout the year.
- 3.29 Now that a May budget has become the normal practice and there is pressure of time for appropriation bills to pass before the new financial year, the budget debate in its current form could perhaps be viewed as a luxury from more leisurely times. The traditional budget debate procedure can be seen as serving to prevent real scrutiny of the Budget, as it takes time that could otherwise be spent on consideration of the estimates, and it uses time that could be spent debating other legislation.
- 3.30 On the other hand, speed in the passage of legislation is not the sole consideration. Parliament is a national forum in which to raise matters of public interest as well as a law making body, and the opportunities that Members have to talk in a general debate on matters of their own choosing are essential to the proper functioning of the House. In the Committee's view it is not the *occurrence* of general debate that should be at issue. The real issue is the *timing* of the general debate, which in its current form, as purported debate on the second reading of the main appropriation bill, prevents progress to the consideration in detail stage, which cannot commence until the second reading has passed.

8 The exemption is for 'appropriation bills for the ordinary annual services of the Government' and also applies to the main additional appropriation bill later in the financial year.

9 See *House of Representative Practice*, 4th edn, p. 555.

A shorter budget debate compensated by additional grievance debates

- 3.31 One way to continue to have the same amount of general debate with less delay to the passage of the appropriation bills would be to make an equal amount of time available for an equivalent general debate *outside* the appropriation bill process.¹⁰ That is, existing regular opportunities for Members to address the House could be extended, in preference to having a very large block of time set aside during one month of the year.
- 3.32 Under this approach, the budget debate would be shorter and relevant to the Budget, and throughout the year there could be longer or perhaps more frequent grievance debates. For example, if 10 hours were taken from each of the current budget debate and the current additional appropriations debate¹¹ an additional hour per week of grievance debate would be available. The grievance debate speech limit of 10 minutes, compared to 20 minutes for the budget debate, would provide more opportunities for Members to speak in total.

Existing budget debate retained but separated from the appropriation bill debate—the preferred option

- 3.33 In the pre-1963 financial procedures of the House (outlined in Chapter 2), the ‘budget debate’ took place in Committee of Supply, before the appropriation bills were introduced. That the budget debate now occurs on the second reading of Appropriation Bill (No. 1) is no more than a procedural device. This was appropriate and convenient under the traditional August budget timetable, which provided the House with many weeks to consider the bill. However, this practice is less suitable to the lesser time available with May budgets, and there seems to be no procedural or legislative reason necessitating its continuation.
- 3.34 The Committee’s proposal is that the budget debate take place on a separate question—for example, ‘That the House approves the Budget’. This ‘budget debate’ would in practice be the same as the current budget debate (including the opportunity to move an amendment to the question), but separate from the second reading debate of the appropriation bill, which could be very short or even formal. This would permit the consideration in detail stage of the bill to start soon after the Budget is presented.

10 Submission from the Clerk of the House, p. 14.

11 In recent years the second readings of the additional appropriation bills have been debated for about 16 hours—9 hours in the House and 7 hours in the Main Committee (1997–2002 averages). These bills are generally not considered in detail.

Procedure for the passage of Appropriation Bill (No.1) Budget and estimates debates

Current procedure

*[Budget and estimates debates
in sequence]*

Appropriation Bill introduced Treasurer moves 2nd reading Budget speech
Leader of the Opposition's response
Second reading debate continues— <u>Budget debate on bill</u> <i>9 sitting days available*</i> Second reading agreed to
Consideration in detail (estimates consideration) <i>3 sitting days available*</i>
Third reading

Proposed procedure

*[Budget and estimates debates
in parallel]*

Appropriation Bill introduced Treasurer moves 2nd reading Budget speech	
Leader of the Opposition's response Second reading agreed to Motion moved 'That the House approves the Budget'	
Consideration in detail (estimates consideration) <i>12 sitting days available*</i>	<u>Budget debate on motion</u> <i>12 sitting days available*</i>
Question put on budget motion Third reading	

* The debates referred to may be spread over the potentially available days. Not every day or hour available is necessarily used for that purpose.

Current and proposed budget timetables based on the 2003 calendar are given at Appendix B, and a sample timetable for the proposed consideration in detail stage at Appendix D.

- 3.35 The Committee envisages that the Treasurer's budget speech would be given as it is now, as the second reading speech of the main appropriation bill. The Leader of the Opposition's speech in response to the Budget would be made as it is now, after which the second reading of the appropriation bills would be formally agreed to. At this time the Treasurer would move 'That the House approves the Budget'. The continuation of the debate on the question 'That the House approves the Budget' would be the budget debate as we now know it, with the same rules of relevance.

- 3.36 The budget debate—in its present form, but to a different (and more appropriate) question—would, as now, commence in the House. After some hours of debate it could, as now, be continued in the Main Committee. The difference to existing arrangements is that the start of the consideration in detail stage of the appropriation bills (estimates debates) would no longer be dependant on the finishing of the budget debate. While the budget debate is taking place in the House, the consideration in detail stage of the appropriation bills could take place *at the same time*, in the Main Committee.
- 3.37 This approach provides a solution to the time problem while retaining without change the existing opportunities provided to Members by the budget debate. In addition it makes full use of the possibilities offered by the Main Committee for parallel debates in two chambers.
- 3.38 The budget debate could remain in the House longer than it does now or return to the House, quite independently of the concurrent estimates debates. It could also be referred backwards and forwards between the two chambers as gaps arose in the timetable of each. Alternatively, the budget debate and the estimates debates could both be referred to the Main Committee—for example, the budget debate and other business could occur in the Main Committee during the day, and the evening sittings could be reserved for the estimates (or vice versa), with only one or two departments considered at each sitting. The flexibility provided by parallel debating chambers would allow various feasible timetables which would make the estimates debates less rushed and more easily timetabled in advance (as the Committee proposes at paragraph 3.45). A sample timetable for the estimates debates based on the 2003 calendar is given at Appendix D.
- 3.39 If House estimates hearings by House committees are adopted, as the Committee proposes in Chapter 4, this arrangement would still operate, subject to the proviso that the estimates debates relating to a department would take place after any committee hearings. Estimates debates would commence with departments administered by Senate Ministers, followed by the departments covered by the first week of committee hearings, and conclude with those departments covered by the second week of committee hearings.
- 3.40 It is proposed that similar procedures operate in relation to the additional appropriation bills, to provide time for consideration in detail to occur concurrently with a general debate on the question ‘That the House approves the additional estimates’.

Recommendation 1

The committee recommends that:

- the second readings of the appropriation bills be agreed to without further debate following the Leader of the Opposition's speech in response to the Treasurer's budget speech;
- after the second reading of the appropriation bills the motion 'That the House approves the Budget' be moved;
- the wide-ranging budget debate (currently occurring on the question for the second reading of the main appropriation bill) then take place on the question 'That the House approves the Budget';
- the rules relating to relevance and amendment which currently apply to the second reading of the main appropriation bill apply to the budget debate in its new form;
- debate on the consideration in detail stage of Appropriation Bill (No. 1) in the Main Committee take place concurrently with the budget debate in the Chamber of the House, and possibly alternately with the budget debate after the budget debate has been referred to the Main Committee;
- the procedures above be adopted for the additional appropriation bills, adapted to the shorter time frame, and the general budget-type debate at this time take place on the question 'That the House approves the additional estimates'.

Attendance of Members

3.41 Evidence given to the Committee has referred to the sometimes low attendance of Members during the estimates debates.¹²

3.42 A low turn up of Members during consideration of the estimates is regrettable, as this is one of the limited opportunities for the House to debate departmental expenditures and activities. The 5 minute time limit on single speeches (and now the intervention procedure) is conducive to several Members participating at any one time. The Minister is present (or should be) to respond to matters raised, and departmental staff are in attendance.

12 Submission from the Clerk of the House, p. 5.

- 3.43 The Committee encourages all Members to participate in the consideration of the estimates, and in particular members of the appropriate standing committee when 'their' departments are being considered.
- 3.44 One reason for a low turn out seems to be the low profile of the proceedings.¹³ The Committee hopes that its various recommendations, taken together, will raise this profile. Another reason is the lack of structure to the proceedings and the lack of advance warning of its timetable.
- 3.45 The Committee considers that the attendance of Members may be improved if a fixed period of time was allocated for each department or group of departments, and sufficient advance warning given to Members, and others, of the timetable on the Notice Paper. This would make it easier for Members interested in a specific department to program their time. There could be a formal process to program estimates for consideration in detail. It has been suggested that this could be done through the Liaison Committee of Chairs and Deputy Chairs.¹⁴ Another possibility could be to extend the programming role of the Selection Committee.
- 3.46 Timetabling is also discussed at paragraph 3.38. A sample timetable for the estimates debates based on the 2003 calendar is shown at Appendix D.

Recommendation 2

The committee recommends that:

- the Selection Committee be responsible for arranging the timetable and order of business for the consideration in detail stage of the main appropriation bills. In doing so the committee must seek advice from the Leader of the House on the availability of Ministers;
- the timetable be published on the Notice Paper for the first sitting day of the week of consideration and remain on the Notice Paper until the consideration has been completed; and
- the timetable published on the Notice Paper be generally observed, with the proviso that consideration of a department may conclude earlier than indicated on the program if no further Member seeks the call, and that the consideration of the next department may commence if the representing Minister is available and other Members present agree.

13 Another reason is, as one Member put it 'All of us are always scratching to find times for the things we have to do', *Transcript of roundtable discussion with chairs and deputy chairs*, p. 7.

14 Submission from the Clerk of the House, p. 8.

Attendance of Ministers

- 3.47 Evidence given to the Committee has referred to the possible non-arrival of a Minister or Parliamentary Secretary to an estimates debate.¹⁵ The Committee notes that this occurred in 2002, and for a short period at the start of estimates consideration in 2003, but regards this as an exceptional occurrence.
- 3.48 Nevertheless, the Committee believes that the absence of a Minister during the consideration of a department's estimates is unacceptable. This is an insult to the House and makes a nonsense of the concept of responsible government. The Committee considers that there should be a requirement in the standing orders for the relevant Minister, or another Minister representing the relevant Minister, to be present at all times during the consideration of the estimates. The proposals for advance timetabling of the estimates debates should help Ministers in this respect.

Recommendation 3

The committee recommends that the standing orders provide that if the Chair notes that no Minister is present to respond to matters raised during the consideration of the estimates, the Chair shall suspend proceedings until a Minister is available.

The content and style of debate

Relevance

- 3.49 The objective should be that the debate focuses on the estimates, and that proceedings are more an interchange between Members and the Minister of matters raised and response, rather than set speeches. This does happen now, but not consistently.
- 3.50 On occasion debate of the estimates can become a series of statements, possibly with a fairly tenuous connection to the proposed expenditure being considered. Some Members may be tempted to use the proceedings as an extension of the budget debate.

15 Submission from the Clerk of the House, p. 5.

- 3.51 The situation where a Member has been able to make a quite lengthy (and perhaps not totally relevant) speech in a series of successive five minute blocks should not arise if there are other Members present to seek the call.
- 3.52 The maintenance of relevance in debate is of course a matter for the Chair. This may be aided by a routine formal reminder read out by the Chair at the start of each estimates proceedings.
- 3.53 However, the relevance rule applied should not be so tight that only the contents of Appropriation Bill (No. 1) can be referred to. Reference to expenditure contained in Appropriation Bill (No. 2) should also be allowed, as this is not debated separately. Any budget measure affecting a department, and related documents such as the department's portfolio budget statement or annual report should also be fair game for comment. In addition, reference should be able to be made to any committee report relevant to a department's expenditure. Although such wider debate may now sometimes occur in practice, it could be regarded as technically out of order. An explicit statement in the standing orders permitting a wider scope of debate would give guidance to Members and be useful to the Chair.

Recommendation 4

The committee recommends that when proposed expenditure for a department is being debated during the detail stage of Appropriation Bill (No. 1), the relevance rule applying should permit reference to expenditure in respect of the department contained in Appropriation Bill (No. 2) and to any other document relevant to expenditure of a department which has been tabled in the House, including the department's annual report, portfolio budget statement, portfolio additional estimates statement, report of the Auditor-General or parliamentary committee report relating to the department. A similar provision should apply to any detail stage debate of an additional appropriation bill.

Tabling of portfolio budget statements

- 3.54 The portfolio budget statements (PBS), tabled in the Senate on Budget Day, are not currently tabled in the House, but in the Committee's opinion they should be. Information in the PBS is highly relevant to the estimates debates and they are declared in the appropriation bills to be relevant documents for the interpretation of the Appropriation Acts. The purpose

of these documents, as outlined in Chapter 2, is to provide information, explanation and justification to enable Parliament to understand the purpose of items proposed in the annual appropriation bills. It is inappropriate that only one House should benefit from such explanation.

- 3.55 The portfolio additional estimates statements (PAES), tabled in the Senate on the introduction of the additional appropriation bills in the House, should also be tabled in the House.

Recommendation 5

The committee recommends that the standing orders require portfolio budget statements of departments to be tabled in the House as soon as they are available and before the consideration of the estimates, and that the portfolio additional estimates statements also be tabled in the House.

Opening statements by Ministers and committee chairs

- 3.56 The Committee agrees with the Clerk's suggestion that focus could be improved by the Minister making an opening statement—for example, summarising proposed expenditure for each department, noting trends and changes and significant developments.¹⁶ This would give other Members something to react to, and thus also encourage interchange.
- 3.57 The Committee also suggests that the content of the debate might be more substantial if the chair of the relevant standing committee were to make a statement, outlining any report or activity of the committee relevant to the expenditure of the department.

Recommendation 6

The committee recommends that when the proposed expenditure of a department or group of departments is considered in detail:

- **the Minister responsible for the department, or another Minister representing the Minister, shall make an opening statement, summarising proposed expenditure for the department, noting trends and changes and significant developments; and**

16 Submission from the Clerk of the House, p. 8.

- **the chair of the relevant general purpose standing committee, or a Member of the committee representing the chair, shall have the opportunity to make a short statement, outlining any report or activity of the committee relevant to the expenditure of the department, and reporting any observations the committee wishes to make on the operations of the department.**

Style of debate

- 3.58 Interchange would be aided by the continuation of the intervention procedure which is the subject of a current trial. However, the five minute speech format is in itself conducive to proceedings by way of matter being raised and response. The Committee expects that any Minister representing another would be briefed and able to fully represent the relevant Minister in these kind of proceedings.

The standing orders relating to financial procedures

- 3.59 In examining the relevant standing orders during the course of its deliberations the Committee recognised that readers of the standing orders could be excused for remaining oblivious of the estimates process, or of budget procedures in general. Chapter XVIII of the Standing Orders, FINANCIAL PROCEDURES (S.O.s 291–293) makes no mention of these.
- 3.60 Greater assistance to Members would be provided if the standing orders were to better signal the importance, or even the existence, of these proceedings. The Committee proposes that standing orders relating to the budget and estimates process be included in Chapter XVIII. The recommendations in this report would be implemented, for example, by new standing orders 293A to 293D. Even if procedures do not change as recommended, the Committee sees merit in inserting standing orders here outlining the current budget process.

Recommendation 7

The committee recommends that the chapter of the standing orders headed ‘Financial Procedures’ (current standing orders 291–293) be amended to include all standing orders applying to the budget and estimates processes, and equivalent changes be made to the proposed revised standing orders.