
The Parliament of the Commonwealth of Australia

HOUSE ESTIMATES

**Consideration of the annual estimates by the
House of Representatives**

House of Representatives
Standing Committee on Procedure

October 2003
Canberra

© Commonwealth of Australia 2003

ISBN 0 642 78435 3



Contents

Membership of the Committee	vii
Terms of reference	ix
List of recommendations	xi
1 Introduction.....	1
The House’s power of financial scrutiny	1
The scope and course of the inquiry	3
Outline of the report.....	4
2 Background.....	5
Appropriation legislation.....	5
Annual appropriation bills	6
Special appropriation bills	6
Summary of the annual budget cycle	7
Portfolio budget statements	9
Senate estimates committees.....	10
The Joint Committee of Public Accounts and Audit	12
Former financial procedures of the House 1901–1963	12
House estimates committees 1979–1981	13
Alternative approaches—estimates consideration in other Parliaments.....	14

3	Consideration of the estimates in the House	17
	Definition	17
	Current procedures	17
	Allocation of time	19
	Options for making more time available	21
	Increasing the total sitting hours available for the budget processes	21
	Redistributing time from the budget debate	22
	A shorter budget debate	22
	Discussion of the purpose of the budget debate	23
	A shorter budget debate compensated by additional grievance debates	24
	Existing budget debate retained but separated from the appropriation bill debate —the preferred option	24
	Attendance of Members	27
	Attendance of Ministers	29
	The content and style of debate	29
	Relevance	29
	Tabling of portfolio budget statements	30
	Opening statements by Ministers and committee chairs	31
	Style of debate	32
	The standing orders relating to financial procedures	32
4	Consideration of the estimates by committees	33
	Current procedures	33
	Lessons from the 1979–81 House estimates committees	35
	Options for House committees to examine the estimates	36
	Joint estimates committees	36
	Referral of estimates to the Public Accounts and Audit Committee	38
	Parallel House estimates hearings—the preferred option	39
	Options for expenditure and performance scrutiny by House committees	41
	Facilitate more comprehensive scrutiny	41
	Formalise comprehensive scrutiny	42
	The JCFADT model	42
	Benefits to individual Members	44
	Committee resources	44
	Pre-budget involvement by committees	46

Appendixes	47
Appendix A—Appropriation bill statistics.....	49
Appendix B—Current and proposed budget timetables.....	51
Appendix C—Estimates debates 2003–4.....	52
Appendix D—Sample timetable for consideration in detail.....	53
Appendix E—Proposed schedule of estimates hearings for House committees	54
Appendix F—List of submissions	55



Membership of the Committee

Chair	Mrs Margaret May MP
Deputy Chair	Hon Roger Price MP
Members	Hon Bronwyn Bishop MP
	Mr Martin Ferguson MP
	Mr Barry Haase MP
	Mr Peter King MP
	Ms Maria Vamvakinou MP

Committee Secretariat

Secretary	Ms Judy Middlebrook
Research Officer	Mr Peter Fowler
Administrative Assistant	Ms Anna Gadzinski

House of Representatives
Parliament House
Canberra ACT 2600
Telephone: (02) 6277 4685
Email: Procedure.Committee.Reps@aph.gov.au
URL: <http://www.aph.gov.au/house/committee/proc/index.htm>



Terms of reference

Terms of reference of the committee

To inquire into and report on the practices and procedures of the House generally with a view to making recommendations for their improvement or change and for the development of new procedures.

Terms of reference of the inquiry

To inquire into the adequacy of procedures for the House's examination of the estimates of proposed expenditure in annual and additional appropriation bills and to suggest ways in which the role of the House in examining the estimates could be enhanced.



List of recommendations

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'.

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.

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.

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.

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.

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
- 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.

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.

Recommendation 8

The committee recommends that:

- immediately after the second reading of the main appropriation bill is agreed to (in accordance with recommendation 1), the House refer the estimates of proposed expenditure, and other budget documentation including portfolio budget statements, to the relevant House standing committees or to House committees composed of the House members of joint committees administered by the Department of the House of Representatives;
- the allocation of departments to committees be determined by the Speaker;
- the committees hold estimates hearings for those departments where the responsible Minister or Presiding Officer is a Member of the House of Representatives;
- the hearings be held after the rising of the House on the Thursday evenings and the Fridays of the two sitting weeks immediately following budget week;

- the standing orders relating to estimates hearings permit any Member of the House to attend and question witnesses;
- the timetable of hearings be notified to Members, Ministers and departments well in advance;
- the processes above be adopted for the additional appropriation bills, adapted as appropriate to the shorter time frame.

Recommendation 9

The committee recommends that (if not already occurring in accordance with recommendation 8) portfolio budget statements, portfolio additional estimates statements and copies of details of expenditure contained in appropriation bills be automatically referred to the relevant general purpose standing committee.

Recommendation 10

The committee recommends that:

- the resources, staffing and workload of House general purpose standing committees, and joint committees administered by the Department of the House of Representatives, be reviewed by the Clerk of the House with a view to accommodating annual reviews by the committees of the expenditure and performance of government departments and agencies; and
- following a satisfactory outcome to the review, each general purpose standing committee form an expenditure subcommittee to report annually on the expenditure and performance of the departments and agencies within its area of responsibility.