

### Session Three Senate Estimates Committees - Do These Watchdogs Bite or Only Bark?

Mr EVANS - This session of the conference focuses on Estimates Committees, about which a good deal has already been said. We have this somewhat dramatic title *Do these watchdogs bite or only bark?* We have here to speak on this topic one of those fanatical and sadistic persecutors that Dianne Yerbury referred to earlier on, namely Senator Peter Baume, who is going to use technology to assist him in his address.

Senator PETER BAUME - Thank you, Mr Clerk. My colleagues - past, present and future - and ladies and gentlemen. We can look at Senate Estimates Committees and consider whether their bark is worse than their bite under five headings. We can say that they are better than their detractors allege; we can say that they are not as good as their supporters believe; we can say that the best is yet to come; and we can say that there are some recurring problems, issues or opportunities - call them what you will. Then, and only then, can we look at the question of the bark and the bite. I turn first to the argument that Senate Estimates Committees are better than their detractors allege. First of all, some officers of the Public Service take an unduly adversarial view of the estimates process. Professor Yerbury and Mr Clerk say that some Senators take an unduly adversarial view too. Some officers take a very defensive approach to the estimates, the rule being: say as little as you can get away with. For those people, the estimates process is better than they think it is, for reasons I will set out. The process is improving. The understanding of the estimates is improving and the preparation by Senators is improving.

However, Senate Estimates Committees may not be as good as their supporters believe. This may come as news to some Honourable Senators. A number of reasons offer themselves. Firstly, egomania detracts from good performance and the Senate has a number of egomaniacs. There are new Senators and there are old Senators. There are experienced Senators and there are inexperienced Senators, and new Senators sometimes do not cope as well as experienced Senators. On one occasion, two committees met simultaneously so I requested a colleague to ask some questions on my behalf. Afterwards he sent me the following note:

Peter, I think I was talked off the question of such and such. I was told that it was more related to another department. I did not get much further. Yours sincerely.

He was a new Senator.

Smart Senators do better than dumb Senators. The Senate represents the Australian public. It has both. There is no place for Perry Mason at the Estimates Committees, and we have some examples of people who would like to be Perry Mason. Prior preparation helps and I want to say a little about that. We are presently examining the estimates of the Department of Community Services and Health, and in a moment I will refer to the information provided to us by the Senate Department. That is what I take to the meetings of the Estimates Committee. These folders contain the information divided up so I can use it, interleaved with material which has come to me throughout the year. There are copies of the Hansards to which I wish to refer, particularly the answers given by the same officers last time round. Scrutiny of Bills digests may tell us things we need to know, and there are numerous printed reports, newspapers and other documents, all of which relate to what is in the estimates. Prior preparation is actually an advantage. It is desirable that there be a concentration of effort. You can only do an effective job in depth in a couple of areas in any department. It is not a bad idea to decide what those areas will be and to shut up for the rest of the examination. This is a task some Senators find almost beyond them.

Finally, tedious activity is not the same as effectiveness. That is a lesson not understood by every member of the Senate. However, we have been talking today about an emerging process - about committees which began and which have developed, and which continue to develop, and the Estimates Committees continue to develop. The three points I will make seriatim.

The first is that the potential of Estimates Committees is now understood better and that is an advantage and that is still happening; secondly, there are skills which are improving and that continues; and thirdly, that innovation continues. We will deal first with the question of the potential of Estimates Committees.

The potential of the estimates is now understood better. This yellow document from the Department of Community Services and Health is typical of the documents now received from departments of state for those programs which are on budget. You remember what Senator Puplick said this morning, that one of the arts of government is to take as much off budget as you can. But for those things on budget this is

a very comprehensive and well-prepared document. It has changed dramatically over the past five years.

One of the nice things is that departments are now being introduced to program budgeting, with all that means. Secondly, we are getting better answers. To a question of fact there are actually three answers - 'Yes', 'No', or 'I do not know and I will find out'. It is sometimes quite difficult to get officers to give the third of those answers, but it is happening more often.

The other point about the potential being understood better is that people are now realising there is something in it for them and more and more department heads are leading their departmental teams of officers and, like Senators, the departmental heads are learning a great deal.

We can say that the skills are improving. It is not a bad idea to ask single questions. If you ask six questions, any officer worth his or her salt, will select the weakest of the six questions and answer that one. If you ask a single question then that is the question that must be answered. Secondly, the rules require that we ask questions of fact. Some people cannot do that. However, I can tell you there is no question of policy that I know that I cannot convert to a series of questions of fact. Thirdly, it is a good idea to have some purpose about what you are doing and there are questions of thinking in advance as to what your purpose is - what information you are trying to extract. It follows that one should not go fishing. Fishing is not usually profitable; and I say that innovation continues.

The questioning has changed because, partly, the form in which the estimates are presented has changed. When I first came here, when great and famous Senators present today were at their zenith, a lot of questions were asked in the estimates about tea ladies, indoor plants, and paper clips. Today, because of the presentation of the Budget in program form, there are more questions which go to purposes and outcomes. The questions are changing. Secondly, the Senate is innovative in the way it treats the process itself and we now have a new Senate process which tends to limit, to some extent, what transpires when the estimates reports go back to the Senate. The only trouble is that some of us have found a way to drive a horse and cart through those new processes. But we are moving towards getting a better Committee of the Whole debate later.

We do have some recurring issues and some recurring opportunities. First, the chance to examine the goals and objectives of programs. It is not unreasonable, ladies and gentlemen, to ask of a housing program that someone is housed. It should not be inappropriate under a health program to ask whether the health of anyone has been affected, and yet those questions when first asked raised quite perplexed responses from the officers to whom they were addressed.

Goal and objective setting is not a bad basis for program budgeting, and it is not a bad basis for estimates questioning. If one is going to have program budgeting one must also have some measures of what one has done, particularly in relation to the objectives one has set. It is no good saying our objective is to make Australia great and powerful and our performance measure is to find which day of the week it is. The two do not necessarily fit together and we have had some difficulty assisting in the process of helping people develop performance measures. But, to the credit of the Public Service, the performance measures contained in documents like this are immeasurably better than they were even two or three years ago.

This brings us really to the point of this session. Is the bark of Estimates Committees worse than their bite? You will recall that a quotation that appeared in an editorial in 1970 was given to us, I think, by Mr President this morning in his opening address. The answer as to whether the bark is worse than the bite is to some extent in the eye of the beholder. If you do not like Estimates Committees you will say that they are useless. If you see them as the enemy, you will go away and have a cup of coffee and tell people how well you did in beating those Senators.

However, a department head may learn things about his department he did not know. We once demonstrated to the Deputy Head of Community Services and Health that his department was importing a prohibited substance, that it knew it was doing so, and that it had taken no action to correct it. I thought the Deputy Secretary's eyes would bulge out of his head when that was revealed. He learnt plenty. As far as he was concerned that was not a wasted estimates examination.

Secondly, like it or not, information is obtained and different Senators have different needs for information and different uses. Thirdly, the principles upon which the estimates proceed are now established and the battles of determining what should go in Appropriation Bill (No. 1) and Appropriation Bill (No. 2), fought on our behalf by a previous generation of Senators, have now lead us to the stage where we can get first class estimates documents which we can use. Fourth, education occurs out of the process for all parties, for everyone involved. Fifth, the estimates present a unique

opportunity, one which the House of Representatives does not have and which my colleagues in state Parliaments say they envy, a unique opportunity in a unique legislative chamber.

I finish by making one final observation. The glorious revolution of 1688 did not, in any way, end the struggle of the people against the Crown. It was merely one stage. That struggle continues today. In this country, the Crown is represented by the executive, the people are represented by the Parliament. The battle is far from over. Those of us who serve in the Parliament are determined to use the estimates as one of the weapons in that continuing battle.

Mr EVANS - I thank Senator Baume for that interesting address. Our first comment is to come from Senator Bruce Childs, who is the Chairman of Estimates Committee A.

Senator CHILDS - Mr Clerk, ladies and gentlemen: I have heard Senator Baume's presentation before and by and large I agree with it. I also believe, of course, that one of the key things that should be said is that the estimates system is the main way in which the Opposition has the opportunity of testing the Government. I accept that, having spent time in opposition and I hope not to do it again. I do realise that it is an important opportunity for the Opposition to probe the Government. Having said that, I have some sympathy with the list of points that Senator Baume has drawn your attention to, particularly when he referred to tedious activity. I have just been with an Estimates Committee and we are up to thirty-eight and a half hours of discussion, and we have many more to go. I cannot complain, because essentially with Estimates Committees the personalities of the people that you get in the draw determine, if you like, the length and the nature of the committees. Probably overall they even out. Some people are lucky or luckier than others.

I say this because I am very proud of the fact that we have created a first. We had a 4 a.m. conclusion to a meeting the other day, so that puts me in the record books. I just wonder how long we will go before that is eclipsed by another committee. We also had sandwiches at lunch time today, so we are now doing what a lot of other committees do in this Parliament, and that is to eat while we work. That is another first.

I am not sure that these things are good. They become part of an overall pressure of work and I would just like to draw attention to the fact that what you tend to have happen in this place is additional things to do. I often say it keeps us off the streets. One aspect of committee work that we have to acknowledge is that we are continually finding there is the pressure to do more. This has increased since I have been in the Parliament. The standing committees are looking at annual reports; they are looking at legislation; they are looking at their ordinary work that they are expected to do in references, and now we have an increase in the pressure on Estimates Committees, at least from my perspective. So I would suggest that one of things that we should look at is whether the time that we allocate is adequate.

I agree with what Senator Baume has said. Even though the primary advantage is with the Opposition, it is absolutely true that people are gaining information. I find that, every time I sit through an Estimates Committee, I am learning more about the departments - usually departments that we, as Senators, have chosen to get more information about. So you do have some say where you will go, and you find that you gain more and more knowledge.

I think the other essential thing that Senator Baume has brought out is that we are sensitising officers. You do not know whether you are going to be caught out, if you are an officer coming before a committee. Sometimes you notice the sigh as an officer is relieved of the responsibility of appearing, but all officers have had to think about what they are doing. I think that is a subtle thing, but I certainly believe it is a very significant point.

I would just like to mention a couple of things that I think might be worth looking at. Some of the people who are talking most about how we should save public funds are the people who allow a cast of fifty public servants to wait while they ask ridiculous questions, repetitive questions, questions that they really could gain in other ways. In other words, they are wasting the precious time of Estimates Committees by asking the wrong sort of questions. I would suggest that this is one of the things we have to look at.

It has come to me in these last few hours of sitting on an Estimates Committee that many times officers will be present, but there will be no questions on the program for which they are responsible in that particular hearing. I believe that Senators could be asked to indicate twenty-four hours before a department is due to appear before us, whether they have questions on every program, and if there is a program that clearly has not got a series of questions to be asked, then those officers should be discharged. We would save a lot of money in officers' time.

I just mention one other thing that I think is worth thinking about. I have seen, in recent times, a danger of the development of, if you like, majority and minority reports. Indeed, last year I think we had a minority report that was longer than the report itself. I think there is a danger that if we become too political in the issues that we are determined to pull out of Estimates Committees, then there is a danger that the give and take that our whole committee system relies on will fall through. In other words, if you belonged to a government group of Senators, you would be stupid to allow an opposing Senator or Senators to make their political points in a minority report to be then used as propaganda in the chamber, if you did not make the majority report another propaganda-type document. I do not think it is a general thing, but it is certainly something that I think you have to place on the record because otherwise those fine balances that represent the Senate system will fall into disrepute. I would just leave these things as points that perhaps people might think about.

Mr EVANS - Thank you, long-suffering Senator Childs. Next we have Dr Michael Keating, the Secretary of the Department of Finance - a thoroughly evil organisation, I can assure you - who is going to give us a view from the Public Service side of things.

Dr KEATING - Thank you very much. I am not sure I can speak on behalf of the total Public Service, as we tend to be seen also as a rather inquisitorial agent, somewhat like the Senate Estimates Committees. I thought that it might be useful just to start by saying what I see as the three requirements for accountability by the Commonwealth budget sector. The first is the compliance with the law, ethical principles and any specific directives from the Parliament. The second is efficient resource use and the third is contributing to the achievement of program objectives - in other words, effectiveness.

Traditionally, public sector accountability has focused on the first of these, that is the compliance with the law, ethical principles, and so on, with some focus also on efficiency. What is new, I think, and what has been added to those traditional concerns has been the concern about effectiveness. As Senator Baume so graphically described it, there is a lot more information now on effectiveness in terms of performance, setting out goals, and so on. I see that as adding another dimension to accountability and in no sense is it intended to replace the traditional concerns about compliance with the law and efficiency. I do believe that it is a more productive way to go in many respects. But in deference to Senator Bishop, who is not here, I must record that I agree with her comment that a corrupted process is very likely to lead to a corrupted outcome.

I would have to say that, while I am always encouraged by Senator Baume's remarks about the progress we have made, I think we still have some way to go in developing objectives against which performance can be tested and in developing the related measures of performance. But, like Senator Baume, I think we are making progress. I think that further progress will depend importantly upon the intelligent use that is made of the information by the Parliament. After all, the performance of any actors or players is determined by the audience's reaction, and the Parliament, in many ways, is our most important audience for this sort of information which, in fact, is prepared for the Parliament. We certainly, in that context, welcome the changes in the questions which focus on goals, objectives and outcomes, and less on paper clips and tea ladies. We also, I think, welcome Senator Childs's suggestion that there is the opportunity for much information to be obtained in other ways than sitting until four o'clock in the morning repeating the same question, the point of which is not always obvious.

The question which does arise, and not only in my mind, I hasten to add, is: how well equipped are the Senate Estimates Committees to make use of all the information that is becoming available? The committees have no permanent staff, they meet in a compressed time frame, and as Senator Childs described it, under considerable pressure. Sure, you have notched up thirty-eight hours and I do not think you have quite finished, but the thirty-eight hours were probably worked over two or three days. While I am not a medical doctor, like Senator Baume, I do recall his being concerned about the quality of decisions made at four o'clock in the morning. Can I perhaps just refer to a very recent report by the House of Representatives Standing Committee on Finance and Public Administration,<sup>1</sup> which has been looking at the financial management improvement program, and, in that context, accountability to the Parliament. It has suggested that the additional information which is now becoming available, should be fed into the parliamentary standing committees and that they should make use of it pursuing scrutiny. They also call for better coordination of parliamentary committees to minimise overlap and duplication. The advantage of those standing committees is that there is a longer time for a reference and to pursue issues in depth. The sort of performance information we are making available now, to be used intelligently I think, does require it to be used to select areas and to pursue those areas in depth.

I think, looking to the future, an issue that is likely to become increasingly important both for the Parliament and the executive, is the issue of who is accountable for what. I think that is taking on a

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<sup>1</sup> Commonwealth Parliament, House of Representatives Standing Committee on Finance and Public Administration Not dollars alone: review of the Financial Management Improvement Program, Parliamentary Paper 175/1990

greater significance in the light of the enhanced information on program effectiveness which is now becoming available.

As the Prime Minister put it in his recent Garran Oration, which is again repeated in that report of the House of Representatives Standing Committee on Finance and Public Administration, the old distinction between policy and administration is becoming blurred. Many parliamentary committees like to think that they are focusing on administration, notwithstanding Senator Baume's comment that there is no question on policy which will require a factual answer. I think also in that context - going back to what Senator Childs said - there is the question as to how far you can expect to be bipartisan if the line between policy and administration becomes blurred.

Finally, I would just like to take a minute to take this opportunity to thank Senator Baume for his assistance in the development of performance and evaluation in the public sector. I would like to say that in my view no member of Parliament has done more to advance the course of evaluation.<sup>2</sup> Indeed, his chiding and his encouragement have been important influences on our work. I hope you will forgive me, Senator, for wondering if you can be any more productive in your new career. That may, in fact, be a backhanded compliment to both you personally and to the role which parliamentary scrutiny can play in developing better public policy and greater value for the taxpayer's dollar.

Mr EVANS - Dr Keating's reference to Senator Peter Baume's new career is the fact that the Senator has announced that he is leaving the Senate to become a professor. I asked him recently whether he can really manage the enormous increase in status which this involves. Our next comment comes from Dr John Uhr who is an academic, who has written a great deal about accountability in general and parliamentary committees, and Estimates Committees also.

Dr UHR - My task is made much easier by virtue of the second of the anniversaries we are celebrating today. Not only is it twenty years since the establishment of the committee system, but it is also almost exactly one year since the Senate held, in October 1989, a general review of the achievements of the Estimates Committee component of the Senate committee system. Senator Baume was a leading participant, an engaged participant, in that seminar, as was Dr Keating. One of the distinguished group of invited members of the estimates community, which included key parliamentary and Public Service officials, was Alan Kerr, whom I see here; he would certainly remember the occasion. In the brief time available to me, I want to draw out some of the issues that arose in that historic seminar.

Pretty much everything that needs to be said about the Estimates Committees is already on the public record. Now I think is the time, as others have said, for proper decision and some reform and action. The transcript of that 1989 seminar's confrontation between Parliament and administration - it was uncharacteristically frank and occasionally quite unsavoury - has been published and it is available from the Procedure Office of the Department of the Senate. It has been published by the Department of the Senate under the title of *Senate Estimates Scrutiny of Government Finance and Expenditure*, and I commend it to you.<sup>3</sup> I have to confess that this advertisement is somewhat self-serving as the publication includes my own background or issues paper prepared for that particular seminar, entitled *The Debateable Role of Senate Estimates Committees*, which was a quite critical evaluation of their historical performance. I refer you to that paper for a more extensive account of my own view as to why committees have gone, I reckon, about as far as they are likely to go in their current form. Here I want simply to try to keep the pot boiling by restating the need for urgent change to move the Estimates Committees or process on to the next stage of their development.

The key issue now is that the Estimates Committees have to try to clarify their own role. Three distinct tasks seem to have become merged and somewhat confused in their procedures and processes. Are the Estimates Committees primarily legislative scrutiny bodies examining the form and the content of those particularly important bills known as the Appropriation Bills, or are the Estimates Committees budget review bodies examining the details of the financial policy of the Government's Budget package and strategy, or, indeed, are they expenditure and administrative review bodies examining and evaluating Public Service performance, trying to examine value for money over the long haul? My 1989 paper for that particular seminar uncovered fundamental uncertainty amongst the Estimates Committees themselves and noted the many committee calls for wholesale review of the process.

This wholesale review still has to be acted upon. This role of uncertainty certainly suits some Senators. It means that public officials, and indeed the public, can never really anticipate what might be asked of them. Of course, the positive side of this role, uncertainty, the amazing flexibility, for want of another

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<sup>2</sup> Commonwealth Parliament, Senate Standing Committee on Social Welfare, *Through a Glass, Darkly: Evaluation in Australia Health & Welfare Services*, Vols 1 and 2, Parliamentary Papers 71/1979 and 160/1979. Under the chairmanship of Senator Peter Baume this report was to influence the whole concept of evaluation and performance standards in the Australian public service.

<sup>3</sup> Department of the Senate, Procedure Office, *Papers on Parliament*, No.6, Canberra, 1990

term, exercised by committees as to their form and content, including, sadly, the agenda and the sitting times, as Senator Childs pointed out, means that nothing is off limits to a committee or a particular committee member. The *status quo* is certainly politically convenient to some.

There are three weighty indicators of what I would regard as poor performance, or certainly under-performance, by the committees. First, there is the history within the committees themselves of their own complaints that frequently they do not know what they should be doing, in terms of models of best practice in regard to priorities, focus and follow-up. Now is the time for the Senate to act upon these internal calls for review and reform and either to restructure the process or to proceed as at present, but after a conscious and deliberate choice to maintain the current flexibilities, if I can use that term. I will say more about this in the conclusion.

The second indicator of under-performance is the ever increasing confusion on how best to estimate, review, evaluate or scrutinise policy matters when they are managed by public officials. The fiction, of course, is that the Estimates Committees examine administration but not policy. The reality, as Dr Keating has pointed out, and as has Senator Baume from a different perspective, is that it is always difficult to disentangle the two, policy and administration. Of course, politicians, inevitably, will be more interested in administrative interpretation, implementation and evaluation of public policy than in public administration as such, and who can blame them?

I want to add to this little celebration of Senator Baume by reminding you, should you need reminding, that, of course, early on in his Senate career he chaired a famous exercise in parliamentary evaluation, the Senate Social Welfare Committee's inquiry and report called *Through a Glass, Darkly*. That inquiry boosted the circulation of a category of evaluation known as appropriateness, which was located at the top rung of the finally complete audit ladder, building on the existing categories of compliance, efficiency and effectiveness.

In this view, launched by Senator Baume back in 1979, a little over a decade ago, a complete program evaluation would require of a program manager that she or he be able to give a public account of the program's social impact in terms of the appropriateness of its outcomes, at least such as are within the management's discretionary control. In other words, the model public manager must be able to discern and explain what is effective and feasible policy and thus know not only what she or he can do, but what she or he should be doing and giving it effective policy.

The basic idea behind this rather daring proposal about appropriateness being the proper focus for program evaluation really has been picked up by the reformers of public management - those people locked in what Harry Evans calls, 'the evil Department of Finance', which, of course, is not evil at all - and the package of financial management improvement programs really now does call upon program managers to justify the appropriateness of their program's social impact.

The legislative logic - the things that we should be focussing on today I think - governing this would seem to be that the Estimates Committees, as part of the appropriations process, must try to satisfy themselves as to the appropriateness of government programs.

Also a little over a decade ago down in the House of Representatives, the House of Representatives Expenditure Committee published its own excellent report called *Parliament and Public Expenditure*.<sup>4</sup> The warnings were clear even at that early stage that program budgeting and program evaluation were going to take us into a new world of evaluation. That 1979 House of Representatives committee recognised that in moving up the ladder of evaluation, ascending up from compliance, through efficiency, towards effectiveness would inevitably bring the evaluating bodies, like parliamentary Estimates Committees, ever more closer to policy and hence to the realm of political judgment and political conflict.

Program and performance budgeting, as promoted by that very same expenditure committee, which sadly is no longer with us although it may be rolled into the Finance and Public Administration Committee, would certainly bring more reasonable control of public expenditure. But, program budgeting in its early 1979 estimate would also, the Committee reckoned, bring the light of publicity to bear on the reasonableness of public officials' discretion in managing the policy process.

A number of Estimates Committees soon accepted and picked up this warning - that the program format would transform the estimates process; transform them away from the traditional explanation of items of proposed expenditure towards justifications of policy outcome. With the early trialing of performance budgeting back in the now distant past of the mid-1980s - Senator Rae would certainly

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<sup>4</sup> Commonwealth Parliament, House of Representatives Expenditure Committee, *Parliament and Public Expenditure*, Parliamentary Paper 66/1979

remember all these daring experiments with program budgeting - the committees, as long ago as eight years, recognised and warned that this process of reform although certainly good in itself, was going to introduce a fundamentally different explanatory mode into Canberra public administration with officials being more and more directly involved in policy questions as they grappled with explanations as to precisely what program objectives, policy priorities, and administrative performance, and indeed, value for money really meant.

The Estimates Committees seemed to sense that the estimates of a program's success can get very close to political evaluation, especially when measuring social impact rather than simply reckoning administrative inputs. In the paper which is appended towards the end of the 1979 report I have examples, which I will not go through now.

The third indicator of under-performance is that from a perspective of the public official, all this role uncertainty, all this confusion about what is policy and what is administration, looms in the form of what I have called accountability traps. For the public official, try as one might to do the right thing by Parliament or to be a model of parliamentary accountability, one just never really knows what should be, or is going to be, expected of one.

Different committees exact different standards of assessing value for money or indeed public accountability. Different Senators pursue and punish different types of lapses, and committees increasingly publish, as Senator Childs put it, dissenting or minority reports, thereby overloading the feedback system with mixed messages about rewards and punishments and about what is in store the next time around.

One thing is certain: as they stand, the Senate Estimates Committees deviate very far from the simple matter of estimates -the Budget estimates. Again, in the transcript of the confrontation, if you like, between Parliament and public officials there are many examples of public officials complaining that the committees, while they may be called Estimates Committees, are really policy evaluation committees drawing public officials into uncertain and awkward but remarkably effective nets or traps.

The root problem, in my view, is that the Estimates Committees try to do too much. Within a Westminster derived system they try to do two Washington-style committee operations -they try to combine the congressional tasks of program authorisation with that of agency appropriations. In the United States Congress agency programs require legislative authorisation and often periodic re-authorisation before the funding process gets under way. Separate committees complete the different tasks. Program performance levels and agency administration are reviewed in one early process, funding levels later on.

Of course, the chaotic United States budget process is certainly no model for Parliament to follow. I think Senator Durack may have mentioned this this morning. But comparison does indicate that the Estimates Committees' next step might well be to separate the review of the global expenditure process, the budget priorities, from the more detailed and methodical pre-Budget review and authorisation of program legitimacy or appropriateness - use whatever term you want.

Part of the problem, of course, is not of the Senate's own making. Our Australian tradition of governance holds that departmental programs, indeed departments as such, generally do not require any legislative authority. So there are very few opportunities, apart from the Budget bills, for parliamentarians to examine general bureaucratic performance. You cannot really blame Senators for using their one window of opportunity to pursue this matter.

My conclusion is really quite modest. It recommends one practical step forward. The next phase of estimates developments is for the Senate to act upon the repeated committee calls for more methodical agency evaluation and to divide the work of the committees into two. On the one hand, give the different standing committees - the legislative and general purpose committees, armed as they are with all the powers of parliamentary inquiry into portfolio spheres of interest - the task of detailed performance evaluation, assessing the value for money return on the investment in a particular sector, portfolio sectors and public administration. On the other hand, replace the Senate Estimates Committees with a smaller, more cohesive body to examine Budget priorities and strategies. The Estimates or Budget Committee would focus on the executive's Budget strategy as managed by the key central agencies - those companion evil agencies of the Treasury, Finance and possibly Prime Minister and Cabinet, while the performance review work would be done on a portfolio by portfolio basis within the existing standing committees, so long, of course, as they are not swamped by their new legislative references. The non-estimates committees would then focus on aligned department performance, building upon the valuable leaps forward in public accountability now found in the explanatory notes that Senator Baume has pointed out and, of course, the agency annual reports.

My concluding comment is that the Estimates Committees have now done fairly much all that they originally set out to achieve. The fact that the explanatory notes in particular are now so helpful is a sign of the success of the committees, but also, I think, an indicator of the need to devise new arrangements to respond to the demands over the next twenty years.

Mr EVANS - I should perhaps mention that more or less in conjunction with the new system for referring bills to committees the Senate agreed to a new system for the scrutiny of annual reports of government agencies by the standing committees and for examination of the operations of departments and agencies through the medium of that scrutiny of annual reports. That may indicate some groping towards what John was just talking about.

Mention has been made of the press - usually unfavourable mention I have to say, hitherto. We now have a distinguished member of the press gallery, namely Michelle Grattan, to comment on this aspect of the conference.

Ms GRATTAN - I am not surprised, after hearing Senator Baume talk about how the Senate Estimates Committee system dog can best show its teeth, that the public servants tend sometimes to watch their ankles a bit. It seems to me that the gentleman from the Department of Community Services and Health, who discovered that his department was importing prohibited substances, might not have found the session in which he made this discovery a wasted one, but it sounds to me a particularly painful one for the man concerned.

Of course, the whole system of the Senate extracting detailed information from public servants, and especially information that touches on policy matters, inevitably raises this question of the difficulties of the Westminster system and the division between policy and administration, and ministerial responsibility and Public Service responsibility. This has been mentioned by both Mr Black and Dr Keating in their addresses. I think that, in looking at the future of the Estimates Committees, that is a particularly important and difficult question.

With all the talk of Parliament becoming less relevant, the committee system, however, for all those difficulties and other faults that it might have, does seem to be one of the areas that go against the fashionable theory that Parliament these days is just a talk shop with no real function. It is therefore unfortunate that committees in general, Estimates Committees in particular, and also the whole Parliament, are not as adequately reported in the media as they might be. The difficulty is that it becomes something of a vicious circle. If things are not reported out of Parliament very much, there is less incentive for the politicians to maximise their efforts in Parliament. Alternatively, the politicians feel that the only way to get publicity is to grandstand in the Parliament or the committees, and that leads to a very spurious and futile form of politics.

Of course some committees - and here I am covering not just Estimates Committees, but committees in general - are well reported; for example, the drugs in sport inquiry. There is less following of the detail of the less glamorous inquiries, and certainly less following of the detail in the Estimates Committees which, in fact, provide a great source of information, as has been mentioned by previous speakers. What we lose by not adequately reporting these committees is a glimpse of some of the bureaucratic underlay of politics. One might ask: if there is so much material there, why is the coverage not better?

I think there are a number of reasons for this and I just want to cover some of them briefly. Firstly, the committees have lost some of the novelty value that they had when they were set up twenty years ago, when the whole system was new and it was seen as a big innovation and a way for the Labor Opposition of the time to use Parliament productively and to combat the executive. Secondly, following committees is very time-consuming and the media, which have a lot on their plates, usually tend not to bother. It is labour intensive work sitting through hours of hearings on the off chance of something coming up. This is no excuse, however, for it not being carried out, and even less excuse for the media not pursuing, with as much attention as they should, the written record of the committees and the sort of material that Senator Baume was talking about earlier. Thirdly, the executive has less time and regard for Parliament these days, and the media have picked up some of this negative attitude.

Also, if you look at your newspapers now compared to twenty years ago, you will find very little coverage of ordinary backbench debate in Parliament. This again stretches to the committee system. Also, it seems to me that fewer MPs and Senators these days make a name for themselves as senior backbenchers known primarily for their parliamentary committee work. Of course there are notable exceptions but, as a generalisation, I think that is the case. Some of the exceptions very soon find themselves promoted into the Ministry - people such as Senator Collins - and vanish out of the committee system. Similarly, I think the media are, at the moment, lacking in specialists covering the Senate, and that contributes to this neglect of both parliamentary coverage of the Upper House and the

coverage of the committee system. Also important is the fact that the Opposition and the Democrats do not seem to be all that successful in publicising their activities on committees.

Committees, and Estimates Committees in particular, are, in political terms, it seems to me, very much an oppositionist sort of forum - one of the ways in which a lively opposition, one which is really on the ball, can make a great deal of use of the Parliament. But the Opposition has to sell - if I can put the point bluntly - the material it gets out of those committees, or it hopes to get out of those committees. In a system where everyone is competing for time and attention, that is the only way of doing it. Of course, sometimes this is done. For example, the material that emerged during various inquiries about ATSIC<sup>5</sup> was marketed fairly thoroughly by the Opposition. But, in general, I think a lot of things that have both political interest and administration interest simply get lost because nobody bothers. The material is extracted but nobody points it out.

Finally, the committees have not become the sort of television events that we see in committees in the United States, and I think that also affects the coverage. It is, of course, up to committees whether television coverage is allowed and in some cases they will not, or do not, want that, but that would certainly be a way of encouraging more attention. On the other hand, I think that, from the television point of view, probably these sorts of inquiries do have the limitations of, as I mentioned before, being very time-consuming, so they would not necessarily attract a lot of coverage. If they were structured in such a way that there was some opportunity for television coverage, certainly I think that would give them much more public attention.

It seems to me that the committee system really has many possibilities for giving both the media and, more importantly through the media, the public and the specialised groups in the community - the interest groups - an insight into the workings of government and an opportunity to show not only how things operate but also what is going wrong, how decisions have been made and what sort of consequences they are having. It is a great shame that more public attention is not devoted to exploiting these possibilities. It seems that this is something that both the activist Senators and the media should turn their attention to. Thank you very much.

Mr EVANS - Our commendably succinct panel has left very adequate time for questions, comments, observations or scathing attacks from the floor. Are there any such?

Mr CLYDE - I note that Dr Uhr and Senator Peter Baume have both referred to the fact that it is now becoming a little bit blurred as to the role of officials and that they are questioned now on policy matters. I also noticed Senator Button sitting in at the inquiry that Senator Childs is, in fact, chairing at the moment. Is it desirable, and is it possible that it will happen, that Ministers will attend more Senate Estimates Committee hearings? In fact, should it be made mandatory that they should do so?

Senator BAUME - The theory is that no Estimates Committee should meet without a Minister present. The practice is not always followed - by agreement, generally. But we should have Ministers there because it has emerged from the discussion that there is not always a clear dividing line between what is policy and what is administration.

As the aims shift - and I come back to what Dr Keating and Dr Uhr said - the questions of effectiveness and appropriateness are both very value-laden concepts, are they not? What they mean depends on who you are and what values you take into the exercise. You do need Ministers there for several reasons. Someone has to speak for the Government where the questions are questions of government policy. Ministers are the appropriate people to do that. Secondly, officers require proper protection when questions move beyond some boundary, which I cannot define with accuracy; the Ministers must be there to move in and say: 'I will take that question. That is a question more appropriately raised in the Senate, in a political atmosphere and I invite you to do so'.

That puts an end to that line of questioning but you should not have officers left unprotected to take that kind of thing. Where that boundary is, I do not know; colleagues might know. I take entirely the point that was made by the commentators. We are in a mobile and emerging estimates situation. The goals of the committees are changing and as they change we are moving far more towards very heavily value-laden questions and that will simply add to the difficulties we face.

CHAIRMAN - Does any other member of the panel wish to comment on that?

Dr UHR - One of the real hazards that is emerging now is the blurring of distinction between policy and administration. The explanatory notes are now so good that we are finding that the Estimates

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<sup>5</sup> Commonwealth Parliament, Select Committee on Administration of Aboriginal Affairs, Report, Parliamentary Paper 474/1989. See also Commonwealth Parliamentary Debates (Hansard), Senate Estimates Committees, October 1988

Committees are taking them as part of their preparation for their own inquiry and using them as the beginning point rather than annual reports.

The difficulty of the annual report is, as Dr Keating has pointed out to me - and it became evident in last year's seminar - that they are departmental reports on performance. The explanatory notes are ministerially authorised reports on portfolio priorities to the extent that the Estimates Committees concentrate on the portfolio explanatory notes. It is only proper that the Minister be there to protect and to help steer that process to the extent that the committees move away from the explanatory notes towards the annual reports. Then presumably it is only proper that the department speaks in its own name. That is part of the logic of devolution. That would mean that the Ministers would, at least at that point, back off. The questions, of course, will still be policy ones. It is just going to get harder and harder I believe.

Mr EVANS - If I could add a comment to that. The Senate has a code of practice<sup>6</sup> binding on all its committees for dealing with witnesses; it is binding on Estimates Committees as well as standing committees. One of the rules in that code of practice is that departmental officers shall not be asked to give their opinions on matters of policy. But I think there is a distinction between giving opinions on matters of policy and, on the other hand, explaining what the policy is; explaining how the policy is coherent; how it relates to other policies or other aspects of policy; what are the means chosen for carrying out the policy and why those particular means were chosen for carrying out the policy; why those means are thought to be the best means of carrying out the policy; and questions like that which have to do with the policy but which do not involve expressing opinions on matters of policy contrary to that rule. A lot of good public servants spend a good deal of time doing that sort of thing and in some cases doing it very well. Are there any other questions or observations?

Mr MUSIDLAK - I was quite interested in the excuses about the media not really covering estimates proceedings and particularly from a media that in Australia is characterised by a dependence on handouts, scuttle-butt and leaks, not necessarily in that order. Unless you have people in the media who take a fairly strong interest in the way that government departments operate, attendance at Estimates Committees will probably be a waste of time, but is that not a challenge to the media to spur the specialist writers to get a better grip on their subject areas and to write some more thoughtful review pieces?

Ms GRATTAN - Firstly, they are not excuses and I want to emphasise that point if it was not clear enough first time round - explanations perhaps, not excuses. I agree with your point entirely about the desirability of the media moving more into reporting of departmental politics and policy work and into more specialist areas. This has happened in some areas, I think, to a greater extent than others. I think, for example, the reporting of economics has become better and more specialised in recent years. The reporting, on the other hand, of some of the social policy areas has probably deteriorated in the last few years when there has been less emphasis on that area of policy. It has become generally less fashionable, if you like, and probably less fashionable in the media.

So the media ought to be moving more strongly into those areas, but there is another aspect of this too. I think that government, with a big 'G' and a small 'g', should also recognise that this is an important area for the dissemination of public information and, to the maximum extent possible, an open or more open attitude should be encouraged in the bureaucracy. One of the unfortunate by-products of the proliferation of public relations machines in the bureaucracy, I think, is that senior public servants have thought: 'Well, we've got bureaucrats and a PR section to do that, so push the media over into those sections'. Most of them are, with one or two notable departmental exceptions, pretty useless and that has contributed to a lazier media in that respect of reporting and perhaps more nervousness among senior public servants who, in some earlier years, might have been more inclined to talk to the media themselves.

Senator PETER BAUME - I do not want to comment on every question, but that is an interesting one. I have three points. One of the wisest Senators with whom I worked was Reg Withers, who reassured me one day when I was worried about the editorials running against us in the broadsheets. Withers said: 'Don't worry what the broadsheets are saying, worry about what the tabloids are saying'. So that raises the question: What is the news? Who reads the economic analysis that has improved so much? The answer is a very small group of people.

I suppose the other point is that the wonderful things that Estimates Committees do are not reported because they simply do not rate in the market operation, the brokerage or whatever it is that goes on. The Senators who may be very good at asking questions and at understanding the process may be very

poor at then undertaking the brokerage between themselves and reporters, most of whom, I have found, have been very professional but who are entitled to a bit of information if they are going to write a story. I find that does not happen. So the fault, if there is a fault, lies very much, I think, with the politicians as well as with the press. I would not want anyone to think it is because the press is not interested. It is partly because the politicians do not tell them.

Mr EVANS - That might be regarded as an unusually charitable view of the matter.

Mr VIGOR - I am very interested in the plans from inside the Public Service to use some of the available electronic data processing facilities for providing more direct information to Senators and to the committees. When I was there, we were changing from the expenditure type of reports to the program budgeting reports and I think that has been an improvement. But some of the baby seems to have been thrown out with the bath water in terms of the type of information which I was seeking about the effectiveness of programs and the types of expenditure which were going on within the administration. The Public Service seems to have redirected all of the opprobrium in Estimates Committees from themselves onto the Ministers by gradually moving Senators more and more towards policy by the nature of the explanatory notes. A fair amount of leading goes on in the types of notes that Senator Baume was showing. Quite a bit went on when I was there. What chance will Senators have of getting direct access, if they are interested, to the actual figures and the types of manipulations which take place before they get presented to the Estimates Committees?

Mr EVANS - That is a different view of what we have just been speaking about. Would you like to respond to that, Dr Keating?

Dr KEATING - I would have to say that I am not sure that I have fully understood the question. You are absolutely right that in moving to program budgeting and concentrating on outcomes quite a bit of the input detail which was typically in what we now call the running costs has been lost. But let me hasten to add that we are speaking about cost-effective outcomes. It is not just a matter of how many people achieve better health, but one of whether they achieve better health in a cost-effective way. That information is not as readily available, so it is, in fact, a considerable amount of work to find out how much we spent on paper clips. In that particular case, I doubt that we could. Quite a bit of work would have to be done to find the answers to the questions about the tea ladies and, on reflection, we could not get the answers about the paper clips.

I wonder what conclusions you hope to draw when you find out that the telephone bill went up during the pilots' dispute. What sort of conclusion do you hope to draw in terms of efficiency? If the focus is on efficiency what really is important is what the running costs of the program were relative to those outputs. So you have a choice, in effect, between ringing someone up and flying to see them, and what is really interesting is, having regard to that choice, what was the total cost of the two relative to achieving the program output. That is what we are focusing on now and that seems to me more productive.

Mr VIGOR - I was thinking of neither paper clips nor stationery. I was thinking about the type of thing that has been gradually happening, which is that more and more programs which are unexceptionable are being put into the Explanatory Notes (now referred to as Program Performance Statements) with full descriptions, as Senator Baume said, of successful programs and that more and more of the programs which are open-ended are being pushed into special appropriations classes, put into trusts, put into commercial organisation, basically privatised.

I know this is not your department, but surely when you look at each year's estimates you see that fewer expenditure figures are actually being scrutinised by the Parliament. It is more satisfactory, of course, because it has been chosen and sifted. I am quite happy to be told that I am not right, but I suspect that I am.

Dr KEATING - I am very glad you are happy. The truth of the matter is that before we moved to program budgeting, the only bills which were considered, or the only expenditure which was considered by Senate Estimates Committees were those estimates which were in Appropriation Bill (No.1) and Appropriation Bill (No.2). Parliament used to come under Appropriation Bill (No.3) in those days, but now it has its own bill. The only estimates considered were those in Appropriation Bills (No.1) and (No.2). That meant standing appropriations were not considered by Estimates Committees. The fact of the matter is now that all Budget outlays, whether they are covered by standing appropriations or in Appropriation Bills (No.1) and (No.2), are now reported to the Senate Estimates Committees. So that is an enormous increase in the amount of information or, if you like, the coverage of parliamentary scrutiny through the Senate Estimates Committees.

Senator PETER BAUME - Mr Puplick referred to this problem this morning. He will be aware of the point Mr Vigor was making. Dr Keating points out that most things are available for questioning in the estimates. I think the salaries of all officers are virtually available and one can take the salaries item, so my older Senate colleagues taught me early on, and ask: 'Does this salary cover the payment of the aged pension?'. The aged pension itself may not be in the estimates - it is actually under the program - but if it were under another piece of legislation, provided the salaries of the officers administering it were in the estimates, I think you could get a leg in the door. There is almost nothing you cannot ask about.

There are two other points. One is that there are other sources available to which Honourable Senators often do not give enough attention - annual reports, larger numbers of statistical tables, periodical reports by departments, a whole lot of information; it is not a bad idea to read it occasionally. The other point to make is that the very emphasis we have been putting in this discussion is on the need to continue to change the committees, to recognise the problems, including the ones you are referring to, and to find ways to respond to those for the mutual benefit of all parties concerned.

Mr EVANS - Technically the Estimates Committees do not have special appropriations before them. Technically, they are not supposed to be looking at special appropriations, but they always have. As a matter of practice, they have always probed around in special appropriations. With program budgeting, that has been put on an official basis. Are there any other brief, pithy questions or observations?

Mr O'DONOVAN - One of the benefits of Senate Estimates Committees that seems to me to have been overlooked is that they give the opportunity to the public servant, whose anonymity has been broken in some way or another - and this happens more and more often - to defend a position that he has taken, and to defend it in a situation where the ultimate judgment can be made by the public, particularly if the press takes it up, in an objective way without having thrust down its throat the views of those who disagree with the judgment that has been made by the public servant.

I spent a long day in the Senate in 1982 in relation to bottom-of-the-harbour tax prosecutions. I was very glad that at the end of that day, about 10 o'clock at night, Michelle Grattan rang up and asked me what had gone on before the Committee, so that she could publish much of it the next day in the *Age* - I think she was working for that newspaper then. I think that is an important thing for public servants.

If I may say something very briefly about what Dr John Uhr had to say, it seems to me that if these committees are going to look at the appropriateness of government policies, either they are going to be attended only by Government Ministers, or we are going to have a different Public Service. If government policies have to be defended by public servants, then they will have to behave either strictly as lawyers in accordance with instructions on the basis that they really do not have any view one way or the other as to the appropriateness, or that these are the defences that they are told to put - 'Those are my instructions'. Alternatively, they are really members of the party and they put the views of the party. I do not disagree with what Dr Uhr says, but it seems to me that one really does need to look very carefully at the future of the Public Service. We read in a very recent report that the Public Service Commissioner himself is saying how terribly hurt he is about people talking about political appointments. Perhaps we ought to get a black book and have the top echelons of the Public Service coming in and out with government.

Mr EVANS - That raises a great many questions. I will repeat what I said earlier. I have seen some very skilful public servants expounding what the policy is, and how the policy is coherent, and on what bases the policy was decided without actually expressing an opinion about the policy.

### Short adjournment