

# **Chapter 1**

## **Budget Estimates 2006-07**

### **Introduction**

1.1 The estimates process provides senators of all parties the opportunity to examine the financial position and operations of the Commonwealth government and, as such, constitutes one of the critical accountability mechanisms of the Parliament.

1.2 This is the Committee's report on the proceedings of its hearings on the budget estimates of expenditure conducted during May 2006. It first outlines the procedure for those hearings, before going on to record the issues that arose and discuss matters that the Committee sees as of importance to the Senate.

#### **Reference of proposed expenditures**

1.3 On 9 May 2006, the Senate referred to the Committee for examination the following documents:

- Particulars of certain proposed expenditure in respect of the year ending on 30 June 2007;
- Particulars of proposed expenditure in respect of the year ending on 30 June 2007; and
- Particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2007.

1.4 The Senate also referred the following:

- Particulars of certain proposed supplementary expenditure in respect of the year ending on 30 June 2006;
- Particulars of proposed supplementary expenditure in respect of the year ending on 30 June 2006; and
- The annual Tax Expenditures Statement.

#### **Portfolio coverage**

1.5 The Committee has responsibility for examining the expenditure and outcomes of the following:

- Parliamentary departments;<sup>1</sup>
- Prime Minister and Cabinet portfolio; and
- Finance and Administration portfolio.

Appendix 1 lists the departments and agencies under the portfolios mentioned above.

## Hearings

1.6 The Committee held four days of public hearings from Monday to Thursday, 22 to 25 May 2006. Copies of the committee's transcript of evidence are tabled in four volumes of *Hansard* for the information of the Senate. Copies of *Hansard* are available on the internet at the following address: <http://aph.gov.au/hansard>.

1.7 Further written explanations furnished by departments and agencies will be tabled as soon as possible after they are received. That information is also available on the committee's internet page, found at the following address: [http://www.aph.gov.au/Senate/committee/fapa\\_ctte/estimates/index.htm](http://www.aph.gov.au/Senate/committee/fapa_ctte/estimates/index.htm)

1.8 As a matter of Parliamentary Privilege, all information is 'tabled' (i.e. published) on receipt.

1.9 Over the course of the four days' hearings—totalling over 41 hours—the Committee took evidence from the President of the Senate, Senator the Honourable Paul Calvert; the Minister for Finance and Administration, Senator the Honourable Nick Minchin; the Parliamentary Secretary to the Minister for Finance and Administration, Senator the Honourable Richard Colbeck; Minister for the Arts and Sport, Senator the Honourable Rod Kemp, together with officers of the departments and agencies concerned.

1.10 The following agencies were released from the hearings without examination: the Australian Public Service Commission; the National Water Commission; the Office of the Inspector-General of Intelligence and Security; Office of the Commonwealth Ombudsman; the Commonwealth Grants Commission; CRS Australia; Health Services Australia; and Australian Hearing.

## Questions on notice

### *Explanations for late receipt of answers*

1.11 The Committee again took up with departments the issue of late answers to questions on notice. On this occasion the Committee focused its attention on the lengthy delays between when draft answers were submitted to ministers' offices for

---

1 As a matter of comity between the Houses, it is traditional that neither House inquires into the operations of the other House. For this reason, neither the annual report of, nor the proposed expenditure for, the Department of the House of Representatives is referred to a Senate committee for review.

---

clearance and when they were finally received by the Committee. While a painstaking process for all concerned, it should be seen as an indication of the Committee's resolve to get to the bottom of cases where answers are unacceptably delayed and to bring about a general improvement in the response time for provision of answers.

1.12 The Committee reminds Commonwealth officers that when delays in answering questions on notice are likely to occur, agencies are expected to provide explanations for the delay. The Committee appreciates that the nature of some questions may unavoidably mean delays. However, the Committee will only accept these delays where acceptable explanations are provided.

#### *Deadline for submitting answers*

1.13 The due date for submitting responses to questions on notice from the budget estimates round is 7 July 2006.

### **Examination of departments and agencies – general issues**

1.14 The Committee's ability to scrutinise the portfolios allocated to it was again affected by the government's ban on questioning of matters before the Cole commission of inquiry into certain Australian companies in relation to the United Nations food-for-oil program (the AWB affair). The government imposed the ban at the start of the additional estimates hearings in February 2006. On that occasion, the government's concern seemed to be to avoid what it called 'parallel questioning' by committees while the commission held hearings. The continuation of the ban *after* the adjournment of the commission's hearings suggests that the ground had shifted, presumably to an undisclosed concern to avoid scrutiny of the matter while the commissioner prepares his report.

1.15 As the chapters that follow indicate, the Committee was still able to examine departments about their response to the commission's request for documents, although the extent to which a line of questioning could be pursued was often circumscribed by officers refusing to supply answers on the basis of the ban.

1.16 The other significant development affecting all committees was the unilateral government decision to reduce the budget estimates hearings by two days over the fortnight of hearings. However, as the Committee has a tradition of not sitting on these so-called 'spillover' Fridays the decision did not impinge on the Committee's work.

1.17 The Committee also wants to draw attention to an interesting procedural discussion that arose during the appearance of the Department of the Senate. Senator Brandis engaged the Clerk of the Senate, Mr Evans, in a lengthy debate on the question of whether decisions of committee chairs establish practices of the Senate in a formal sense. The Clerk advised that only the Senate, and not committee chairs, can

prescribe rules and procedures, for instance, in relation to restricting the right of senators to ask questions at hearings.<sup>2</sup>

1.18 The following chapters of the report list the issues considered by the Committee and discuss some of these in detail. The order is not based on hierarchy but rather the order in which those issues arose during the hearings.

---

2 *Committee Hansard*, 22 May 2006, F&PA 17-20 See also *Procedural Information Bulletin*, No.202, 2 June 2006, p.1.