

Budget Estimates 2007–08

Introduction

1.1 On 9 May 2007, the Senate referred to the Finance and Public Administration Committee for examination and report the following documents:

- Particulars of proposed expenditure in respect of the year ending on 30 June 2008;
- Particulars of certain proposed expenditure in respect of the year ending on 30 June 2008;
- Particulars of proposed expenditure in relation to the parliamentary departments in respect of the year ending on 30 June 2008;
- Particulars of proposed supplementary expenditure in respect of the year ending on 30 June 2007; and
- Particulars of certain proposed supplementary expenditure in respect of the year ending on 30 June 2007.¹

Portfolio coverage

1.2 The committee has responsibility for examining the expenditure and outcomes of the following:

- Parliamentary departments;²
- Prime Minister and Cabinet portfolio;
- Finance and Administration portfolio; and
- Human Services portfolio.

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

1.3 The committee notes the following group under its purview has undergone structural reorganisation since the committee last reported on estimates.

1.4 The newly established Australian Reward Investment Alliance which converged the Commonwealth Superannuation Scheme Board and the Public Sector Superannuation Board, gained the following outcome and output structure:

1 *Journals of the Senate*, No. 143, 9 May 2007, p. 3753.

2 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.

New ARIA outcome structure

Outcome/Output	Previous wording	New wording
Outcome 1	NA	Effective and efficient administration of Australian Government superannuation schemes
Output Group 1.1	NA	Superannuation scheme governance

Questions on notice – date for responses

1.5 In accordance with Standing Order 26, the committee is required to set a date for the lodgement of written answers and additional information. The Committee requested that written answers and additional information be submitted by Friday 6 July 2007.

Hearings

1.6 The committee held public hearings on Monday 21, Tuesday 22, Wednesday 23, and Thursday 24 May 2007. Copies of the committee's transcript of evidence are tabled in four volumes of *Hansard* and which are available on the internet at the following address: <http://www.aph.gov.au/hansard>.

1.7 Further written explanations furnished by departments and agencies will be tabled, as received, in the Senate. 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.

1.8 As a matter of Parliamentary Privilege, all information is 'tabled' on receipt.

1.9 Over the course of the four days' hearings—totalling over 40 hours—the committee took evidence from the President of the Senate, Senator the Hon. Paul Calvert; the Minister for Finance and Administration, Senator the Hon. Nick Minchin, representing the Prime Minister; Parliamentary Secretary, Senator the Hon. Richard Colbeck, representing the Minister for Finance and Administration; and the Minister for Human Services, Senator the Hon. Chris Ellison, together with officers of the departments and agencies concerned.

1.10 The following agencies were released from the hearings without examination:

- The Office of the Inspector-General of Intelligence and Security;
- The Office of the Commonwealth Ombudsman;
- The Commonwealth Grants Commission;
- The Child Support Agency; and
- Australian Hearing.

General issues

1.11 Detailed scrutiny of expenditure on government advertising was a theme that ran through the examination of most departments and agencies. This issue is discussed in chapters 3, 4 and 5.

Format and content of the Portfolio Budget Statements

1.12 As part of its scrutiny of departments and agencies in the estimates process, the committee undertakes to examine the format and content of the Portfolio Budget Statements (PBS).³

1.13 On several occasions throughout the hearings the committee raised concerns with departments and agencies surrounding the difficulties in isolating where moneys for various programs had been appropriated and displayed in the PBS.

1.14 The committee reminds Commonwealth officers of the 'principles underlying the PBS', as set out by the Department of Finance and Administration:

The PBS should provide sufficient information, explanation and justification to enable Parliament to understand the purpose of each item proposed in the Appropriation Bills (Nos. 1 and 2) and Appropriation (Parliamentary Departments) Bill. It should translate the information in the Bills into the related outcomes and outputs.

Information should be reported at an appropriate level, having regard to materiality, parliamentary and public interest. In particular, the PBS should include sufficient information to explain significant proposed changes. When considering what to include in the PBS, entities should be responsive to the requirements of their Senate Legislation Committee.⁴

Preparation for regular questions from Senators

1.15 The committee appreciates the efforts of various departments to prepare documents in advance of the hearings to answer questions that are regularly asked by senators. In particular, the committee would like to commend the Ministerial and Parliamentary Services, outcome 3 of the Department of Finance and Administration, for the documents it regularly furnishes for the committee on members of parliament personal staff positions, and establishment variances to government staff.

1.16 There were other instances however where departments could further assist the committee. The committee has requested that the Government Communications Unit within the Department of Prime Minister and Cabinet consider including

3 See recommendation 17, Finance and Public Administration Committee, *Transparency and accountability of Commonwealth public funding and expenditure*, March 2007, p. 76.

4 Portfolio Budget Statements, Department of Finance and Administration, http://www.finance.gov.au/budgetgroup/Other_Guidance_Notes/portfolio_budget_statements_p.html

additional information in the *Active Campaigns* document they regularly table. The addition of two columns; the budgeted amount for each campaign, and the expenditure to date, would be an efficient way of conveying this information to the committee, rather than lengthy dialogue during the hearings. It was noted that this additional information was similar to that provided in response to PM68 in the Additional Estimates 2006-07. Senator Minchin, the Minister, indicated it was a reasonable request and undertook to look into it.

1.17 Further, the committee regularly requests a compliance report from the Australian Electoral Commission. The committee asks the commission to consider preparing a brief report for tabling at each estimates hearing.

1.18 Providing this information in written form would be a more efficient use of ministers', senators' and officials' time and would limit unnecessary dialogue between the committee and the department.

1.19 The sections of the report that follow list many of the issues considered by the committee and discuss some of these in detail. The order in which they appear does not necessarily reflect the relative importance of the issues.