

Recommendations

Recommendation 1

The Committee recommends that the government produce and table with the annual budget documents a document that sets out the past and expected expenditure from all Special Appropriations. The data in that document should be set out against the programs that are funded from the relevant appropriation.

Recommendation 2

The Committee recommends that the Government implement a system of review for standing appropriations to ensure that access to the CRF is withdrawn when no longer required and to ensure that standing appropriations are subject to periodic government and parliamentary review.

Recommendation 3

The Committee recommends that the government ensure that where transfers of amounts between different forms of appropriation occur, that the transfers be highlighted in the reporting documents. Because the reporting of these events in agencies' financial statements may not occur until well after the event, these transfers should be documented and tabled as they occur.

In making this recommendation the Committee is aware that there might be many such transfers and that there could therefore be practical difficulties in the timely provision of the data. The Committee therefore recommends that Finance consider the practical implications of the above recommendation and report to the Committee on this matter this financial year.

Recommendation 4

The Committee recommends that the central role in the management of net appropriations should be returned to the Appropriation Acts so as to ensure that these significant transfers of funds are fully transparent to the Parliament. In making this recommendation the Committee is aware that the management of net appropriations is complicated and that the Department of Finance and Administration is investigating other options. If a procedure other than returning the central role to the Appropriations Acts is proposed, the Committee would expect that the Parliament and its committees would be consulted. In particular, the Committee would expect Finance to report to it on any proposed alternative approach this calendar year.

Recommendation 5

The Committee recommends that agencies report the amounts of their unspent appropriations and the reasons for the underspend to Finance at the end of each financial year and that the government tables in Parliament a consolidated

report on the amount and reasons for the underspend within six months of the end of the relevant financial year. The Committee further recommends that unspent appropriations be returned to the CRF unless the finance minister determines that there is good cause for the funds to be retained.

Recommendation 6

The Committee recommends that unless the Government can propose another mechanism that would overcome the accountability and transparency issues raised in connection with the carry over of appropriations it should discontinue the appropriation of funds to agencies for the purpose of depreciation.

Recommendation 7

The Committee recommends that the State and Territory jurisdictions provide to the Commonwealth comprehensive annual statements of the purposes and expenditures of GST revenues to enable their incorporation into Budget Paper No. 3.

Recommendation 8

The Committee recommends that the Senate continue to seek clarification from the Government as to which items the Government believes should be included in the different appropriation bills. The Senate should then form a view as to the appropriateness of the split. When any differences are resolved to the satisfaction of the Senate, the Department of Finance and Administration should be required to monitor and enforce the split.

Recommendation 9

The Committee recommends that the Standing Committee on Appropriations and Staffing should report expeditiously on its negotiations with Government in relation to the appropriate split of items of expenditure in the different appropriation bills so that the issue may be considered by the Senate.

Recommendation 10

The Committee recommends that the Clerk advise the President of the Senate with respect to concerns about the matters included in periodic Appropriation bills and that the President table a statement accompanying the bills or return the bills to the House of Representatives or to the minister for clarification, elucidation or adjustment.

Recommendation 11

The Committee recommends that a common approach be taken for the Portfolio Budget Statements and that estimates for three forward years be included for departmental and administered items.

Recommendation 12

The Committee recommends that outcomes be expressed in clear, simple and measurable terms.

Recommendation 13

The Committee recommends that expenditure should be reported at the levels of programs in the budget documents, including in the schedules to the Appropriation Acts.

Recommendation 14

The Committee recommends that the terms 'administered' and 'departmental' be defined in the appropriation bills or other appropriate documents.

Recommendation 15

The Committee recommends that the ongoing process being undertaken to harmonise the accounting standards should continue and should be expedited by the Government setting a deadline for its completion.

Recommendation 16

The Committee recommends that the Government should give consideration to a system for funding depreciation whereby gross capital expenditure would be separately reported and budgeted for as required, with a subdivision of expenditures between asset replacement (i.e. the depreciation component) and asset expansion.

Recommendation 17

The Committee recommends that the Senate Standing Legislative and General Purpose Committees report as necessary in their reports on the estimates on the format and contents of the PBS and PAES that are referred to them.

Recommendation 18

The Committee recommends that the Committee Chairs Group examine proposals made by the Auditor-General for measures to assist the Legislative and General Purpose Standing Committees in their consideration of the estimates.

Recommendation 19

The Committee recommends that the Government ensure that future appropriation bills that the Senate cannot amend under the provisions of the Constitution restore the need for any approved expenditure to be legally linked to and connected with a specific outcome or purpose.

