

## CHAIR'S INTRODUCTION

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I am very pleased to present this report of the Public Accounts and Estimates Committee to Parliament on the initial component of the Committee's round of 2007-08 Budget Estimates hearings. It is the first report of the Committee for the 56th Parliament of Victoria.

The report covers the first 23 budget estimates hearings held up to 11 May 2007. The Committee intends to present a second report to Parliament on the remaining 20 hearings soon after their completion. A final report on the estimates will be presented to Parliament in the middle of the year.

In addition to transcripts of proceedings for each of the 23 hearings the report summarises, on a portfolio basis:

- the key matters raised at the hearings in the form of the Committee's questions and responses from ministers;
- questions taken on notice by ministers for which written responses are due by specified dates;
- unasked questions of the Committee also referred to ministers for written responses; and
- documents presented by ministers to the Committee at hearings.

The report also itemises responses received from departments to the Committee's 2007-08 Budget Estimates questionnaire. These responses address a range of issues associated with the impact of the budget on departmental operations and future directions.

Some sense of the importance of the Committee's annual budget estimates hearings can be gleaned from the fact that the government's 2007-08 budget envisages operating revenue of around \$34.3 billion and operating expenditure of \$33.9 billion. On the capital side, new net annual infrastructure investments are expected to average \$3.3 billion over each of the four years to 2010-11.

With these large financial estimates, the issues canvassed at the estimates hearings become central to an awareness and understanding of the key strategic directions and initiatives underway within each portfolio flowing from the budget. Those issues also provide an insight into the thinking of the Committee on matters relating to productivity, performance and accountability in portfolios and across government.

The main purpose of the Committee providing early reports to Parliament is to assist in the consideration of the 2007-08 appropriation bills before Parliament. These bills, when passed, provide authority for the government to deliver planned services and commence new asset investment programs. The aim of the Committee is to enhance the information available to members on the budget and, in turn, to enrich the Parliament's debate on the bills.

Early presentation to Parliament of the results of the estimates hearings is also consistent with a recommendation of the Auditor-General in the April 2003 report *Parliamentary control and management of appropriations*. In addition, this report provides the Victorian public with access through Parliament to the range of issues raised by the Committee in hearings with the Ministers.

The Committee has been heartened by comments of the Hon. S Bracks, Premier of Victoria, at a budget estimates hearing on 3 May 2007. Referring to the government's respect for the work of the Committee, the Premier stated that:

*...PAEC has a different role and function to other joint parliamentary committees. It is a different function. It ranges over the whole of government. It has an estimates hearing in which ministers make submissions, and it can call in government departments for those submissions as well. It reports to Parliament on the overall estimates, and those recommendations are very important for government activity.*

The Premier also announced additional annual funding of \$360,000 to augment the Committee's activities. On behalf of the Committee, I express my appreciation to the Premier for this additional financial assistance.

I wish to thank Ministers, Presiding Officers and their accompanying staff for their time and quality input into the deliberations at each hearing. I also thank the members of the Committee for their commitment and cooperation at hearings. Finally, my particular thanks, on behalf of the Committee, go to members of the Committee's secretariat for their extraordinary efforts in ensuring the competent and timely preparation of material for this report.

I commend the report to all Members of Parliament and encourage them to draw on the report's contents as they assess the merits of the 2007-08 appropriation bills.



**Bob Stensholt, MP**

**Chair**