

SECTION D: OTHER

CHAPTER 17: QUALITY OF MATERIAL PROVIDED BY MINISTERS AND DEPARTMENTS IN RESPONSE TO QUESTIONS RAISED BY THE COMMITTEE

Key findings of the Committee:

- 17.1** In order for the Committee to effectively scrutinise financial and performance details relating to the budget, including the evaluation of particular expenditure in the order of \$34 billion, it is essential that quality material be provided by Ministers and departments in response to its various lines of inquiry.
- 17.2** The Committee appreciated that Ministers and accompanying staff regard the estimates process as a significant event and apply considerable resources into responding to it. (refer to Chapter 10).
- 17.3** The Committee maintains that as a guide, responses that describe examples, bring to notice technical data and present statistical information enhance the meaningfulness of evidence by corroborating general statements or assertions.
- 17.4** While the vast majority of material provided to the Committee through the estimates hearing process was generally informative and addressed the particular questions raised, there is always scope for improving the standard of responses provided by some departments to the budget estimates questionnaire.
- 17.5** The Department of Justice provided the most comprehensive response to the Committee's budget estimates questionnaire in respect of the National Reform Agenda. Responses by the Department of Education, Department of Primary Industries and Department for Victorian Communities were judged as insufficient and requiring additional information.
- 17.6** The Committee found that, while responses provided by Ministers to the questions raised in the estimates hearings were generally informative and addressed the issues raised by Members, scope existed for more input to be provided by senior public servants at the hearings in relation to technical details of proposed items of expenditure.
- 17.7** With a view to enhancing the efficiency and effectiveness of processes involved in the budget estimates inquiry and the quality of material provided, the Committee will consider whether there is a need to:
- ask Ministers to include witnesses from statutory authorities and other agencies funded through the appropriation bills; and
 - provide Ministers with some questions prior to the holding of each hearing.

17.1 Introduction

By way of background, as part of conducting its inquiry into the budget estimates, the Committee obtained information from Ministers and departments through a variety of ways. These mechanisms involved:

- issuing departments and parliamentary departments with a budget estimates questionnaire that targeted various themes; and
- directing 529 questions to Ministers at the estimates hearings, in conjunction with issuing various questions taken on notice (125) or those that were not asked (35) at particular hearings.

Additional information was sought when the Committee deemed that further information was needed to supplement initial responses.

The Committee maintains that if it is to inquire into the budget estimates in an effective way, it is essential that quality material be provided in response to its various lines of inquiry.

This chapter includes some important messages governing the institutional framework that governs the processes by which the Committee scrutinises income and expenditure of around \$34 billion and new net annual infrastructure investments, expected to average \$3.3 billion over each of the four years to 2010-11. At the end of the process, the Committee needs to be satisfied that it has been given sufficient information and explanations to effectively discharge this role that has been entrusted to it on behalf of the Parliament and the community. This role is in effect similar to that of an audit committee of the Parliament.

17.2 Responses to the budget estimates questionnaire

The Committee concluded in its *Report on the 2007-08 Budget Estimates – Parts One* and the *Report on the 2007-08 Budget Estimates – Part Two* that in the vast majority of cases, departments provided detailed information for questions raised in the 2007-08 Budget Estimates questionnaire, while some were limited and required further amplification.

To illustrate this point, although most questions required responses to be provided in a standard format, question 11 dealing with the National Reform Agenda provides a good example of where departments were given the opportunity to submit an expansive and descriptive response to the Committee on a very important contemporary issue. Section 17.4 shows that of the ten initial responses from departments to this issue, four were considered by the Committee to be comprehensive, three were regarded to be brief and succinct in nature and three were deemed inadequate, which necessitated the Committee to request further information. Comprehensive responses were received from:

- Department of Justice (the most comprehensive);
- Department of Infrastructure;
- Department of Innovation, Industry and Regional Development; and
- Department of Human Services.

The above responses have been placed on the Committee's website as a guide to other departments when responding to questions raised by the Committee.

Responses by the Department of Education, Department of Primary Industries and Department for Victorian Communities were judged as insufficient and requiring additional information.

The Committee also noted a number of rounding differences between financial information provided by departments in response to the budget estimates questionnaire and information contained in the departmental financial statements contained in Budget Paper No.4, *2007-08 Statement of Finances*. Ideally, financial information submitted to the Committee from departments should reconcile exactly with information contained in the budget papers.

The Committee believes there is scope for some departments to provide more comprehensive information to the Committee when requested.

17.3 Responses to questions raised at estimates hearings

The Committee found that responses to questions were generally informative and addressed the issues raised by the Committee Members.

Importantly, on those occasions (17 hearings or 40 per cent) where senior departmental officers were given the opportunity to present information of a technical or more detailed nature in response to a minor number of questions, this type of feedback added considerably to the quality of material provided to the Committee's deliberations on the budget estimates. Areas where this was most prevalent related to Parliamentary Departments and certain portfolios associated with the Department of Infrastructure, Department of Justice and Department of Primary Industries. The Committee also welcomed the Premier's initiative to invite the Chair of the State Services Authority to give a brief overview to the Committee of the relatively new function of the department, its funding and its operation.

The Committee will consider whether there is a need to next year ask Ministers to include witnesses from statutory authorities and other agencies in order to obtain a wider coverage of technical details relating to particular items of proposed expenditure.

From observing this year's cycle as a new Committee, it was evident that Ministers and accompanying staff regard the estimates process as a significant event in their calendar and undoubtedly would have spent considerable time in preparing for their appearance and performance at the hearings. Chapter 10 of this report contains information that quantifies the resources involved in servicing Committee inquiries.

The Committee maintains that as a guide, responses that describe examples, bring to notice technical data and present statistical information enhance the meaningfulness of evidence provided to the Committee by corroborating general statements or assertions, thereby providing the greatest value to its lines of inquiry.

To ensure the estimates hearing process is conducted in the most efficient and effective manner and culminates in the provision of meaningful information, the Committee will consider whether it would be desirable to:

- provide Ministers with some questions prior to the holding of each hearing; and
- offer feedback to Ministers if required.

As an example, the Committee could provide feedback on whether answers were too long or conversely did not address the question in sufficient detail. The Committee accepts, however, that Ministers are free to answer questions in a manner they deem appropriate.

The Committee recommends that:

Recommendation 52:

To ensure the estimates hearing process is conducted in the most efficient and effective manner and to further improve the quality of information provided to the Committee, the following measures be considered:

- (a) Ministers place a greater emphasis on the importance of scrutinising the quality of material prepared by departments in response to the Committee’s budget estimates questionnaire;**
- (b) Ministers consider utilising senior public servants more in answering detailed technical questions at the estimates hearings;**
- (c) responses provided by Ministers and departments include examples, technical data and statistical analyses, wherever possible, to uphold or corroborate information of a general nature and provide cogent evidence to support why decisions have been made;**
- (d) departments access the Committee’s website to obtain guidance on best practice in drafting responses to the Committee’s questions;**
- (e) departments include a key result area in their corporate or business plans that aims to obtain favourable feedback from the Committee on the quality of information provided in response to its lines of inquiry; and**
- (f) uniform rounding policies be applied by departments and the Department of Treasury and Finance so that financial information provided to the Committee reconciles exactly with the budget papers.**

17.4 Supplementary information

Table 17.1: Standard of answers given to question 11 of the estimates questionnaire dealing with departmental responses to the National Reform Agenda

Department	Comprehensive response	Brief/succinct response	Inadequate response that required the provision of additional information
Parliamentary Departments (a)			
Department of Education			✓
Department of Human Services	✓		
Department of Infrastructure	✓		
Department of Innovation, Industry and Regional Development	✓		
Department of Justice	✓		
Department of Premier and Cabinet		✓	
Department of Primary Industries			✓
Department of Sustainability and Environment		✓	
Department of Treasury and Finance		✓	
Department for Victorian Communities			✓

Note: (a) *The National Reform Agenda does not impact on the Parliament of Victoria's operations*

Source: *Information compiled by Committee based on departmental responses to the 2007-09 Budget Estimates questionnaire*

This report was adopted by the Public Accounts and Estimates Committee at its meeting held on 17 September 2007 in Meeting Room 4 at Parliament House, Melbourne.