



Joint Select Committee  
on the  
Parliament of Victoria

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PROGRESS REPORT  
upon the  
BUDGET PROCESS FOR PARLIAMENT

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November 1991

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**JOINT SELECT COMMITTEE ON THE PARLIAMENT OF VICTORIA**

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**BUDGET PROCESS FOR PARLIAMENT**

*Ordered to be printed*

**EXTRACTED FROM THE MINUTES OF THE PROCEEDINGS OF THE LEGISLATIVE  
COUNCIL**

**TUESDAY, 17 SEPTEMBER 1991**

- 7 JOINT SELECT COMMITTEE ON THE PARLIAMENT OF VICTORIA** - The Honourable D.R. White moved, by leave, That the Honourables G.P. Connard, D.M. Evans, L. Kokocinski and W.A. Landeryou be members of the Joint Select Committee on the Parliament of Victoria.

Question - put and resolved in the affirmative.

**EXTRACTED FROM THE VOTES AND PROCEEDINGS OF THE LEGISLATIVE  
ASSEMBLY**

**THURSDAY, 12 SEPTEMBER 1991**

- 13 PARLIAMENT OF VICTORIA COMMITTEE - MEMBERSHIP** - Motion made, by leave, and question - That, contingent on the agreement of the Legislative Council to the amendment of the Legislative Assembly to the Resolution appointing the Joint Select Committee on the Parliament of Victoria, Mr. Cole, Mr. Cooper, Mr. Delzoppo, and Mr. Mathews be appointed as members of the Committee (*Mr. Roper*) - put and agreed to.



## REPORT

The Joint Select Committee on the Parliament of Victoria, has the honour to report as follows:

1. On 10 April 1991 the Legislative Council agreed to a Resolution to appoint a Joint Select Committee to inquire into and report upon the administration and funding of the Parliament and into all issues contained in, and the recommendations of, the Strategic Management Review of the Parliament of Victoria, February 1991. The Council then sent a Message to the Legislative Assembly acquainting them of the Resolution and desiring their concurrence.
2. When it considered the Council's Message on 12 September 1991 the Assembly agreed to the Resolution with an amendment which was subsequently agreed to by the Council on 17 September. The full terms of the Resolution as agreed to by both Houses are as follows:
  - 1 That a Joint Select Committee be appointed to enquire into and report upon the administration and funding of the Parliament and into all issues contained in, and the recommendations of, the Strategic Management Review of the Parliament of Victoria, February 1991.
  - 2 That the Committee shall consist of eight Members comprising not more than four Members of the Council and not more than four Members of the Assembly.
  - 3 That five Members of the Committee shall constitute a quorum of the Committee.
  - 4 That the Committee shall elect two of its members to be Joint Chairmen.
  - 5 That the Committee may sit in such places in Victoria as seems most convenient for the proper and speedy despatch of business.
  - 6 That the Committee shall not sit while either House is actually sitting except by leave of that House and may not, while either House is actually sitting, sit in any place other than a place that is within the Parliament building.
  - 7 That the Committee may send for persons, papers and records and report from time to time.
  - 8 That the Committee shall, unless it otherwise resolves, take all evidence in public.

- 9 That the Committee shall keep a record of all evidence given before it and determinations made by it.
  - 10 That the Committee have power to authorize publication of any evidence given before it in public and any document presented to it.
  - 11 That as soon as practicable after the completion of each day's proceedings a transcript of the evidence taken in public by the Committee shall be published.
  - 12 That the foregoing provisions of this resolution so far as they are inconsistent with the Standing Orders and practices of the Houses shall have effect notwithstanding anything contained in those Standing Orders.
3. The Committee held its first meeting on 30 September 1991 and considered both the report of the Strategic Management Review and the report of the Joint House Committee upon the Budget process which was tabled in both Houses on 28 August 1991. In considering how it would conduct the inquiry, the Committee decided to give priority to the Budget process as it affects the Parliament and, at a subsequent meeting, resolved to use the Strategic Management Review as the basis for the remaining aspects of the inquiry.
  4. This first progress report therefore deals solely with the Budget process issue. Further progress reports on the remaining issues will be presented during 1992.
  5. On 4 and 5 October 1991 the Committee placed advertisements in the daily newspapers and *The Financial Review* seeking submissions or a notice of intention to present evidence, on the Budget process. No submissions were received as a result of the advertisement.
  6. The Committee also sought submissions from both Presiding Officers and the permanent heads of the five Parliamentary departments, the administrative organizations of the major political parties and the heads of the schools of law and politics at Melbourne, Monash and La Trobe universities. All Members of Parliament were also asked for their views on the issue. A list of submissions is appended to this Report (Appendix "A").
  7. The Committee was also anxious to gather information about the practice applying in other Parliaments regarding the determination of their budgets. It therefore sought the advice of the Presiding Officers of the Houses of the other Australian Parliaments in this respect and also information from the

Commonwealth Parliamentary Association Secretariat as to the practice applying in member branches of the Association.

8. During the inquiry the Committee held several public hearings and received evidence from the following:

The Hon. T.W. Roper, M.P., Treasurer  
The Hon. A.J. Sheehan, M.P., Minister for Finance  
The Hon. A.J. Hunt, M.L.C., President of the Legislative Council  
The Hon. K.A. Coghill, M.P., Speaker of the Legislative Assembly  
Mr. A.V. Bray, Clerk of the Parliaments and Clerk of the Legislative Council  
Mr. J.G. Little, Clerk of the Legislative Assembly  
Dr. K.J. Foley  
Professor E.W. Russell, Executive Director, Public Sector Management Institute, Monash University.  
The Hon. R.A. Mackenzie, M.L.C.  
Mr. R.M. Duguid, former Secretary, House Committee  
Mr. A.R. Stockdale, M.P., Opposition spokesman on Treasury matters.

The minutes of evidence\* are appended to this Report.

## THE CURRENT PRACTICE IN VICTORIA

9. In Victoria, the budget for the Parliament is contained in the annual Appropriation Bill which appropriates sums out of the Consolidated Fund for recurrent services and works and purposes. The Parliament's budget is contained in the various line items under five separate programs, namely Legislative Council, Legislative Assembly, Parliamentary Library, Parliamentary Debates and Parliamentary Support Services. These five programs, however, do not represent the total budget for the Parliament as there are special appropriations made for the Clerks and expenses of the two House departments under the *Constitution Act 1975* and the Joint Investigatory Committees in accordance with the *Parliamentary Committees Act 1968*. In addition, there is the automatic appropriation for Members' salaries under the *Parliamentary Salaries and Superannuation Act 1968*.

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\* Minutes of evidence not printed

10. The first step in the process which has been established in the development of the annual budget involves the preparation of estimates by each of the permanent heads of the Parliamentary departments early in each calendar year. Those estimates are then considered collectively by the permanent heads and then by the heads and the Presiding Officers meeting together.
11. Until recently the estimates established as a result of this process were matched against a "base" formulated by the Department of Management and Budget and any increases or variations above the DMB base were sought by way of written submission to that Department. It was then customary to await the presentation of the State Budget to the Legislative Assembly when the outcome of those representations became known.

## **THE SITUATION IN OTHER PARLIAMENTS**

12. As indicated earlier in this report, the Committee has taken the opportunity to examine the process applying in other Parliaments regarding the determination of their budgets, and these are outlined in the following paragraphs.

### **Commonwealth**

13. A parliamentary appropriation bill, entitled Appropriation (Parliamentary Departments) Bill, separate from the bills containing the appropriations for the Executive government, is presented. This Bill contains a one-line appropriation for each of the five Parliamentary departments and advances to the President, to the Speaker, and to the two Presiding Officers jointly, for urgent and unforeseen expenditures.
14. The Senate Standing Committee on Appropriations and Staffing has responsibility for determining the appropriations for the Department of the Senate for inclusion in the Bill. The House of Representatives determined its budget base in 1989 and, as a result, has not found it necessary to appoint a Committee for this purpose. Appropriations for the three joint departments are determined by the Presiding Officers.
15. The appropriations for each of the departments are forwarded to the Minister for Finance for inclusion in the Bill. Because of the constitutional requirement that



appropriations bills be introduced in the House of Representatives, the Executive government controls the introduction and passage of the Bill, as well as its content. However, only the Senate has addressed the issue of conflict between the Parliament and the Executive over the content of the Bill. In 1985, the Senate passed a resolution which set out a mechanism for consultation between the Standing Committee, the President, the Leader of the Government in the Senate and the Minister for Finance. However, the Senate's resolution provides for the amounts to be included in the Bill to be determined by the Standing Committee.

16. In a letter to the Committee, the Clerk of the Senate described the major difficulty with the Commonwealth system as being the potential for conflict between the Senate and the Executive over the content of appropriation bills. Although any disputes occurring have not resulted in serious disagreement, he told the Committee that because of the prevailing constitutional situation the only remedy for conflict between the government and the Parliament over Parliamentary appropriations was in accordance with agreed rules and that there would therefore seem to be no viable alternative to the types of consultative mechanisms laid down by the Senate.

### **New South Wales**

17. In New South Wales the Parliament is treated as an inner budget organization and funded from the Consolidated Fund as part of the main Appropriation Bill. The estimates are prepared by Parliamentary staff for approval by the Presiding Officers and forwarding to the Treasury where the usual review processes occur for final allocations to be determined. The Committee was told by the Speaker of the New South Wales Legislative Assembly that Joint Estimates Committees have recently been appointed for the first time and the Presiding Officers have appeared to answer questions relating to the budget allocations.

### **Queensland**

18. The Queensland Parliamentary Service Commission, comprising seven Members under the Chairmanship of the Speaker, has responsibility for preparation of the budgets in that State for the Legislative Assembly, the Commission and the Parliamentary Service. The estimates are prepared under headings of the probable votes, subdivisions and subdivisional items and the

probable ways and means of financing that expenditure. Once the estimates have been prepared they are laid before the Legislative Assembly for its consideration.

### **South Australia**

19. The budget for the Parliament of South Australia is arrived at after consultation with the Treasury. It is contained in the annual Appropriation Bill and, according to the Speaker of the House of Assembly, is very much restrained to the continuation of previous expenditure. However, the President of the Legislative Council told the Committee that the usual CPI increase had been reduced by 50 per cent for this financial year and, therefore, no new initiatives were possible. The Speaker also told the Committee that there were discussions taking place at the moment on the question of Parliament having its own appropriation but he was not confident that the Parliament would gain much from the process, unless there was recognition from the Executive on the real cost of running the Parliament.

### **Tasmania**

20. The budget for the Tasmanian Parliament is determined after consultation between the Treasury and Parliament staff. The basis for the budget is a "global allocation" which establishes a ceiling for expenditure for the ensuing financial year. This allocation is usually based on the previous year's expenditure with an allowance for expected increases in wages and costs. The budgets for both Houses then form part of the Consolidated Fund Appropriation Bill, which details all public sector agency budgets. In a letter to the Committee, the Speaker of the House of Assembly said he believed that there should be a separate schedule in the Bill for the four Parliamentary divisions (i.e. Governor, Legislative Council, House of Assembly and Legislative General) to "symbolise, at least, the separateness of Parliament from the executive branch of government.

### **Western Australia**

21. The budget process for the Parliament of Western Australia is largely the same as that which currently applies in Victoria. The budgets for the Parliamentary departments are submitted to the relevant Presiding Officer for approval. They

are then forwarded to the Executive which makes the final determination on the Parliament's allocation. It is then included in the annual Appropriation Bill.

### **Other Parliaments.**

22. The Committee is currently gathering information from selected Member Branches of the Commonwealth Parliamentary Association as to their budget processes. A summary of this material will appear in its final report.

## **THE INDEPENDENCE OF PARLIAMENT FROM THE EXECUTIVE**

### **The views of the Strategic Management Review**

23. The Strategic Management Review provides a thorough examination of the principles and issues relevant to the management of the Parliament. It reviews the constitutional framework within which the Parliament is established and operates. It examines the Parliament's mission and objectives and the functions, services and facilities required to meet those objectives. It further identifies alleged inadequacies in the economy, efficiency and effectiveness of current arrangements, and suggests possible solutions.
24. The Review spells out the central features required for the Westminster model of Parliamentary democracy to operate effectively in Victoria. Central to this is the proper allocation of powers and responsibilities between the Judiciary, the Executive Government and the Parliament. In the Review, reference is constantly made to the relationship between the roles of the Parliament and the Executive Government and its authors make clear their belief that in Victoria there are many signs that those arms of government are seriously out of balance. The result is that the institution of Parliament has become weakened with the resulting increase in Executive power. The Review's first, and most significant, recommendation reflects this concern as follows:

Parliament should re-assert the importance of its role as a substantially separate arm of government, which must function effectively if the constitutional framework is to work.

25. The Review describes a number of key strategies designed to re-assert and re-establish the place of Parliament within the system. One of those strategies calls for a reform of the budgetary process and the Review says that “it is quite unacceptable that the budget for Parliament as a whole, and also the project budgets for specific Parliamentary inquiries, should be determined by Treasury officers” (Review page 33). The suggested method of dealing with the problem is contained in recommendation 2:

In keeping with its role, and as envisaged by the Constitution, Parliament should have its own separate Appropriation Bill. This should be prepared by the Presiding Officers, in consultation with the proposed Parliamentary Service Committee and the government.

### **The view of the House Committee**

26. In its report upon the Budget process, the House Committee echoed the concerns of the review. The Committee described it as being “urgent for the Victorian Parliament to proceed in the same direction as have other Parliaments throughout the world” (paragraph 23). The House Committee also reinforced the fundamental notion of Westminster style democracies in saying that Parliament is clearly not an ordinary annual service of government and that Parliament was not responsible to the Executive. Instead it is a fundamental principle of the Westminster system that the Executive is responsible and accountable to the Parliament.
27. The House Committee’s recommendation in relation to the Budget process is contained in paragraph 27 of its report as follows:

The Committee therefore recommends that all future appropriations for the Parliament be by way of separate Bills, as envisaged by the Constitution, prepared by the Presiding Officers in consultation with a representative committee as set out above, and presented to the Parliament by or on behalf of the Speaker, and that the Constitution Act be clarified to require this course.

## The evidence

28. Much of the evidence given to the Committee, both at public hearings and in written submissions, is consistent with the concerns expressed by the Strategic Management Review and the House Committee. The Committee does not propose to repeat them at length in this Report as they have been well documented elsewhere. Witnesses before the Committee referred to the fundamental notion of the separation of powers and the need for Parliament to have independence from the Government if it is to fulfil its role as the supreme law making body in Victoria and as the body responsible for monitoring the activities of the Executive. Evidence given to the Committee suggested that Parliament was seen by the Executive as just another agency or government department but that Parliament should not be viewed in that manner because it does not exist to carry out policy. In fact, it may be seen to hinder the Government's goals.
29. Neither the Treasurer nor the Minister for Finance were prepared to address the fundamental issue of Parliament's financial independence preferring instead to concentrate on the treatment over the years of the Parliament's budget compared with that of the Executive and the mechanics involved in and the problems encountered in preparing the Parliament's budget for 1991-92.
30. The Opposition spokesman on Treasury matters, Mr. Alan Stockdale, also took a different view to that of the majority of witnesses when he gave evidence. He described the Strategic Management Review as being "unduly simplistic in the way it examines the separation of powers concept in its application between the legislature and the Executive." He said that the distinction between the legislature and the Executive was nowhere near as clear cut as is the case with the Executive and the legislature on the one hand, and the judiciary on the other. Mr. Stockdale went on to say the fact that whatever money Parliament spent had to be raised by the Executive could not be ignored and therefore, Parliament should operate on the same basis as other bodies funded out of the public purse, within overall parameters defined by the Executive Government.
31. Although Mr. Stockdale advocated that Parliament must operate on this basis, he said that once its allocation had been determined, the Parliament should decide for itself how those funds should be spent. Mr. Stockdale said that this was essential not only for good management but also reflected the appropriate

status of Parliament and the importance of guaranteeing that much independence from Executive control.

32. The Committee strongly believes that the Parliament must be independent from the Executive. It considers that it is beyond dispute that the shift in the balance of power to the Executive threatens Parliament's role and autonomy. It notes the support for this principle by the Presiding Officers and the House Committee of the Victorian Parliament and widespread opinion in Parliaments elsewhere in Australia and overseas. The Executive should reflect the views of the Parliament, rather than vice versa.

### **THE NEED FOR FINANCIAL INDEPENDENCE**

33. The Strategic Management Review and the House Committee both saw the achievement of Parliament's financial autonomy as the most significant remedy by which the Parliament can assert its independence from the Executive. The evidence given to the Committee was generally consistent with both those reports. Witnesses giving evidence told the Committee that financial independence was essential for Parliament to fulfil its functions and the point was well made by Mr. President in his submission when he said that "around the world it has been recognized that the first and most essential remedy is to ensure that Parliament is substantially in control of its own finances, and action has been taken in numerous Parliaments to ensure that result".
34. The Committee endorses the comments made by witnesses regarding the need for financial independence. It disagrees with the arguments of the Opposition spokesman on Treasury matters, and also notes that the Treasurer and the Minister for Finance did not specifically address the issue. The question of financial independence has also led the Committee to consider the question of who should have priority over the "tax dollar" - the Parliament or the Executive. In this respect, the Committee strongly believes that Parliament must determine the level of services it will provide and ensure that it obtains the financial resources necessary to meet its objectives. Whilst the Committee considers that the Parliament's budget must be determined separately from that of the Government, it is of the view that, in determining its budget, the Parliament must be cognizant of the constraints of the prevailing financial situation. The Treasurer alluded to this point in evidence when he said in

answer to a question as to whether Parliament was a special case, "You could also say that Parliament should be special by setting an example; and when times are very tough there is some obligation on Parliament, in particular, to look carefully at everything it does so that it is not contributing to additional expenditure". The Committee accepts this argument. It believes that a responsible Parliament will always respond to prevailing circumstances in framing its budget.

### **The problems with the 1991-92 budget**

35. The Committee was told in evidence that the need for financial independence had been highlighted by the problems which occurred during the preparation of the 1991-92 budget. The evidence suggested that under the present arrangements, the funding of the Parliament will always reflect the economic circumstances of the Government, and this was especially the case for 1991-92. The preparation of this budget saw a change in approach from that previously referred to in this Report, whereby substantial savings were expected of Parliament, as with the public sector generally. Consequently, the Government sought during the deliberative stages to impose reductions in the budget which the Presiding Officers considered unreasonable. In illustrating this problem, Mr. Speaker told the Committee in his submission that the "forward estimates proposed by government were simply unachievable without compromising the functioning of the institution and therefore placing parliamentary government at risk". As a result, there were protracted negotiations with the Treasurer and the Minister for Finance and their officials on the accuracy of the base, the categorizing of certain figures, the apparent double counting of some items and the ability of the Parliament to absorb reductions of the magnitude sought. The Presiding Officers made a point of advising the House Committee on the progress of negotiations and this Committee was told in evidence that the whole process was generally considered to be time consuming, demanding and exasperating.
36. On the other hand, the Minister for Finance was particularly critical of the Parliament's approach towards achieving his Ministry's budget base for the current financial year. In his evidence, the Minister referred to the inability of the Parliament to recognize the need for productivity savings, the issue of maintaining the Parliamentary dining room and the retention of a contingency

amount in the Budget for Select Committees as being the main sources of the problems as far as he was concerned.

37. The Minister for Finance told the Committee that, although the cutbacks sought by his Ministry were small, the discussions with the Parliament were "in some ways less fruitful than those with agencies that had large problems and set about solving them with a will". The Minister went on to say that he was not happy about the way the Parliament's budget had been resolved. He said that "every other agency had a clear understanding of what had to be achieved and the magnitude of the task before us and of the need not to indulge in special pleading.....there was no sense of that at all in our dealings with Parliament".
38. One of the key issues raised by the Presiding Officers and the Clerks, which they considered was not properly recognised by the Ministry of Finance, was the extent of "non-discretionary" cost areas where the Parliament has no option but to incur the costs involved. There are areas which are governed by the law and policies determined by the Government. This point is alluded to in the House Committee's report which indicates in paragraph 9 that the "Presiding Officers have estimated that under past policies they, the House Committee and Parliament have had an opportunity for discretion with respect to only 14 per cent of the total budget for Parliament".

#### **A SEPARATE PARLIAMENTARY APPROPRIATION BILL**

39. Witnesses before the Committee were asked to comment on the recommendation of the House Committee which called for a separate Parliamentary Appropriation Bill as the most effective method of achieving financial independence. All witnesses, with the exception of the Treasurer and the Minister for Finance who did not address that question in their evidence, were unanimous in agreeing with the House Committee's principal recommendation. Although the Opposition spokesman on Treasury matters did not oppose the idea of a separate Bill, he said he had some reservations about the concept because the Parliament would be seen by the electorate as treating itself differently than how it treats the rest of the community. Witnesses endorsing a separate Bill, however, differed in the process by which a separate Bill can be achieved and those arguments will be discussed later in this report.



40. The evidence presented to the Committee is in favour of the Parliament having its own appropriation. In fact, the Committee was told that such a Bill was envisaged by the Constitution and the House Committee report has already referred to that requirement. Mr. President told the Committee in his evidence that "no commentator, whether a political commentator, an academic or a member of the media or anyone else, has opposed the principle of Parliament preparing its own budget". Further, in advocating such a Bill, Mr. Speaker told the Committee that "the case for separate Bills for the Houses of Parliament for all expenditure required for their own purposes is overwhelming on grounds of principle, precedent established in other jurisdictions having parliamentary governmental systems, and the experience of the Victorian Parliament".
41. On the basis of the evidence and the views advanced in the Strategic Management Review and the House Committee report, the Committee concludes that there is clearly a need for a separate Parliamentary Appropriation Bill. **It therefore recommends the introduction of such a Bill in future and that steps be taken to ensure that the Bill is prepared and presented for 1992-93.**
42. In order to entrench such a requirement and to reinforce Parliament's financial independence, **the Committee further recommends that the *Constitution Act 1975* be amended to ensure that Parliament's appropriation be dealt with by separate Bill introduced by or on behalf of the Speaker. The Committee also recommends that the Act be amended so that the provisions relating to Governor's Messages no longer apply to appropriations for the purposes of Parliament.** The Committee agrees with the comments made by Mr. President in his submission that "to retain that provision [Governor's Messages in respect of financial Bills] with respect to appropriations for the Parliament could well frustrate the sovereignty of Parliament and place the Executive effectively in the same position as it is now in relation to the budget for Parliament".
43. In the following paragraphs of this Report, the Committee will detail both the content and format of a separate Parliamentary Appropriation Bill and the process by which the Parliament's budget should be determined.

## THE CONTENT OF A SEPARATE APPROPRIATION BILL

44. In advocating what they considered to be a suitable format for a Parliamentary Appropriation Bill, several witnesses commended to the Committee the Commonwealth model, the features of which have already been outlined in paragraphs 13 to 16 of this Report . This model was also endorsed in several written submissions.
45. Other witnesses, notably the Presiding Officers, also suggested to the Committee that the special appropriations for Parliamentary expenditure, which are not contained in the existing Appropriation Bill, should be included in the new Bill. In his submission, Mr. Speaker told the Committee that all relevant expenditure should be included in the Bill. Mr. President went further in saying that "the Parliamentary budget should give a full and clear picture of the actual cost of Parliament to the public". He advocated that the Bill should include Members' salaries and committee budgets, together with the costs of any items currently provided for by the Department of the Premier and Cabinet, such as Members' Gold Passes. Similarly, Mr. Speaker referred to the costs of leases for the committees at Nauru House which are presently met by the Ministry of Finance.
46. The Committee accepts and endorses the argument of the Presiding Officers that the total cost of running the Parliament should be shown clearly and concisely in a single document. **It therefore recommends that all relevant items be included in future in the new Parliamentary Appropriation Bill.**

### **Presiding Officers' Advances**

47. Both Presiding Officers were also critical of the lack of any contingency fund to meet unexpected requirements. They both advocated that the Parliament budget should include Presiding Officers' advances to meet unforeseen expenditure. For example, the Parliamentary printing budget is based on current Government Printer costs and an estimate of the number of Bills to be introduced into the Parliament. Price increases, together with a higher number of Bills than anticipated, would result in an increase in Parliamentary printing costs beyond the control of the Parliament. Under this proposal, those costs would be met from the Presiding Officers' advances. The Committee was again referred to the Commonwealth model which contains advances enabling both Presiding Officers to make money available for expenditure if they are satisfied that the

expenditure is urgently required and was unforeseen when the Appropriation Bill was introduced into the House of Representatives, or was erroneously omitted from, or understated in that Bill. The Bill provides for the particulars of such expenditure to be submitted afterwards to the Parliament.

48. The Committee has considered the arguments of the Presiding Officers in relation to making provision for unforeseen expenditure and agrees that there is a need for a more appropriate mechanism. **It therefore recommends that future appropriations for the Parliament contain advances to the Presiding Officers on a similar basis to those provided for in the Commonwealth Bill.**

### **Contingency amounts for Committees**

49. In paragraph 36 of this Report, reference was made to the argument with the Ministry of Finance over the retention of an amount in the Parliament's budget to meet unforeseen expenses of select committees which may be established by the Parliament from time to time. For many years a contingency amount of \$100,000 (\$50,000 for each House) was allocated for this purpose; however, this figure has been halved for the current financial year. The Committee is pleased to note the assurance by the Minister for Finance that increased funds would be provided as of right for these committees as required.

50. The Committee is concerned that unforeseen committee expenditure has become an issue. It strongly considers that the Parliament must have the financial capacity to adequately resource a committee of inquiry if it sees fit to appoint one, without the necessity to seek funds from the Executive. This would be particularly critical in the case of an Upper House without a Government majority which may seek to establish a committee against the Government's will and then find it has to curtail its activities due to lack of funding. The Parliament could not fulfil its function to oversee the Executive if this was the case. **Consequently, the Committee recommends that an appropriate amount for select committee expenses, apart from the budgets for the Joint Investigatory Committees, be included in the new Bill.**

### **Alternative formats**

51. The Committee considered the following alternative formats as being relevant for the new Bill:

(a) one single line item for the Parliament

OR

(b) line items for each of the Parliamentary departments, as is presently the case

OR

(c) individual line items for each of the Parliamentary departments (which can be described as "discretionary items"), individual line items for current special appropriations, and line items for "non discretionary items".

52. The Committee has received no evidence which specifically advocates a single line appropriation. However, it has received a great deal of evidence against such a format. Mr. President told the Committee that a one line budget was neither possible nor desirable. He said that there should be separate appropriations for the two Houses, and that there should be separate appropriations for the remaining three departments. Mr. President added that the appropriations for each department need not necessarily be confined to a single line and that it may well be desirable for particular items to be set out so that the Parliament will, as a matter of policy, know for what purpose it is providing funds. He concluded that the number of lines should be reduced to provide maximum flexibility but that certain basic services and functions should be protected by specific appropriation.
53. Mr. Speaker did not express a specific view on one line appropriations. However, both Clerks and other permanent heads of the Parliamentary departments, in advocating the Commonwealth model, were opposed to the concept.
54. The Committee has given consideration to the evidence against a single line appropriation and agrees with the arguments advanced. **It therefore recommends that the Bill should include individual line items for each department's recurrent expenditure, thereby protecting its finances through the provision of a specific amount in the Bill.** These items would provide for known departmental administrative costs (e.g. staff salaries, general running costs, pay-roll tax, overtime and long service leave payments).
55. In addition to those line items the Committee has already indicated its belief that the Bill should also include "non discretionary" expenditure relating to

Parliament which is currently provided by special appropriation. **It therefore recommends that those items be -**

- (a) Members' salaries**
- (b) Parliamentary committees**
- (c) Parliamentary printing**
- (d) Support services to Members**
  - **Members' travel**
  - **Electorate allowances**
  - **Electorate office expenses**
  - **Support services at Parliament House**
- (e) Building and ground maintenance.**

56. The Committee has already discussed the argument for including Members' salaries and Parliamentary Committee costs in the Bill. In relation to Parliamentary Printing, the estimate for such item currently resides in the Legislative Assembly vote, despite the fact that it provides for printing costs for all departments. The Chief Reporter addressed this issue in his submission when he said that the Hansard vote should include the cost of printing Hansard, rather than the Assembly vote. The Committee agrees with the principle advanced on this point and believes that the Bill should contain a specific appropriation for Parliamentary Printing which could be divided into known and "non discretionary" expenditure".
57. In recommending the inclusion of an item called "Support services to Members" in the Bill, the Committee considers that this represents a convenient grouping of similar items. None of these are presently specifically provided for in the existing Bill, but the Committee considers that they should be treated separately in the new Bill which would be consistent with program budgeting principles and the arguments advanced by Mr. President.
58. Funds for Building and Ground maintenance are currently provided for in the House Committee operating expenses. However, the Committee is cognizant of the arguments advanced by Mr. Speaker in relation to the maintenance of Parliament House. Inclusion of this item in its own right recognizes the significance of the building and the necessity to maintain it in an appropriate

condition, and furthermore, protects funds for these purposes from being transferred to other areas.

## **SPECIAL APPROPRIATIONS FOR THE TWO HOUSES**

59. The *Constitution Act 1975* currently contains specific amounts by way of special appropriation for the expenses of each of the two Houses. Such a provision has existed in respect of the Legislative Council since 1854 and was enacted in respect of the Legislative Assembly in 1975. The current amounts of \$100,000 for the Council and \$275,000 for the Assembly were last fixed in 1969 and 1975, respectively. These amounts now require substantial supplementation in the Parliament's budget each year to enable the departments to operate. However, this was not the case with the Council until 1969 when the present amount was fixed. Both Presiding Officers and the Clerks told the Committee that these amounts were now clearly inadequate, required supplementation each year, and should be reviewed. Mr. Speaker advocated the indexing of such amounts.
60. In relation to the Legislative Council, the Clerk of the Council told the Committee in his submission that "despite the present inadequacy of the appropriation, it is nevertheless important to note the establishment of a clear principle by the Parliament that adequate and separate provision should be made for the Council".
61. Both Clerks told the Committee that they regarded the special appropriations as an important matter of principle and the Clerk of the Legislative Assembly said that the issue should be addressed "so that it can provide the necessary funding for the administrative support during any constitutional crisis which may arise following the failure of the Parliament to pass either the Appropriation Bill or the Supply Bill.
62. Although these special appropriations do not form part of the Parliament's budget in the Appropriation Bill, they do represent an important constitutional principle which the Committee will address in its final report.

## **PROCESS FOR DETERMINING A SEPARATE APPROPRIATION BILL**

63. Having determined that the Parliament's budget should be proposed through a separate Bill, the Committee then gave consideration to the process necessary for its preparation. The Strategic Management Review recommended that this role should be carried out by a Parliamentary Service Committee with a wide range of responsibilities and the House Committee endorsed this principle when it recommended that "An appropriation for the purposes of the Parliament should be prepared by the Parliament, although in consultation with a minister nominated by the Premier".
64. Evidence tendered to the Committee suggested that there were a number of options for the preparation of a separate Bill which should be considered if the Committee was to ensure that the Parliament was to be truly independent. The options put to the Committee were -
- (a) Joint Parliamentary Service Committee;
  - (b) Separate Parliamentary Service Committees for the Legislative Council and the Legislative Assembly; and
  - (c) The Presiding Officers be responsible for the preparation of their respective budgets.

## **ROLE OF A PARLIAMENTARY SERVICE COMMITTEE**

65. Generally, the evidence supported the creation of a joint Parliamentary Service Committee although in relation to budget matters, Mr. Stockdale saw its role as being limited to providing a consultative mechanism rather than for preparing an inviolate budget. Opposition to the proposal came in the form of concern against a "joint" committee. In the view of the Clerk of each House, the two House departments would retain their independence only if each had its own committee. These two committees could meet jointly to consider budgets for the service departments - Parliamentary Library, Parliamentary Debates and the House Committee. It was argued that budgets for each House should be prepared by the Presiding Officers and that if there were to be parliamentary services committees, the budgets of each House should be considered only by Members of that particular House in order to preserve or to achieve real independence.

66. **The Committee has considered the various views put forward and recommends the creation of a joint Parliamentary Service Committee.** In making this recommendation, the Committee is firmly of the opinion that the new Committee should have a role which is quite distinct from the current House Committee.
- 67 The Committee recognises the argument put forward in support of separate Parliamentary Service Committees - one for each House. It rejects the inference, however, that a joint Parliamentary Service Committee would be unable to serve the needs of the Parliament, and at the same time, ensure that each House's independence can be maintained.

### **Preparation of the Budget for Parliament**

68. **The Committee recommends that the new Parliamentary Service Committee should have a supervisory or "overview" role of the budget preparation.**
69. It is proposed that the budget would be prepared in very much the same way as at present with the detailed work on the estimates being performed by each department and then being submitted to each Presiding Officer. The Presiding Officers would then forward the budget estimates to the joint Parliamentary Service Committee for consideration and approval instead of, as at present, to the Treasury for its consideration and determination. That Committee would also determine the services and the level of resources that Parliament required. Based upon these determinations, the budget estimates would be prepared.
70. It should be pointed out that the Parliamentary budget is prepared very much on known running costs based on the previous year's sitting pattern and level of services. Executive decisions concerning sitting patterns of the Parliament or increasing the level of service or resources provided to Members does seriously affect the Parliament's budget but the Parliament does not have the independent flexibility to fund such changes without recourse to the Executive.

### **Consultative process**

71. The Committee believes that it is fundamental to the independence of Parliament that the budget be determined by Parliament and not by the



Executive. However, it accepts that the budget for the Parliament must be prepared in the context of the overall State budget. **It therefore recommends that the Treasurer or his ministerial nominee be a member of the Parliamentary Service Committee with a view to ensuring that consensus is achieved.**

#### MEMBERSHIP OF A PARLIAMENTARY SERVICE COMMITTEE

72. **The Committee recommends that membership of the Parliamentary Service Committee should consist of equal numbers of representatives of both Houses and of Government and Opposition. In addition, the Presiding Officers should jointly chair the Committee, without voting rights.**

#### DETERMINATION OF BUDGET BASE

73. The Committee recommends that the new arrangements should be given effect in the preparation of the 1992-93 budget and welcomes the offer by the Minister for Finance to provide immediate assistance in a zero-based analysis of the budget allocation for the Parliament.

#### SUMMARY OF RECOMMENDATIONS

74. The Committee recommends that —

- (a) there be a separate Parliamentary Appropriation Bill and that the Bill be prepared and presented for 1992-93 (paragraph 41);
- (b) the *Constitution Act 1975* be amended to ensure that Parliament's appropriation be dealt with by separate Bill introduced by or on behalf of the Speaker (paragraph 42);
- (c) the *Constitution Act 1975* be amended so that the provisions relating to Governor's Messages no longer apply to appropriations for the purposes of Parliament (paragraph 42);
- (d) the Parliamentary Appropriation Bill include all items relevant to the running of the Parliament (paragraph 46);
- (e) future appropriations for the Parliament contain advances to the Presiding Officers to meet unforeseen expenditure (paragraph 48);

- (f) an appropriate amount for select committee expenses be included in the Parliamentary Appropriation Bill (paragraph 50);
- (g) the Parliamentary Appropriation Bill include line items for each Parliamentary department's recurrent expenditure (paragraph 54);
- (h) the Bill also include estimates for Members' salaries, Parliamentary committees, Parliamentary printing, Support services to Members and Building and ground maintenance (paragraph 55);
- (i) a joint Parliamentary Service Committee be created (paragraph 66);
- (j) the Parliamentary Service Committee perform a supervisory or overview role of the budget preparation (paragraph 68);
- (k) the Treasurer or his ministerial nominee be a member of the Committee (paragraph 71); and
- (l) membership of the Committee should consist of equal numbers of representatives of both Houses and of Government and Opposition - the Presiding Officers should jointly chair the Committee, without voting rights (paragraph 72).

## **FUTURE REPORTS**

75. It is the Committee's intention to now proceed with a consideration of the remaining matters to be dealt with in this inquiry and, on the basis as outlined in the Strategic Management Review, the Committee envisages presenting further progress reports during 1992 on the following broad issues:

- (a) Strategy and structure.
- (b) Personnel Management.
- (c) Information Management.
- (d) Public Relations and Public Education.
- (e) Accommodation.

**Committee Room**  
**22 November 1991**