
SENATE ESTIMATES COMMITTEES

Senator John Hogg
Labor Senator for Queensland

I had a difficult week politically last week and I wondered how things would work out for this paper. When I awoke today and read the *Courier-Mail*, I thought “there is a God” - it’s not too often that you would say that after reading the *Courier-Mail*. But there, at page 33, was a “kind” article about the often much maligned, misunderstood upper house of the Australian Parliament, the Senate.

The article by Michael Duffy headed “Exposed: thanks to the Senate” said, and I quote

It’s only thanks to a little-known feature of our parliamentary system, the Senate’s estimates committees, that this knowledge was extracted and publicised.

For those who taunt the Senators as being the “second eleven”, the “unrepresentative swill”, their callousness and derision was shown to hold no substance, no truth. Quite the contrary to some erroneous popular beliefs, the Senate does play an important role in our parliamentary system. For, in keeping with the theme of this conference - “Parliament 2000 - Towards a Modern Committee System”, the appearance of the article was most appropriate indeed.

When I first looked at the article I thought, that’s blown my speech to the conference today. But, then I realised that no one would have read the article, so I could proceed anyway.

By way of background, I was elected to Parliament from 1 July 1996. In my relatively short time in the Parliament, I have served on the following committees:

- Foreign Affairs Defence and Trade Legislation Committee (Deputy Chair)
- Estimates Committee
- Foreign Affairs Defence and Trade References Committee (Chair)

- Joint Committee of Public Accounts and Audit
- Senate Select Committee on Superannuation and Financial Services.

I thought it appropriate in addressing the theme of this conference which is taking place in the Legislative Council Chamber of the Queensland Parliament, to open my contribution to the proceedings by referring to the Electoral and Administrative Review Commission's *Report on Review of Parliamentary Committees*, Volume One, October 1992.

The report gives an outline of the history under the Westminster system from the 1600s of Parliament gaining control of the right to taxation and its expenditure.

The report went on to say, and I quote from paragraph 6.10 on page 221 as follows:

As Parliament gained control over the raising of taxes and the authorisation of expenditure, it established procedures to ensure that moneys granted to the Crown (the Executive) were expended for the stated purposes and with proper financial management. The first parliamentary commission of public accounts was created in 1667 to ensure that taxation is spent for the purposes for which it had been voted (Pollard and Hughes 1990, p. 10).

333 years ago accountability was important. It is as equally important today as it was then. Nothing has changed. *Public* funds are being spent for *public* purposes by Governments and bureaucrats today. It is not the private purse of the Government nor the bureaucrats to do what they like with. These are public funds for public purposes and should stand the test of public scrutiny by the Parliament.

Currently, there is a degree of cynicism out there in voter-land concerning politics, politicians and political parties. There is a degree of contempt out there in voter-land for the system that seems remote and indifferent towards the average person's needs. There is a resentment at those who seem to run the system. There is a widely held perception of politicians and bureaucrats as being lazy, wasteful and fat-cats - not a view that I subscribe to, but nonetheless a fairly prevalent view. There is a general disenchantment with main stream politics - independents are finding more favour than ever before.

This all happens because of the way people see themselves being treated by the Governments/bureaucrats. Thus, there is a call, a demand by those "disenchanted", for the Government to be held responsible for its policies and the Government/bureaucrats to be held responsible for the expenditure of public money - taxes. One way this is achieved is through the Estimates process.

Today, I want briefly to relate some of my practical experiences with Senate Estimates to highlight why I believe, even 333 years on, the accountability and transparency of Government remain paramount in maintaining faith in the form of democracy that has evolved over that time.

For, if "disenchantment" takes over completely, then the basis of democracy is severely challenged, if not overturned. To hold a Government/bureaucracy

accountable at the Estimates or Additional Estimates, a number of ingredients are necessary as follows:

- Portfolio Budget Statements (PBS) or Portfolio Additional Estimates Statement (PAES)
- Audit General's Reports
- Annual Reports
- Leaks

Nothing better than a good “leak” to keep a Government or its bureaucracy honest.

I will confine my comments to the Defence portfolio, but they could apply anywhere. My experience has found that achieving ready accountability has been difficult because the base document from which I have to work, in particular, the PBS and PAES is:

- highly jargonised
- not easily read or readable
- difficult to follow from one year's print to the next because of changed formatting.

At an Estimate's hearing, it is not unusual for me to call for the “English translation” of the documentation to be provided or for the “Guide to the Galaxy” to be made available to assist as this document could not have been put together by someone on this planet.

The PBS has changed as follows:

1996-97	8 programs
1997-98	14 programs
1998-99	14 programs
1999-00	22 outputs (change to accrual accounting)
2000-01	5 outputs

This has made following the paper trail from one year to the next difficult as the format has changed in all but one year.

Whilst the change to accrual accounting was welcomed in one sense, in another it made things equally as difficult as the outputs are based on “The Chief of the Defence Force's Preparedness Directives” which are secret anyway. So how does one realistically test the output when what you need is secret. There must be a paper trail and it must be easy to follow. Not to do so, will do nothing else but to breed suspicion and contempt for the process.

But it doesn't stop there. Then there are the “diversions” that have crept in to “muddy the waters”. These can take many and varied forms.

Diversions such as the DER/DRP. Yes, the Defence Efficiency Review (I referred to review reports as the “little thin purple book” and the “big thick purple book” which became the Defence Reform Program. This consumed my time in conjunction with the budget papers over some time.

What of the other diversions - outsourcing, commercial-in-confidence and market testing, but to name a few? These all act in some way, some more significantly than others, to hide the accountability and transparency of Government and its bureaucracy to the Parliament. Then we have the bureaucrats who appear at Estimates. On many occasions, they can be overly sensitive in protecting their own “cabbage patch”. They have come along with rehearsed answers that they have tried to perfect back deep in the bunkers of Russell (Defence headquarters).

My only real concern about this part of the process is which unfortunate soul has to play the role of Hogg for the rehearsal. If they rehearsed the answers well, and it led to a more open accountable and transparent process, then it may have some justification. But, it doesn't. Then one gets limited answers, obtuse answers, and technical answers - none of which assist the process.

Answers to questions can be very evasive by placing the slightest variation on the meaning and interpretation of whole or parts of the question asked so as to render the question useless. Refuge can be sought in the smallest of technicalities.

Next, is the attitude to the process. It can be summarised as follows:

- ‘Why should we tell you?’
- ‘What right do you have to know?’
- ‘We know better than you’.
- ‘Who do you think you are?’
- ‘Don't you worry about that!’

We've had enough in Queensland along those lines for too long and it led to EARC.

The simple fact remains that, as the Members of Parliament elected by the voters of Australia, we have, as their representatives, every right to know how *public* money is being spent and the justification by the Government of their policies which led to the expenditure of that money. Surprise! Surprise!

On 9 February this year, there was Additional Estimates. Officers from the Defence Department fronted up and gave no hint, not even an inkling, of what would unfold in their Secretary's, Dr Allan Hawke's, “Due Diligence” statement on the 17 February.

The Secretary referred to the parlous state of Defence's finances. Eight days earlier, this was not even on the lips of the officials from the department. This was not even half-smart on their part. The events are best summed up in the words of Geoffrey Barker of the *Financial Review* May 2000 when reporting on the exchange that took

place between myself and Defence officials on 3 May at the Supplementary Additional Estimate's hearing as follows:

Hogg's persistent question on budget and finance issues, and his tight focus on accountability, frequently draw sighs and muttered imprecations from the army of Defence officials at the hearings.

Heroically tolerant of the limited answers often given to him, it takes a lot to provoke Hogg to the anger he displayed last week. Yet there was powerful justification for his indignant complaint last Wednesday that important information had been concealed from the committee.

The next practical example comes from the Government's decision to slash \$780m from the capital expenditure budget (the big toys like ships, planes etc.) in the 1999-2000 financial year and transfer it to recurrent expenditure.

The explanation of the change from the description in the PBS to the description in the PAES was amateurish to say the least and woeful at worst.

For such substantial cuts to the "top" 20 capital budget expenditure, the accompanying explanation in the PAES did not make it clear what changes to individual items were made nor the effect of such changes to the individual project.

It just made a mockery of accountability and transparency.

It is when these sorts of events happen that people become more cynical and mistrusting of the politics, politicians and the political process.

It is undoubtedly because of the Estimates process that, whilst it exposes these problems, it certainly serves to reassure the "average voter" that the Government and the bureaucracy are being held to be accountable.

For, if accountability and transparency should fail, then the very confidence that is necessary to sustain a democracy will be shattered and one cringes to think what the alternative system would look like.

As I said, when I woke up this morning, I realised there really was a God - the Senate does have a real part and role to play.

Unless we have the scrutiny of the policies and expenditure of Government by the likes of Estimates committee and their equivalent, then there is likely to be little faith or trust in the political system.

There will be nothing but contempt.

